

2023

Combined Annual and
Sustainability Report



Dear Readers,

I became the Chairman of the Board of Management of the Audi Group and its four brands Audi, Bentley, Lamborghini and Ducati in September 2023. In the months since then, we the Board of Management team have set a number of major priorities and initiated the Audi Agenda, a leading program that clearly defines the areas that we as a company concentrate on. Our focus is on the four fields of “product,” “technology,” “brand” and “regions.”

With an operating profit of EUR 6.3 billion and an operating return on sales of 9.0 percent, we posted robust figures for the Audi Group in 2023 and have a solid financial foundation. At the same time, it's clear that the next few years will challenge the entire automotive industry. Tough global economic conditions, the technological transformation of the automotive industry and highly intensive competition will place great demands on us.

We will apply a clear strategy for each of our brands to ensure that we remain successful in this environment. We made landmark decisions for the Audi brand in 2023 and addressed important fields of action as part of the new Audi Agenda. As evidenced by our many new e-models, such as the Audi Q6 e-tron model line followed by the Audi A6 e-tron family,¹ as well as an entirely new generation of combustion models and plug-in hybrids, Audi is well-positioned for the future on its way to an all-electric product portfolio. As we move forward, the focus will be on premium quality and our customers.

We will also concentrate on strengthening the Audi brand in our three core regions – Europe, China and North America – and further balancing our global positioning.

In particular, we want to seize new opportunities in the USA. In China, production of fully electric Audi models will also commence this year at our new joint venture with FAW in Changchun.

We will also work with our partner SAIC in the future to develop new electric models locally in order to strengthen our position in the Chinese e-car market.

Our aim here is to improve our profitability and secure investments in the future. Our ambition: we want to achieve a long-term return of 14 percent for Audi in its alliance with Bentley, Lamborghini and Ducati – this will mean a return of 13 percent for the Audi brand. We will strive to generate sustainable growth and focus on improving our ESG performance in such areas as the decarbonization of the value chain, the circular economy and vehicle safety. To us, sustainability is the foundation of a future-proof business model.

I am absolutely convinced that, with the help of our clear agenda, Audi will pick up speed in an uncertain environment in order to act quickly. Working closely with the Volkswagen Group and its brands, we will continue to accelerate the transformation and safeguard our competitiveness.

Sincerely,
Gernot Döllner

GRI 2-2, 2-3

Reporting period: January 1 to December 31, 2023

Editorial deadline: February 22, 2024

Publication date: March 19, 2024

Publication date of last report: March 16, 2023

Report cycle: annual

The information in the report refers to the Audi Group. If the report refers to individual companies, sites or brands only, this is noted accordingly. Unless indicated otherwise, key figures for employees are as of the end of the respective year. All EUR figures are rounded off, which may lead to minor deviations when added up.

¹ These models are not yet available for purchase.

Content

Audi Report 2023
Combined Annual and Sustainability Report



Audi A3 allstreet: fuel consumption (combined) in l/100 km: 5.8–5.0; CO₂ emissions (combined): in g/km: 141–123 g/km; CO₂ class: E–D.

Strategy & Company

05 Brief portrait

Plants, production figures and models 2023: key facts about the Brand Group Progressive

09 The new Audi Agenda

The Four Rings are stepping up the pace with an activation and implementation program. The focus is on the topics product, technology, brand and the regions of China and North America. The Audi Q6 e-tron is set to become a trailblazer – the model highlights

27 Brand Group Progressive

Strategies, new products and successes: the highlights of the Bentley, Lamborghini and Ducati brands from 2023

Finance

33 Financial highlights

Revenue, ROS and cash flow: financial highlights in 2023 and forecast for the Brand Group Progressive for 2024

35 Financial situation

Despite challenging economic conditions and supply shortages, the Audi Group increased its deliveries in 2023: a performance analysis

49 EU taxonomy

Audi publishes a voluntary report according to the classification system for ecologically sustainable economic activities. The most important results and activities

ESG

63 Materiality analysis

16 topics show what is important to Audi and its stakeholders and what impact the company has on the environment and society

65 Environmental

More about the key environmental topics: from alternative drive technologies and circular economy to reducing emissions

94 Social

How does Audi meet its responsibility in the supply chain, what defines its corporate culture and what priority does vehicle safety have? Insights into all social topics

121 Governance

How Audi is pushing ahead with digitalization, ensuring compliance and integrity and working on other important governance issues

Appendix

134 UN Global Compact and the UN Sustainable Development Goals (SDGs)

135 Consumption and emission figures

137 Auditor's report

139 GRI content index

154 Publication details

Top 3 online



Four steps to reducing CO₂ in production: a visit to environmental experts at the Ingolstadt plant: [audi.com](https://www.audi.com)



New vehicle safety center: how Audi tests vehicles in sophisticated crash tests: [audi.com](https://www.audi.com)



Effective engagement: how Audi lives its social responsibility – worldwide: [audi.com](https://www.audi.com)



Strategy & Company

Page 05

Brief portrait

Page 09

The new Audi Agenda

Page 23

Audi Q6 e-tron - highlights

Page 27

Brand Group Progressive

Overview of sites for 2023

Brief portrait

The Audi Group worldwide: active in more than 100 markets







The Brand Group Progressive¹ with the Audi, Bentley, Lamborghini and Ducati brands stands for outstanding performance, pioneering technologies, fascinating design and powerful emotions. With vehicles from the premium, luxury and super sports segments, the Audi Group has been making individual mobility a unique experience for decades. Always with the focus on customer satisfaction, premium quality as well as ecological, social and economic sustainability.

The Audi Group’s business model covers the development, production and selling of vehicles and the associated services. The Brand Group Progressive¹ is managed by AUDI AG.

As of December 31, 2023, 87,736 (87,996)² employees were working for the Audi Group all over the world, 53,919 (55,311) of them in Germany. The head office of the Audi Group is located in Ingolstadt.

With its sales partners, the Brand Group Progressive¹ is present in more than 100 markets around the world and operated at 22 (22) sites⁴ in 13 (13) countries in 2023 with its production partners.

Overview of deliveries to customers 2023³

			
1,895,240 (1,614,231)	13,560 (15,174)	10,112 (9,233)	58,224 (61,562)

GRI 2-1, GRI 2-6

¹ The Brand Group Progressive describes the Audi Group with the brands Audi, Bentley, Lamborghini and Ducati. The terms “Audi Group” and “Brand Group Progressive” are used synonymously below. Material consolidated companies can be found in the [Audi Fact Pack](#).

² The figures in brackets represent the respective prior-year figures.

³ The figures for fuel/electric power consumption and CO₂ emissions: see pages 135–136. The allroad, PHEV and CNG (g-tron) models are not declared specifically.

⁴ Sites as of December 31, 2023. The production site in Córdoba (VW Argentina S.A.) is a new addition in the reporting period. The production site in Kaluga is no longer included.

Europe

Cars produced:

1,107,364

Motorcycles produced:

45,621

Key

Vehicles produced in 2023

- — 150,001 to 480,000
- — 50,001 to 150,000
- — 10,001 to 50,000
- — 0 to 10,000

A ●●●○○

13,241

Crewe, United Kingdom
Bentley Motors Ltd.

Bentayga
Continental GT, Continental GTC
Flying Spur

B ●●●●○

53,555

Brussels, Belgium
AUDI BRUSSELS S.A./N.V.

e-tron, e-tron S
e-tron Sportback, e-tron S Sportback
Q4 e-tron
Q8 e-tron, SQ8 e-tron
Q8 Sportback e-tron,
SQ8 Sportback e-tron

C ●●●●●

162,734

Neckarsulm, Germany
AUDI AG, Audi Sport GmbH

A4 Sedan
A5 Cabriolet, S5 Cabriolet
A6 allroad quattro
A6 Avant, S6 Avant, RS 6 Avant
A6 Sedan, S6 Sedan
A7 Sportback, S7 Sportback,
RS 7 Sportback
A8, S8, A8 L
e-tron GT quattro, RS e-tron GT
R8 Coupé
R8 Spyder

D ●●●●○

101,145

Zwickau, Germany
Volkswagen AG

Q4 e-tron
Q4 Sportback e-tron

E ●●●●●

403,874

Ingolstadt, Germany AUDI AG

A3 Sedan, S3 Sedan,
RS 3 Sedan
A3 Sportback, S3 Sportback,
RS 3 Sportback
A4 allroad quattro
A4 Avant, S4 Avant, RS 4 Avant
A4 Sedan, S4 Sedan
A5 Coupé, S5 Coupé, RS 5 Coupé
A5 Sportback, S5 Sportback,
RS 5 Sportback
Q2, SQ2
Q6 e-tron, SQ6 e-tron

F ●●●●○

121,418

Bratislava, Slovakia
VOLKSWAGEN SLOVAKIA, a.s.

Q7, SQ7
Q8, SQ8, RS Q8

G ●●●●●

176,493

Győr, Hungary, Audi Hungaria Zrt.
Q3, RS Q3

Q3 Sportback, RS Q3 Sportback
TT Coupé, TTS Coupé, TT RS Coupé
TT Roadster, TTS Roadster,
TT RS Roadster

H ●●●○○

10,014

Sant'Agata Bolognese, Italy
Automobili Lamborghini S.p.A.

Aventador Coupé, Aventador Roadster
Huracán Coupé, Huracán Spyder
Reuelto Coupé
Urus

I ●●●○○

45,621

Bologna, Italy
Ducati Motor Holding S.p.A.

DesertX, Diavel, Hypermotard, Monster,
Multistrada, Panigale (Superbike),
Scrambler, Streetfighter,
SuperSport

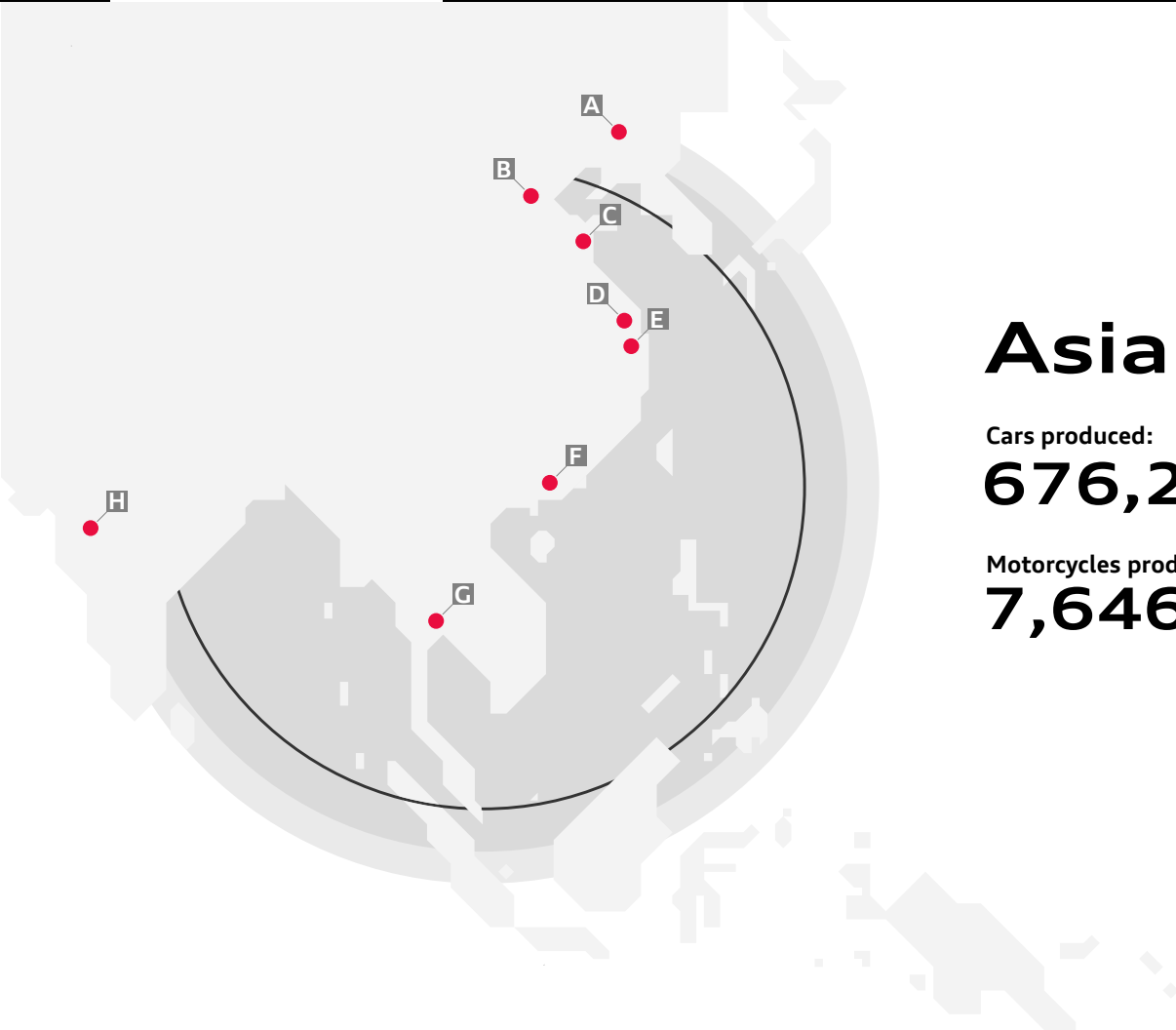
J ●●●●○

64,890

Martorell, Spain, SEAT, S.A.

A1 allstreet
A1 Sportback
RS 3 Sedan





Asia

Cars produced:

676,243

Motorcycles produced:

7,646

A ●●●●●

471,705

Changchun, China
FAW-Volkswagen
Automotive Co., Ltd.
A4 L Sedan
A6 L Sedan
e-tron
Q5 L
Q5 L Sportback

B ●●●●○

63,713

Tianjin, China
FAW-Volkswagen
Automotive Co., Ltd.
Q3
Q3 Sportback

C ●●●●○

63,915

Qingdao, China
FAW-Volkswagen
Automotive Co., Ltd.
A3 L Sedan
A3 Sportback

D ●●●○○

24,788

Anting, China
SAIC Volkswagen
Automotive Co., Ltd.
A7 L Sedan
Q5 Roadjet e-tron

E ●○○○○

5,151

Ningbo, China
SAIC Volkswagen
Automotive Co., Ltd.
Q6 Roadjet

F ●●●○○

40,630

Foshan, China
FAW-Volkswagen
Automotive Co., Ltd.
Q2 L
Q2 e-tron L
Q4 e-tron

G ●○○○○

7,646

Amphur Pluakdaeng, Thailand
Ducati Motor (Thailand) Co., Ltd.
DesertX, Diavel, Hypermotard,
Monster, Multistrada,
Panigale (Superbike), Scrambler,
Streetfighter, SuperSport

H ●○○○○

6,341

Aurangabad, India
ŠKODA AUTO Volkswagen
India Private Limited
A4 Sedan
A6 Sedan
Q3
Q3 Sportback
Q5
Q7

Key

Vehicles produced in 2023

- — 150,001 to 480,000
- — 50,001 to 150,000
- — 10,001 to 50,000
- — 0 to 10,000

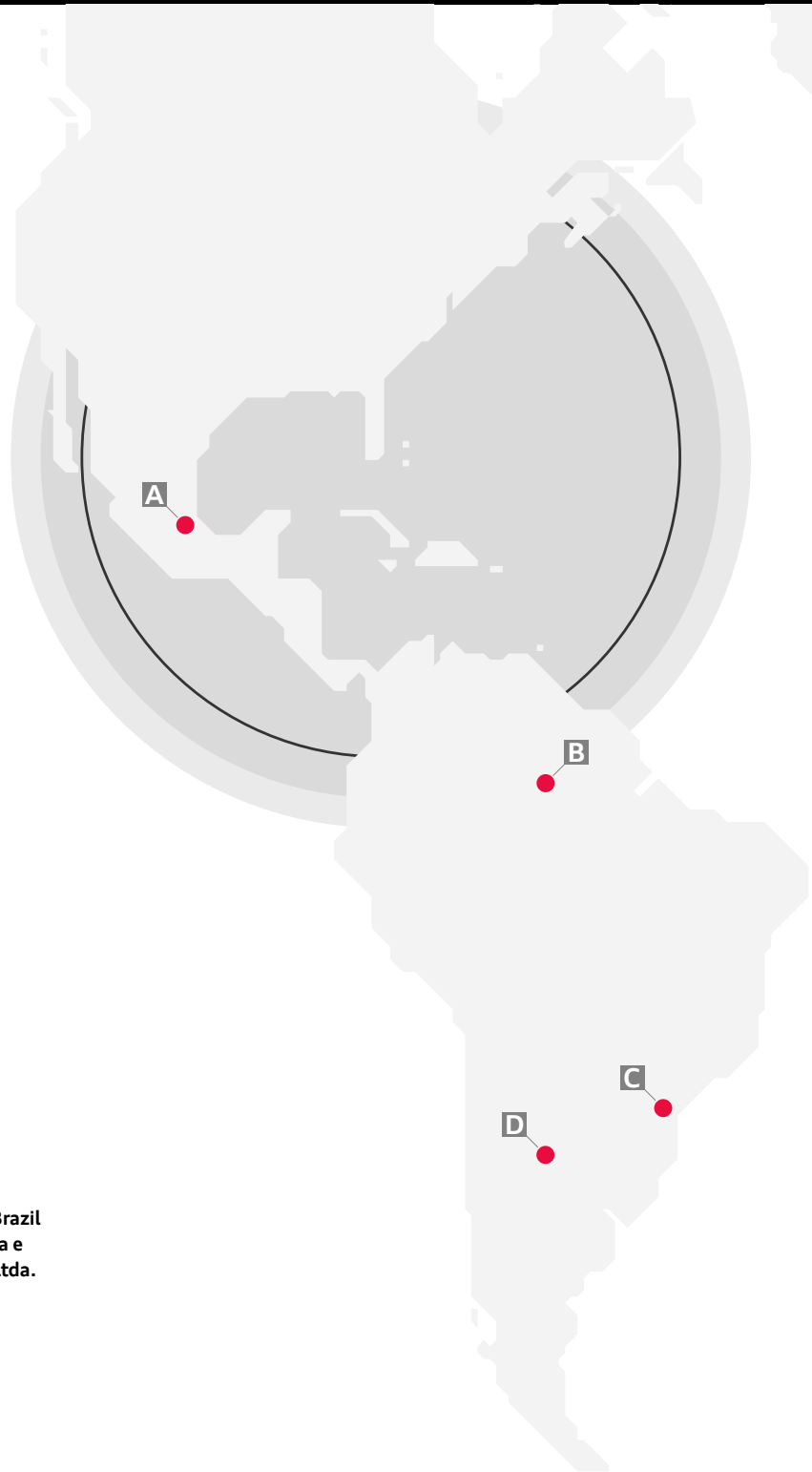
North and South America

Cars produced:

176,990

Motorcycles produced:

1,959



A ●●●●●

175,626

San José Chiapa, Mexico
Audi México S.A. de C.V.
Q5, SQ5
Q5 Sportback, SQ5 Sportback

B ●●●●○

1,337

Manaus, Brazil
DUCATI DAFRA da Amazônia
Indústria e Comércio de
Motocicletas Ltda.
DesertX, Diavel, Monster,
Multistrada, Panigale (Superbike),
Scrambler, Streetfighter

C ●●●●○

1,364⁵

São José dos Pinhais, Brazil
Audi do Brasil Indústria e
Comércio de Veículos Ltda.
Q3
Q3 Sportback

D ●●●●○

622⁶

Córdoba, Argentina
Volkswagen Argentina S.A.
Multistrada
Scrambler

Key

Vehicles produced in 2023

- — 150,001 to 480,000
- — 50,001 to 150,000
- — 10,001 to 50,000
- — 0 to 10,000

⁵ Production of semi-knocked-down (SKD) vehicles. With this procedure, the cars are completely assembled to start with. Then they are partially dismantled and transported as kits to São José dos Pinhais. Assembly is carried out in accordance with the technical and quality specifications of AUDI AG.

⁶ Production of completely knocked-down (CKD) vehicles. In this process, the motorcycles are disassembled into parts kits in their country of origin, Italy, and then assembled in Córdoba after being transported to Argentina.



Audi ups the pace

A new activation and implementation program is allowing Audi to tackle important issues in order to achieve long-term success. The Audi Agenda centers on products, technologies, the brand and the regions of China and North America. The clear goal of the Four Rings is to breathe new life into “Vorsprung durch Technik,” bring the company closer to its customers and strengthen quality. This applies to all products and is also a mindset for the entire company.



Historic: Carlos Sainz (right) and Lucas Cruz from Spain celebrate the first Dakar Rally victory for Audi at the finish. After 12 stages stretching over towering dunes, sharp rubble and dirt roads, they came top of the overall standings with the Audi RS Q e-tron.¹

¹ Audi RS Q e-tron: This vehicle is the Dakar Rally race car; it is not available for purchase. Closed track, professional driver. Do not imitate.



Gernot Döllner
Chairman of the Board of Management of AUDI AG

Exhausted but happy, Carlos Sainz and his co-driver Lucas Cruz sit on the roof of the Audi RS Q e-tron.¹ Slowly, they coast through the cheering crowd at the finish of the legendary Dakar Rally. When they get off the car, they fall into the team’s arms. After many months of working, fighting and hoping for this moment, it is finally here: Audi has won its first Dakar Rally – after 12 stages and 4,600 kilometers racing over sand, rocks and gravel.

It is a historic success: Audi is the first manufacturer ever to win the world’s toughest rally with an electric drive system. “With this victory, Audi has laid yet another milestone in the world of motorsport,” says Gernot Döllner, Chairman of the Board of Management of AUDI AG, as he congratulates the team. Much more importantly for him: “We set ourselves a realistic target in the run-up to this rally, then did everything we could as a team to achieve that target and proved that with ‘Vorsprung durch Technik’ and our commitment to quality, we can take a vehicle all the way to the top >



Jürgen Rittersberger

Member of the Board of Management of AUDI AG, Finance, Legal Affairs and IT

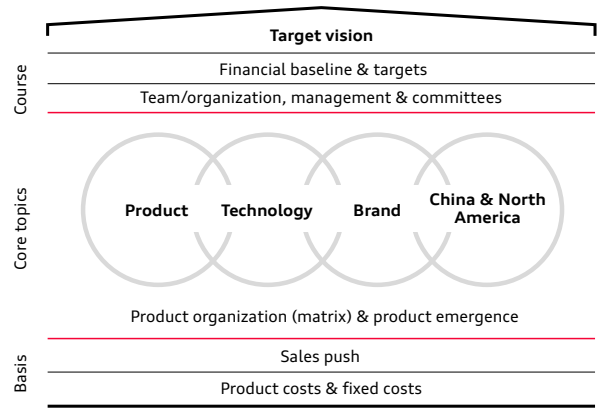
Becoming leaner and more efficient in the right places

With the Audi Agenda, we have defined a clear plan and are setting about the right tasks. We are transforming our company to embrace electric mobility and digitalization and are consistently developing our business model. By placing “Vorsprung durch Technik” back at the heart of the brand, we want to lead the way in quality and design.

All of this requires considerable financial resources, making it all the more important to deliver a robust economic performance. In the long term, we are aiming to achieve an operating return on sales of 13 percent with the Audi brand. For the Audi Group – that is, together with the Bentley, Lamborghini and Ducati brands – we are targeting an operating return on sales of 14 percent.

The measures necessary to achieve this are bundled in our Performance Program 14, the financial foundation of the Audi Agenda. We are looking at where we can become leaner and more efficient, where we can eliminate unnecessary processes and reduce complexity. As far as costs are concerned, we are focusing especially on variable costs. One important point here is that we are not cutting back on quality or on product features that are relevant to customers. On the revenue side, we will benefit from the many new models that we will be launching on markets from 2024. All of this will strengthen our price positioning.

I am aware that these are extremely challenging tasks, especially in light of the current geopolitical and economic crises. But we have a great team and strong brands in our brand group. And if we all pull together and tackle this with the right mindset, then we will be able to achieve even the most ambitious goals.



› even under the toughest conditions. This spirit and mindset are crucial for Audi – both in motorsport and within the company as a whole. They’re the basis for successfully mastering all of the upcoming challenges and changes in the automotive industry.”

Audi Agenda: “We have ambitious plans.”

While the daily challenges of the Dakar Rally come to an end after a good two weeks, many other challenges outside the world of motorsport will keep Gernot Döllner and his team busy for much longer. Not only is the global economic and geopolitical environment becoming increasingly difficult; there is also tougher competition, driven by technological change. And the transformation of the automaker’s own company is in full swing: for an established car manufacturer like Audi, switching to electric mobility means having to develop combustion engine models, hybrid models and electric models in parallel. In addition, more and more development effort is going into software and hardware components – for a comprehensive, updatable, digital overall experience in the vehicle that ties customers even more closely to the brand. All of this offers opportunities, but it also requires substantial investment and faster development cycles.

This means that it is a time of change for Audi, and Döllner and his team are aware of that. In recent months, they have been working intensively on a program – the Audi Agenda – which reflects these challenges, outlines a concrete course of action and involves the Audi team in its implementation.

“We have ambitious plans,” says the CEO by way of analysis. “Audi has developed a lot of strengths over the decades. We are building on these and

“ Audi has a lot of strengths. We are building on these and breathing new life into ‘Vorsprung durch Technik.’ ”

Gernot Döllner Chairman of the Board of Management of AUDI AG



Next e-generation: the Audi Q6 e-tron is the first electric vehicle from the Four Rings on the new Premium Platform Electric (PPE).

› breathing new life into ‘Vorsprung durch Technik’: with iconic models, competition-beating efficiency, inspiring design as well as an intuitive and high-quality user experience.”

In the spotlight: product, technology, brand and the China and North America regions

“The Audi Agenda is our roadmap for tackling the right topics and getting Audi models on the road now,” explains Gernot Döllner. At its core, the Audi Agenda focuses on what is important to customers: the product, technology and the brand. While that applies worldwide, the priorities for Europe, China and North America differ. Specific work packages and responsibilities have been defined for each of these fields of action.

In the product area, the primary focus in recent months has been on making final adjustments to the Audi Q6 e-tron to satisfy customer requirements. Production started at the end of 2023. Preparations are now underway for the market launch. The next step is to finalize other important new products for 2024: especially the Audi A6 e-tron,² Audi A5² and Audi Q5.² In addition, Audi is continually developing technologies, particularly in the field of electric mobility, so as to act as a pioneer and set the standard when it

comes to innovation in electric cars. “We’re building on established Audi strengths, such as design, chassis construction and our quattro all-wheel drive system. But we want to give ‘Vorsprung durch Technik’ a broader perspective,” says Döllner. “We’re aiming for a holistic customer experience, from driving dynamics to the digital ecosystem and automated driving. And we want to lead the way in terms of drive efficiency.” To this end, Audi is undergoing a paradigm shift in the development of new models toward “software first” and will in the future offer vehicles that are developed around the software – these are referred to as software-defined vehicles (SDVs).

As part of the Audi Agenda, the company is also strengthening the brand. The aim is to make the brand more tangible, approachable and personal for customers. In this way, Audi wants to further strengthen and expand its position in the global markets – although the emphasis differs from region to region: the company’s aim for Europe is to consolidate its excellent performance over the past years. In China, where Audi has a long history of success, the company also wants to pick up speed in the electric age together with its joint venture partners. And the plan for North America is to exploit new market opportunities and sell significantly more vehicles in the future.

² The models in this generation are not yet available for purchase.



Xavier Ros

Member of the Board of Management of AUDI AG, Human Resources

Audi spirit ensures unity

For me, Audi stands for a strong brand, strong products and a strong team. The Audi team is the basis for everything in my opinion. It is the people who really drive the success of a company – especially at Audi. Because the way our employees identify with the Audi brand is something that makes our company very strong. It creates a special team spirit – the Audi spirit – that has seen us through many challenging times, most recently the coronavirus pandemic.

This special Audi spirit must be nurtured, because there is no doubt that we will face many changes and new challenges in the coming years. It is our responsibility to keep Team Audi together. I think it is very important that we regularly meet in person, both in production and in the office. We also promote personal interaction through special event formats, such as the family festivals organized in 2023, the Audi Social Day, the social Christmas market organized by the Works Council on the Audi Piazza and many other employee events. By working together as the Audi team and keeping our spirit, we will develop our full potential and master the tasks ahead.



Together into the future: to strengthen business in China, Audi is repositioning itself. The joint ventures FAW-Volkswagen and SAIC Volkswagen are playing a key role in this process. Audi has been producing vehicles locally with both partners for years – like the Audi Q5 Roadjet e-tron.³

› Strong team, stable processes and economic performance

“In summary, we want to bring the Audi brand closer to our customers around the world and combine ‘Vorsprung durch Technik’ with an unmistakable design in our cars. And we’re placing the spotlight on quality – not only in our models, but as a mindset for the entire company,” Döllner points out.

As part of the new mindset at Audi, Döllner expects entrepreneurial pragmatism and clearer responsibilities from his managers: “We’ve achieved a lot in recent months, but our core processes need to become more stable.” The organizational structure and the Product Emergence Process (PEP for short) are his main areas of focus. To put it simply, getting new models on the road quickly requires that a very large organization with a very clear division of labor cooperates smoothly across three levels: the Board of Management as the body with overall responsibility, the product line organization responsible for the models and the technical experts responsible for individual systems. “When conflicts arise, the secret lies in finding solutions and making decisions quickly and in the company’s best interest at all three levels. ›

³ Vehicle is manufactured locally by associated companies and available and sold exclusively in China.

Since the start of 2024, the Audi Q7 has had a fresher look. The facelift is available with gasoline or diesel engine as well as in a sport version – the SQ7.⁴

² The models in this generation are not yet available for purchase.

⁴ Audi SQ7: fuel consumption (combined) in l/100 km: 12.7–12.0; CO₂ emissions (combined) in g/km: 290–272; CO₂ class: G.

⁵ Audi Q8 e-tron: electric power consumption (combined) in kWh/100 km: 29.0–20.1; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.

⁶ The Audi e-tron is no longer offered for sale as a new passenger car on the German market.



› Our customers and the quality of our products are the top priority for us as a company.”

The groundwork has been laid: the committee landscape below the Audi Board of Management has been simplified and streamlined, as has the product line organization – with a clear focus on faster and more robust decisions. “Now it’s time to put this new organization into practice,” says Döllner, referring to the overarching Audi Agenda. “It’s crucial that all employees are committed and identify with the program. The Audi team is the bedrock of it all.”

Alongside a strong team and stable processes, financial performance is also important – especially against the backdrop of challenging economic conditions. “Our long-term target for the Audi Group is a return of 14 percent,” says Döllner.

To achieve this target, the company has launched the Performance Program 14. This ensures the Audi Agenda’s financial success and frees up financial resources for investments in the brand, portfolio and technologies.

“
Our customers and the quality of our products have top priority.”

Gernot Döllner Chairman of the Board of Management of AUDI AG

2024 and 2025: model initiative to pick up momentum

Audi will significantly strengthen and expand its model portfolio in the coming years by introducing a large number of new models. In 2023, the company already launched the Audi Q8 e-tron⁵ on the market. It is the successor to the brand’s electric pioneer, the Audi e-tron.⁶ The Audi A6 and A7 family, including the RS variants, as well as the Audi Q8 with a combustion engine were also updated. “Our model initiative will pick up considerable momentum in 2024,” says Döllner. First of all, the fully electric Audi Q6 e-tron and Audi A6 e-tron² models will be launched on the Premium Platform Electric (PPE). They will be followed in the second half of the year by the Audi A5 family² and the Audi Q5² on the Premium Platform Combustion (PPC) for vehicles with combustion engines. The Audi A3 model series will already receive a comprehensive update in the first half of the year.

“In 2024 and 2025, we will strengthen and rejuvenate our portfolio with a number of new products. All in all, we’re planning to launch more than 20 new models. The focus will be on our future-oriented electric cars. At the same time, we’re putting ourselves in a strong position for the coming years with a completely new generation of combustion engine models and plug-in hybrids,” summarizes CEO Gernot Döllner. To get this product initiative on the road, Audi has started to further develop its international production network. Two of the goals are to improve flexibility so that combustion engine models and electric models can increasingly be produced on one line and eventually to switch completely to producing electric vehicles. ›



Gerd Walker

Member of the Board of Management of AUDI AG, Production and Logistics

Audi plants are going electric

We are moving toward electric mobility at a rapid pace. This is true for both our product portfolio and our production sites. We are already producing several fully electric models today, such as the Audi Q6 e-tron in Ingolstadt, the Audi Q8 e-tron⁵ in Brussels (Belgium) and the Audi e-tron GT⁸ at Böllinger Höfe near Neckarsulm. In addition, there is the electric drive production facility in Győr (Hungary), where more than 400,000 electric drive systems have been produced since 2018. And since 2021, the Audi Q4 e-tron family has been rolling off the production line at the Volkswagen multi-brand plant in Zwickau – in the familiar Audi premium quality. The goal is for all of our Audi plants to produce at least one electric model by the end of the decade.

We have a highly motivated production team to tackle the challenges of electrification and have decided to use and transform our existing global production network. That saves resources and makes us more flexible. In Ingolstadt, for example, we have integrated the Audi Q6 e-tron into existing structures of the assembly line for the Audi A4 and Audi A5. As early as 2025, two out of four model series built there will be fully electric. An important building block is to further optimize our production processes. We have set ourselves the goal of doubling the flexibility of our production system by 2033 and cutting our global factory costs in half on average. We will also continue to minimize our environmental impact and improve our attractiveness as an employer. Because one thing is clear: the transformation to electric mobility will only work if we can rely on our highly qualified employees. Their expertise, passion and commitment are the foundation of our success.

⁵ Audi Q8 e-tron: electric power consumption (combined) in kWh/100 km: 29.0–20.1; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.

⁷ These models can no longer be configured on the German market.

⁸ Audi e-tron GT: electric power consumption (combined) in kWh/100 km: 22.1–19.6; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.

› Audi's long-term focus is on electric models and software-defined vehicles

In the long term, there is only one way forward for Audi: switching to pure battery-electric mobility. Döllner looks ahead: “Our portfolio strategy is set out clearly. We will transform our product portfolio and switch completely to electric vehicles. Our customers will experience the last major world premieres of new model lines with conventional drive systems in the course of 2026.” By 2027, the brand with the Four Rings wants to offer an all-electric vehicle in its portfolio in all core segments. The long-term aim is to once again round off the range with highly emotional models that shape the brand, like the iconic Audi TT,⁷ Audi A5 and Audi R8⁷ once did. “Whether SUV, coupé, convertible or crossover – we’re in the process of evaluating various concepts. What’s important to me is that each model has a unique role in the portfolio so that we are able to meet all of our customers’ preferences,” says the CEO, describing the decision-making process.

Software-defined vehicles (SDVs) will play an important role in the future. In these vehicles, it is the software that plays the lead role in the development process. This means that future Audi vehicles will be designed and developed on the basis of the software. In addition, they will be updated with new functions throughout their entire lifespan. “This is a topic that concerns the entire company, not just Technical Development,” Gernot Döllner clarifies. Together with the Group software unit CARIAD and the Volkswagen brand, Audi has established a project house and put together an initial team of Audi experts. “These colleagues fundamentally restructure projects and development processes while remaining closely connected to the core team.” The aim of this collaboration is to develop cutting-edge software-defined vehicles for Audi. ›

“ We will transform our product portfolio and switch to electric vehicles. ”

Gernot Döllner Chairman of the Board of Management of AUDI AG



Renate Vachenauer

Member of the Board of Management of AUDI AG,
Procurement

More and more recycled materials in series-production models

Producing an Audi is complex and time-consuming because the many thousands of individual parts and the necessary raw materials come from widely branched supply chains. We work with around 14,000 suppliers in more than 60 countries. This means we have a great deal of influence, along with a great deal of responsibility. And we take advantage of that: our supply chain management is a powerful lever for a more sustainable future – socially, ecologically and economically. Innovations in areas such as the circular economy are likely to make an important contribution in the future. In collaboration with our partners, we are therefore intensively researching and testing how we can use recycled materials, some of which come from end-of-life vehicles, in our models. Our focus here is on the materials of aluminum, steel, glass and plastic as well as the battery. These efforts are paying off: for instance, we already use up to 30 percent damaged and irreparable automotive glass in the production of windshields for the Audi Q4 e-tron. The steel required for the exterior roof parts of the Audi Q6 e-tron is also partly produced using scrap steel from end-of-life vehicles, for example. Our goal is to continuously increase the amount of recycled materials in our vehicles – wherever this is technically possible, ecologically worthwhile and economically viable.

Photos: AUDI AG (2)



Stylish update: as of 2024, the Audi A3 family will present numerous digital features, an even sportier design and a new variant – the Audi A3 allstreet.⁹

› Distinct Audi DNA in all vehicles from the Four Rings

Whether electric motor or combustion engine, entry-level or luxury segment, Sedan, Avant or SUV – all models from the Four Rings carry the Audi DNA. It lends each model its own character and is set to be refined in the future for each model to make it even more tangible.

When **driving**, for example: anyone who drives an Audi must be able to feel Audi – in the form of harmonious, distinctive driving characteristics. The driving experience is unmistakable, and the driving dynamics and driving comfort are well-balanced. The key to this is the interaction between various components such as the suspension, steering and drive system, as well as the braking and control systems. In the future, efficiency is to be one of the differentiating features of Audi vehicles. Certain models will additionally be created to stand out from the competition through a combination of sporty performance in conjunction with quattro.

And the DNA also extends to the **interior**, where aspects such as finish, appearance and choice of materials – which have been Audi strengths for decades – are complemented by digital elements. The interior is increasingly becoming a platform for digital content in the vehicle. Infotainment, connectivity and intuitive operation are key elements for a premium in-car experience. That is why new Audi models are being designed more than ever from the inside out and with the user in mind. The goal is clear: to ensure that customers have the best possible user experience across the entire portfolio in the future. ›

⁹ Audi A3 allstreet: fuel consumption (combined) in l/100 km: 5.8–5.0; CO₂ emissions (combined): in g/km: 141–123 g/km; CO₂ class: E–D.



Thanks to the Premium Platform Electric, the Audi Q6 e-tron features perfect proportions. In addition, the electric SUV embodies the evolved e-tron-specific design language.

› In the long term, selected models are also expected to set themselves apart by offering automated driving functions and providing passengers with completely new ways of spending their time in the vehicle. Another hallmark of future Audi models will be sustainably designed interiors – for example, through the use of materials sourced from circular economy processes.

The **exterior design** is, of course, also unmistakable: design was, is and will remain a central part of the Audi DNA. It makes innovative technologies visible and reconciles supposed contradictions. That applies to the differentiation between A/Q and R product lines, within the model families and between the electric and combustion engine worlds. Especially a dedicated electric platform like the PPE with its specific properties makes it possible to achieve great proportions: short overhangs and a long wheelbase, plus a slim cabin on a strong body. That not only looks good, but also helps maximize aerodynamic efficiency and can therefore increase the range. In the future, design will be even more of a unique selling point for the Audi portfolio in the competitive arena.

Audi Q6 e-tron and PPE as a reference for “Vorsprung durch Technik”

The new Audi Q6 e-tron is representative of the refined Audi DNA and brings “Vorsprung durch Technik” to life. This fully electric midsize SUV fits right into the

model portfolio between the Audi Q4 e-tron and Audi Q8 e-tron.⁵ It is the first Audi model to be based on the new Premium Platform Electric (PPE) and features the E³ 1.2 electronics architecture, which has also been completely newly developed. The Audi Q6 e-tron thus offers customers added value in many fields of technology and sets new standards in terms of performance, range, charging, driving dynamics and design. In particular, high-performance and highly efficient electric motors, a powerful battery, intelligent thermal management and the 800-volt architecture contribute to this.

In the PPE, the developers consistently paid close attention to tailoring technical components to the specific requirements of a battery-electric vehicle right from the start. This results in advantages with regard to available space, efficiency and performance. The lithium-ion batteries and electric motors used are scalable, offering the possibility to enable a wide spectrum of range and performance. The design of the PPE offers a great deal of flexibility so that both high-floor and low-floor models are possible in the midsize and full-size segments. “The PPE shows how we pool expertise within the Volkswagen Group and thus make electric mobility scalable. Thanks to the PPE, we’re able to launch a wide variety of models with sophisticated technology,” says Audi CEO Döllner. The flexibility of the PPE will help give future models an independent character along with the typical Audi DNA. ›

⁵ Audi Q8 e-tron: electric power consumption (combined) in kWh/100 km: 29.0–20.1; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.



Hildegard Wortmann

Member of the Board of Management of AUDI AG,
Marketing and Sales

Customer wishes take center stage

What makes a strong brand? Our answer: its customers. At Audi, this principle is called customer centricity. That means we consistently place our customers and their needs at the center of our daily activities, seek dialogue with them and ensure a seamless customer journey. The declared goal is always to create customer delight. What exactly does that look like? We take our customers' feedback on board as an integral part of the (further) development of all our products and processes. This has resulted not only in our attractive portfolio featuring electric, hybrid and combustion engine models but also our new vehicle configurator, which is giving customers in the first markets a completely new configuration experience for our latest BEV models. The "Audi stage" incubator app offers our target group the opportunity to test and evaluate digital services free of charge while they are still at the prototype stage. One example is our new Charge & Explore service, which turns charging time into an individual experience if the customer so wishes. We also keep our customers in focus in the after-sales stage. With our predictive service reminder and remote vehicle diagnostics in the new Audi Q6 e-tron, we give early notice of service events and create an excellent service experience. These are just a few examples of our commitment to customer centricity and customer delight. As a global team, in collaboration with our almost 3,000 Audi service partners worldwide, we drive Audi forward every day and create a very special brand experience.



Digital experience: a new web configurator guides customers quickly and directly to the Audi car of their dreams. A slider for comparisons, 2D and 3D images and virtually generated driving scenes help customers make the right choice.¹⁰

› Premium experience at all touchpoints of the brand – whether online or offline

Audi has long been committed to putting the customer at the center of everything it does. This ambition is now being intensified with the Audi Agenda. "Our goal is to offer high-quality experiences, both in our vehicles and through our services," explains CEO Gernot Döllner. And that starts right from the moment an interest is first taken in the brand – for example, through online touchpoints such as the Audi websites or the configurator. Ideally, this ultimately leads to a purchase of a vehicle – at a dealership or, starting in 2024, online too.

Around 3,000 international Audi dealerships are on hand to advise customers on their purchase, convey emotions and the spirit of the brand, serve as reliable partners for all questions and offer premium service for all aspects of the vehicle. In short: they are the first point of contact for many customers and often maintain long-standing, trustful relationships with them.

Nowadays, much of the contact with customers also takes place via virtual channels. Audi offers a variety of digital touchpoints for this purpose. Online and offline touchpoints together create an individual customer journey – to this end, the company is interlinking its efficient dealership network with the digital world.

For all customers who already drive an Audi, the myAudi app seamlessly connects their smartphone with their vehicle. The app allows customers to view real-time information about their Audi, control vehicle functions such as remote parking or air conditioning via their smartphone and efficiently manage charging processes. They can also book various services – from functions on demand and Audi connect options to service appointments at a dealership. At present, the myAudi app offers over 100 different functions, depending on the market. The scope will be expanded significantly with the introduction of new Audi models in the coming years.

¹⁰ Audi SQ8 e-tron: electric power consumption (combined) in kWh/100 km: 29.0–26.2; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.



Design from the inside out: the interior of the new Audi Q6 e-tron model line is tailored to the users' needs more consistently than ever.

“ We will continue to expand our digital services – with a focus on the customer and in typical Audi quality. ”

Gernot Döllner Chairman of the Board of Management of AUDI AG

› A store for third-party apps provides for even more extensive and more easily customizable infotainment in the car. It has been available in almost all Audi vehicles since last summer. With this new store, customers have access to a large number of apps that can be downloaded directly onto the Audi MMI (Multi Media Interface) independently of a smartphone.

At the moment, there are around 50 applications covering categories such as music, video, gaming, navigation, parking and charging, productivity, weather and news services. The store is constantly being expanded.

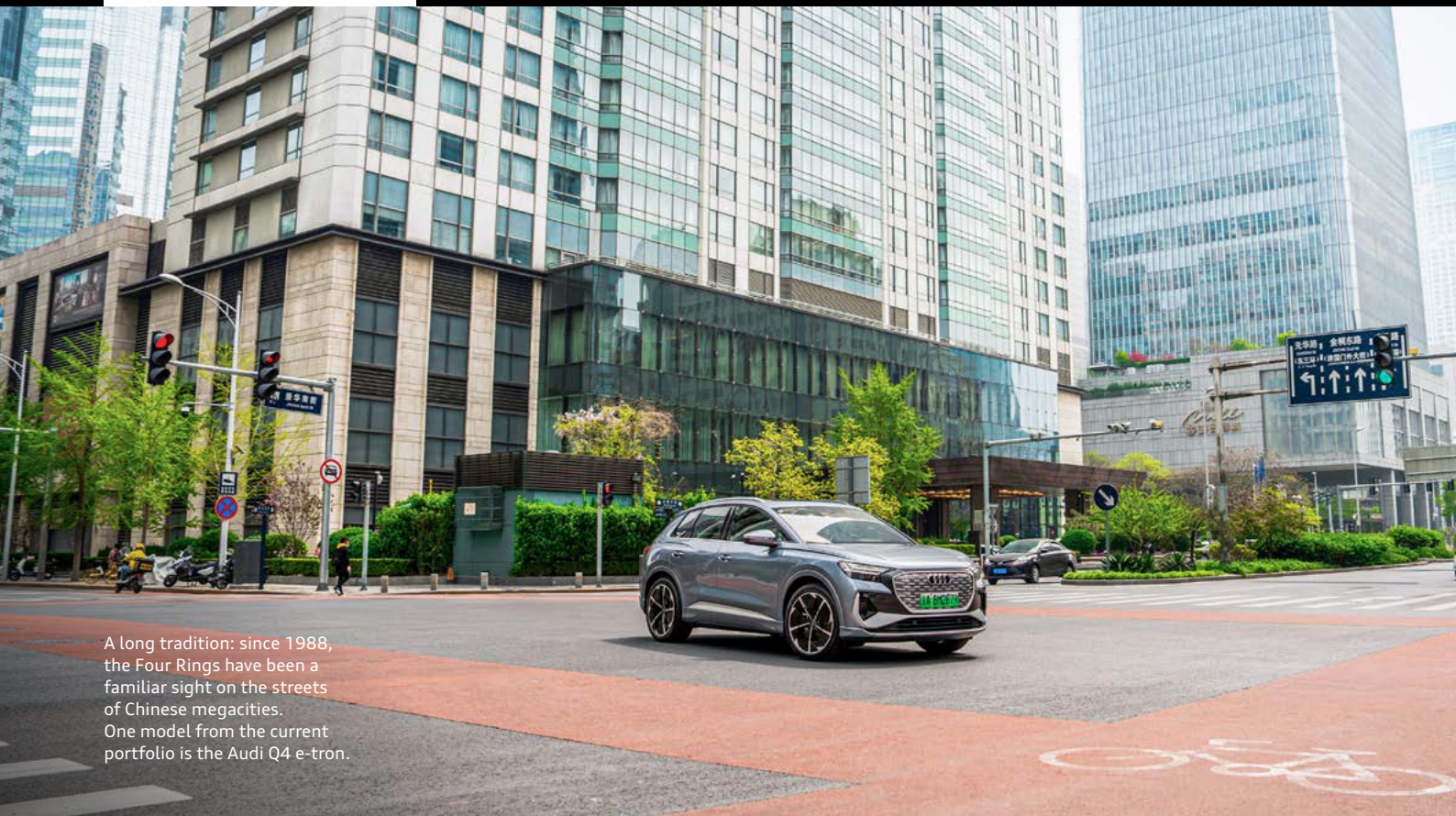
Functions on demand offer new functions even after the purchase

With functions on demand, Audi customers can easily and simply order additional features for their vehicle after the purchase via the myAudi app or the Audi MMI. Many models have additional functions available in the categories of infotainment, lighting technology, driver assist systems, air conditioning and charging. The new Audi Q6 e-tron, for example, offers about a dozen such upgrade options in Europe.

The ecosystem surrounding the car is increasingly becoming a competitive differentiator. “That’s why we’re working intensively on our digital services and are constantly expanding our ecosystem – with a focus on the customer and in typical Audi quality,” says Döllner.



Local contact: around 3,000 international Audi dealerships are on hand to advise customers on their purchase, convey emotions and the spirit of the brand, serve as reliable partners for all questions and offer premium service for all aspects of the vehicle.



A long tradition: since 1988, the Four Rings have been a familiar sight on the streets of Chinese megacities. One model from the current portfolio is the Audi Q4 e-tron.

› Regions: focus on China and North America

Now it is a matter of implementing the initiatives on the Audi Agenda around the world, though there is a specific strategy for each region, as Döllner reports. “Europe is our domestic market, which we want to expand and strengthen further. In China, where we have a long history of success, we are now also picking up speed in the electric age together with our joint venture partners. And we’re developing North America into a strong third pillar,” explains the Audi CEO.

Audi realigns its business in China

The partnership with the Chinese automotive group First Automotive Works (FAW) dates all the way back to 1988. Audi was thus the first foreign premium manufacturer in the Chinese market and also the first

to adapt its product portfolio to the specific needs of Chinese customers, for example, by launching Audi models with an extended wheelbase.

China is easily the largest single market for Audi. In 2023, the Four Rings delivered a total of 729,042 (2022: 642,548) vehicles in China – 13 percent more than in the previous year.

However, the company does not have time to rest on its laurels: the Chinese market is currently changing at breathtaking speed. In the space of just a few years, the country has become the most important driver of global electric mobility and in-car software – from connectivity to automated driving. These are fields of the future in which Chinese companies excel thanks to their innovative strength and good price-performance ratio. “We’re ready to face the new competition with confidence,” says CEO Gernot Döllner. “Our ambition is very clear: to be an important premium player in China for electric models too – just like we are with our combustion engine models.”

In pursuit of this goal, Audi is repositioning itself and substantially strengthening its business in the region. The two joint ventures FAW-Volkswagen (Changchun) and SAIC Volkswagen (Shanghai) are playing a key role in this process.

Together with FAW, Audi has laid the foundation for the local production of electric models based on the new PPE for the Chinese market. Construction of the factory of the joint venture Audi FAW NEV Company is proceeding according to plan. The factory is designed to produce more than 150,000 vehicles per year, with the first electric cars due to roll off the production



Poised for production: from late 2024, the new factory in Changchun (China) will produce more than 150,000 models of the Q6 e-tron and A6 e-tron² lines per year for the local market.

² The models in this generation are not yet available for purchase.

Diverse drive systems: both combustion vehicles and electric models from Audi are very popular in the USA. In 2023, the Four Rings delivered 228,550 vehicles there. A popular model is the Audi RS 6 Avant.¹¹



² The models in this generation are not yet available for purchase.

¹¹ Audi RS 6 Avant: fuel consumption (combined) in l/100 km: 12.7–12.1; CO₂ emissions (combined) in g/km: 289–276; CO₂ class: G.

› line in late 2024. In the future, the plant will produce three models from the Audi A6 e-tron² and Audi Q6 e-tron families for the Chinese market.

Audi is also intensifying its collaboration with joint venture partner SAIC. In essence, this will involve the joint development of an electric platform in order to rapidly expand the range of smart, fully connected electric cars on the market. The aim is to gain access to segments in which Audi is not yet active in China. “We have found SAIC to have a fast pace of development and attractive framework conditions, which is why we’re teaming up with our partner to develop and produce vehicles together,” says Döllner. “The new vehicles will combine the best of both worlds and have distinct Audi genes.”

Audi is strengthening its research and development activities in China outside of this initiative as well – with a view to launching market-specific models and technologies as quickly as possible. At the end of 2022, the development team at Audi China moved into a new Research & Development Center in Beijing,

which houses a design studio, a laboratory for electronics development and pre-development workshops, among other things. The focus is on technologies such as smart cockpits, driver assist systems, automated driving systems and connectivity solutions tailored to Chinese customers. In addition, Audi is leveraging synergies within the Volkswagen Group in China, working closely with the Group-wide research hub CARIAD.

In particular in the areas of connectivity and infotainment, Audi is expanding its cooperation with local tech companies and start-ups. For example, the company is working with Tencent in order to integrate WeChat into Audi models. Other well-known cooperation partners include Alibaba and Baidu.

North America to become the third strong pillar

Besides China, it is above all the US market that will drive global demand for premium cars for the foreseeable future. In 2023, Audi achieved a new record in the USA as deliveries rose by 22 percent to 228,550 (2022: 186,875) vehicles. Demand for fully electric models was particularly strong, with an increase of 55 percent to around 25,000 units.

While these are impressive figures, a comparison with the regions of Europe and China as well as a look at the competition clearly shows that Audi has by no means exhausted its potential in the USA and North America. “We want to strengthen North America as a third pillar alongside Europe and China – and in doing so also become more robust globally,” says Döllner.

The most important lever for this is an attractive product range that is tailored to the needs of the market.

“
We want to strengthen
North America as a third
pillar alongside Europe
and China.”

Gernot Döllner Chairman of the Board of Management of AUDI AG



The Audi Q5 has been built at the Mexican plant in San José Chiapa since 2016. 175,000 units left the production line in 2023.

“
In the coming years,
we will advance
‘Vorsprung durch
Technik’ and put
many new models
onto the road. ”

Gernot Döllner Chairman of the Board of Management of AUDI AG

› Referring to the numerous model launches in 2024 and 2025, Döllner says: “We are strengthening and rejuvenating our portfolio substantially, and that will also give us a boost in North America.” New electric models will play a key role, starting with the Audi Q6 e-tron and the Audi A6 e-tron.²

In addition, there will be new, highly efficient combustion engine models and plug-in hybrids based on the Premium Platform Combustion (PPC), including the new Audi Q5,² whose third generation will be launched on markets from 2024. Its predecessor, produced at the San José Chiapa plant in Mexico since 2016, rolled off the production line some 175,000 times in 2023. Almost half of these vehicles were sold directly in the USA, making the premium SUV the most popular Audi model on the market in the year under review.

The Audi production facility in Mexico is thus an excellent example of successful localization: producing close to the end customer ensures lower costs for logistics, less currency fluctuation and more resilience – an increasingly important factor, especially against the backdrop of geopolitical crises and fragile global supply chains. There are also advantages in terms of customs duties: together with the USA and Canada, Mexico forms a North American free trade zone (USMCA: United States-Mexico-Canada Agreement). “We’re underscoring our commitment to the region of North America and are currently looking into further localization options,” explains Döllner, referring to the potential for cooperation as part of the Volkswagen Group’s North America strategy – also in areas such as battery production and charging infrastructure. “The switch to BEVs presents a unique opportunity in North America,” says Döllner. And this opportunity must be seized systematically. “We’re working intensively to set the right strategic course in order to maximize our market penetration.”

“We have a clear plan”

Audi is a brand with an impressive success story: innovations like quattro and lightweight construction, but also iconic vehicles such as the Audi TT¹² and successes in the world of motorsport have shaped the Four Rings to this day. However, electric mobility and digitalization have altered the rules of the game; the competition has become even more challenging as a result. “With the Audi Agenda, we’re facing up to these changes with confidence – we have a clear plan,” says Döllner. “In the coming years, we will advance ‘Vorsprung durch Technik’ and put many new models onto the road. And we have a strong team that lives the Audi spirit. I’ve been able to witness this for myself in my first few months with the company. I look forward to putting this plan into practice together with the entire workforce. Let’s all join forces to take Audi to the top again – just like we did at the Dakar Rally!” /

² The models in this generation are not yet available for purchase.

¹² Audi TT: fuel consumption (combined) in l/100 km: 9.3–6.8; CO₂ emissions (combined) in g/km: 210–154; CO₂ class: G–E.

New Audi Q in the midsize segment



The new Audi Q6 e-tron offers customers added value in premium quality across numerous areas of technology. It sets standards in terms of performance, range, charging, driving dynamics and design. At the same time, it impresses with a holistic interior experience and many technical features in the areas of lighting technology, infotainment and digital services. All of this is possible thanks to the newly developed E³ and PPE architectures.

The Audi Q6 e-tron model series combines a dynamic driving experience with high suitability for everyday use. The Audi Q6 e-tron quattro¹ reaches a maximum system output of 285 kW¹ – and the SQ6 e-tron² is even sportier. It delivers a system output of 380 kW² including additional function. The Q6 e-tron quattro¹ accelerates from 0 to 100 km/h in 5.9 seconds.¹ The SQ6 e-tron² only needs 4.3 seconds² to do the same, including additional function. The top speeds are 210 km/h¹ and 230 km/h² respectively. Two models with rear-wheel drive are to follow at a later date, depending on the market. One will be designed for efficiency and range, while the other will mark the entry into the Q6 e-tron product line.

Performance and efficiency in perfect combination

However, the Audi Q6 e-tron has more to offer than just sporty performance – it also has the longest electric range in the current Audi portfolio. The range of up

¹ Audi Q6 e-tron quattro: electric power consumption in kWh/100 km (combined): 19.4–17.0; CO₂ emissions in g/km (combined): 0; CO₂ class: A.

² Audi SQ6 e-tron: electric power consumption in kWh/100 km (combined): 18.4–17.5 (WLTP); CO₂ emissions in g/km (combined): 0; CO₂ class: A.

to 625 kilometers (according to WLTP) of the Audi Q6 e-tron quattro¹ is primarily thanks to the high-performance, compact and highly efficient electric motors as well as a newly developed lithium-ion battery consisting of 12 modules and 180 prismatic cells with a total gross capacity of 100 kWh (94.9 kWh net). Thanks to the sophisticated thermal management, the 800-volt technology and a maximum DC charging power of 270 kW³ as standard, short charging stops are possible with the Audi Q6 e-tron family. For instance, sufficient additional charging for up to 255 kilometers more range can be achieved in a mere 10 minutes at a suitable charging terminal (High Power Charging – HPC). The state of charge (SOC) increases from 10 to 80 percent in around 21 minutes.

Advanced recuperation is an important factor in increasing efficiency and therefore range. Around 95 percent of all everyday braking processes can be carried out using this. The Audi Q6 e-tron¹ recuperates at a rate of up to 220 kW in the process.

³ Battery charging time and power can vary depending on various factors such as ambient and battery temperature, use of other country-specific plugs, use of the preconditioning function (e.g., remote-controlled air conditioning of the vehicle), power availability at the charging terminal, charge status and age of the battery. The charging power decreases as the charge status increases. Charging losses are included.



Audi SQ6 e-tron: electric power consumption (combined) in kWh/100 km: 18.4–17.5; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.

Fresh and progressive interior combined with a digital stage in the interior

Thanks to the Premium Platform Electric (PPE), the Audi Q6 e-tron features perfect proportions. The relationship between the long wheelbase and very short overhangs forms the basis for the familiar powerful, dynamic package of the Audi Q models on the exterior. In addition, the electric SUV embodies the evolved e-tron-specific design language.

Inside, customers enjoy a fully connected digital interior with the new E³ 1.2 electronics architecture. At its heart is the digital stage consisting of the Audi MMI panoramic display and the MMI front passenger display. These clearly arranged displays blend perfectly into the design concept and give the interior a spacious and airy feel.

The slim, free-standing Audi MMI panoramic display features a curved design and OLED technology. It consists of the 11.9-inch Audi virtual cockpit and the 14.5-inch MMI touch display. The MMI front passenger display has a 10.9-inch screen. Thanks to Active Privacy Mode, the person in the passenger seat can, for example, watch movies or stream series without distracting the driver.

The optional augmented reality head-up display reflects a large inclined image plane beyond the windshield, showing relevant information such as speed, traffic signs or assist and navigation symbols. The image plane is tilted forward to enhance the effect of augmented reality. The focus of the human eye follows along. This process and the large virtual image distance give the impression that all elements shown float at a distance of up to 200 meters and interact directly with elements in the surroundings. The displays – for instance navigation instructions, displays from driver assist systems or song titles – can be understood quickly, without irritating or distracting the driver. They are a great help, especially in poor visual conditions.

In addition, the Audi Q6 e-tron features a dynamic interaction light (IAL), which offers a range of communication functions and thus supports interaction between the car and its occupants. This spans the interior and the cockpit in a generous arc. The light is used to animate the interior, supports safety by visualizing the dynamic turn signal, for example, and provides information on the battery charge level and charging progress.



E³ 1.2 as the basis of a new digital experience

Thanks to the new electronics architecture E³ 1.2, the Q6 e-tron product line is the tip of the technological spear in the Audi portfolio. With E³ 1.2, customers can experience digitalization in their vehicle more directly than ever before. E³ stands for end-to-end electronics architecture. The core element and central nervous system of the E³ electronics architecture consists of five high-performance computers (HPCs) that cover all vehicle functions – from the drive and assist systems to infotainment and convenience systems through to safety systems and back-end networking.

The E³ 1.2 architecture is designed for over-the-air (OTA) updates via the mobile communications network and for adding new functions. It is also widely scalable and therefore suitable for cross-brand use across vehicle segments. Security (by design) and updatability were embedded in the architecture right from the start. The standardized electronics architecture reduces complexity both in development as well as in production and creates additional economies of scale. The individual software components are developed by CARIAD and customized for each specific model by Audi.

The infotainment system in the Audi Q6 e-tron integrates the customers' own digital world, making use of Android Automotive OS as its operating system for the first time. Content is updated over the air. The latest Audi connect services and the enhanced standard e-tron route planner are thus always up to date. Apps such as YouTube are available via the store for third-party apps, which is integrated directly into the MMI and does not require a smartphone for use. And the new display and operating concept allows users to experience these functions intensively.

Audi SQ6 e-tron: electric power consumption (combined) in kWh/100 km: 18.4–17.5; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.



Innovation in light technologies, new functions for driver assist systems

In the field of lighting technology, the Four Rings are once again creating a milestone and thus strengthening the Audi DNA. The Audi Q6 e-tron is the first model to feature an active digital light signature. This gives the headlights and rear lights a lifelike appearance through movement. At the front end, the active digital light signature is created with 12 segments that dim up or down. At the rear, six OLED panels with a total of 360 segments generate a new image every 10 milliseconds using a specially developed algorithm. Customers can choose from up to eight optional light signatures to customize the appearance of their Audi Q6 e-tron. This is possible via the MMI and, for the first time, via the myAudi app.

The second generation of the innovative digital OLED technology not only shapes the look of the new Audi models, it also increases their range of functions many times over. This also improves road safety, as impressively demonstrated by the communication light in the digital OLED rear lights 2.0. The proximity indication function already familiar from other Audi models is being extended in the new Q6 e-tron to include the communication light. This light warns other road users of accidents and breakdowns ahead by

displaying in the digital OLED rear light – in addition to the regular rear light graphic – a specific static taillight signature with integrated warning symbols in critical road situations.

The driver assist systems in the Audi Q6 e-tron are also always ready to help in everyday driving situations with their wide range of functions. One new feature is adaptive cruise assist plus.⁴ This system not only assists the driver when it comes to accelerating, maintaining speed, keeping distance and staying in lane, but also uses high-resolution map data and cloud-based swarm data from other vehicles to improve the driving behavior of the electric SUV. Radar sensors, a front camera and ultrasonic sensors ensure convenient vehicle guidance. The Audi Q6 e-tron uses the information gathered to generate a virtual route. This guides the vehicle reliably and as conveniently as possible at any speed as well as in traffic jam situations.

Audi SQ6 e-tron:
electric power consumption (combined) in kWh/100 km: 18.4–17.5;
CO₂ emissions (combined) in g/km: 0;
CO₂ class: A.



⁴ Assist systems can only assist the driver in the task of driving within the respective system limits. The driver is always responsible for driving the vehicle and is required to be attentive at all times.

Brand Group Progressive

Team play: together for better performance



1



2



3



4

With Audi, Bentley, Lamborghini and Ducati, the Brand Group Progressive includes four strong and independent brands from the premium and luxury segment. What unites the brands is their commitment to high-quality products and a clear focus on the customer. The key parameters for this collaboration are defined by the Volkswagen Group and brand group management at Audi, with all four manufacturers working transparently together in the brand group wherever this is meaningful and appropriate – for example, when it comes to the transfer of key technologies, the joint use of platforms and architectures as well as the pooling of services. The brands retain their independence in areas that differentiate them from one another. This not only increases efficiency, but ultimately also benefits the customer.

So how is this collaboration within the brand group of advantage to customers? Primarily through products that reflect the expertise of the entire group: each brand shares its specific know-how and therefore enables the available knowledge to be used by all. Synergies are sought at each stage of the value chain.

These are some examples from the year under review:

- Products and vehicle platforms are jointly developed in some instances. For example, the Audi Q7, Audi Q8, Bentley Bentayga and Lamborghini Urus⁵ all share the same platform: the modular longitudinal matrix (MLB). This in turn enables greater differentiation in customer-relevant fields, such as body, handling and design.
- Information is shared on a regular or also needs-driven basis in relation to key technology and product matters such as charging technologies and customization strategies for vehicle models.
- In the sports car production facility at Böllinger Höfe in Neckarsulm, not only are the models of the Audi e-tron GT⁶ and Audi R8 series built on a shared assembly line, the team in the body shop also works simultaneously on the body of the Lamborghini Huracán.
- In the area of procurement, the brands work hand in hand and bundle their demand for carry-over parts in numerous fields, procure these parts collectively and thus benefit from better terms and conditions. Advances in ESG factors can also be achieved in the supply chain of the brands thanks to the use of a Group-wide sustainability rating for suppliers.
- In addition, experts (known as impats and expats) move temporarily between brands in the group in order to ensure constant sharing of knowledge – for example in the areas of high-voltage and battery technology, cybersecurity and sustainability strategy.
- All brands are integrated in a joint strategy and planning process. This allows resources to be allocated optimally and considers the product portfolios of all brands as well as their financial viability and feasibility. The uniform, multi-stage planning process in the Volkswagen Group extends from the approval of long-term portfolio planning to operational business planning. /

¹ Audi Q8 e-tron: electric power consumption (combined) in kWh/100 km: 29.0–20.1; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.

² Bentley Bentayga EWB Mulliner: fuel consumption (combined) in l/100 km: 12.8; CO₂ emissions (combined) in g/km: 296; CO₂ class: G.

³ Lamborghini Revuelto: fuel consumption (weighted combined) in l/100 km: 11.9; electric power consumption (weighted combined) in kWh/100 km: 10.1; CO₂ emissions (weighted combined) in g/km: 276; CO₂ class (weighted combined): G; fuel consumption with empty battery (combined): 17.8 l/100 km; CO₂ class with empty battery: G.

⁴ Ducati Multistrada V4 Rally.

⁵ Lamborghini Urus: fuel consumption (combined) in l/100 km: 14.1; CO₂ emissions (combined) in g/km: 320; CO₂ class: G.

⁶ Audi e-tron GT: electric power consumption (combined) in kWh/100 km: 22.1–19.6; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.



Ducati Diavel for Bentley: exclusiveness, performance and luxury

The Ducati Diavel for Bentley impressively combines technology, style and performance. The result of collaboration between the two manufacturers, the motorcycle combines the craftsmanship and exclusiveness of the Ducati and Bentley brands. Ducati integrated a wealth of iconic elements from the Bentley Batur⁷ – a small-series vehicle handcrafted by Bentley – and drew on the progressive technology of the powerful and comfortable Diavel V4 as the basis for creating a unique motorcycle in terms

of elegance and design. The Diavel for Bentley was produced as a limited and numbered edition of just 500+50 units, with units 501 to 550 reserved exclusively for Bentley customers. A further cooperation has existed for many years between Lamborghini and Ducati. The Ducati Streetfighter V4 Lamborghini was presented in 2023 for fans of both brands as a limited edition of 630+63 units, based on the technology of the Panigale V4 S 2023 and inspired by the Lamborghini Huracán STO.⁸

Four brands – four strategies for success

Audi, Bentley, Lamborghini and Ducati are positioned differently in the global markets, with each having its own strategic focus.

The **Audi Agenda** – an activation and implementation program – is helping Audi to tackle important issues in order to achieve long-term success. The focus is on products, technologies, the brand and the regions of China and North America. The clear goal is to breathe new life into “Vorsprung durch Technik,” bring the company closer to its customers and strengthen the quality of products as well as throughout the company. In order to secure the financial success of the Audi Agenda and to free up the necessary investments in the brand, portfolio and technologies, Audi has initiated the Performance Program 14.

In the words of Walter Owen (W. O.) **Bentley**: “I want to build a fast car, a good car, the best car in its class” – and the **Beyond100** reflects this claim even 100 years after the brand was established. Beyond100 is considered groundbreaking because it sets out to redefine every aspect of the company with the ambitious goal of becoming completely climate neutral by 2030 and thereafter even achieving climate-positive operation in Crewe. In the second half of the decade, the British brand will only produce plug-in-hybrid or battery-electric vehicles.

Decarbonization and electrification are also at the heart of **Lamborghini’s** “Direzione Cor Tauri” strategy. It is split into three phases. The first phase focused on final improvements to the combustion engines (2021–2022), while the second phase is dedicated to electrifying the entire product range (hybrid drives by the end of 2024). The third phase will initially see the introduction of a fourth model series with an all-electric drive based on the Lanzador study⁹ (2028), followed by the first fully electric SUV (2029). By 2030, the brand also aims to reduce CO₂ emissions across the entire value chain – from the supply chain to production and logistics through to the use phase – by 40 percent per vehicle compared with 2021.

As for the common thread at **Ducati**? Victory! The brand recorded even more racing successes in the year under review. The motorcycle manufacturer is remaining true to its core values of style, sophistication and performance and continually transferring the expertise it gains on the racetracks to its series-production models. By venturing into new segments and at the same time focusing on ever more sophisticated and individual products, the company is expanding its entire product range. >

⁷ Bentley Batur: This model is sold out and is no longer offered for sale.

⁸ Lamborghini Huracán STO: fuel consumption (combined) in l/100 km: 13.9; CO₂ emissions (combined) in g/km: 331; CO₂ class: G.

⁹ Lamborghini Lanzador: The vehicle mentioned is a concept vehicle that is not available as a series-production vehicle. All possible uses of the technical systems and functions described represent only a possible concept and are dependent on the respective legal regulations in the relevant country.



Bentley Bentayga EWB Mulliner²: the brand's new luxury flagship impresses with modern craftsmanship on a completely new level.



Bentley is clearly synonymous with individuality: customer wishes have top priority and are fulfilled by the company's personal commissioning division Mulliner. An example of this is the Bentley Bentayga Extended Wheelbase Mulliner.² The model is characterized by modern craftsmanship combined with sophisticated luxury and impressive

handling. The showpiece is the generously apportioned interior with the option to choose from almost 4,000 three-color combinations.

On the basis of the strategy Beyond100, Bentley is gradually switching its entire product portfolio to electric mobility – without compromising on luxury, comfort and performance. The strategy includes an investment program aimed at securing pole position in the area of sustainable mobility in the luxury segment. Even today, the manufacturer includes plug-in hybrids for the Flying Spur¹⁰ and Bentayga¹¹ model series in its portfolio.

The strategy also sets out the plan to further develop the plant in the British town of Crewe on the path to sustainable production; this follows its certification as net carbon-neutral¹² in 2018. Installation of additional solar panels in 2023 increased solar output at the plant premises to 10 megawatts. This corresponds to the amount of energy needed to supply electricity to more than 2,370 households each year.

Bentley established a sustainability council in order to promote the sustainable transformation of the company. This council includes

three experts to support Bentley in further developing the strategy and in making decisions in the future on promoting sustainability. In addition, the experts evaluate measures and put forward their own ideas. Bentley also published a [sustainability report](#) for the first time in 2023, which transparently documents the effort and progress made on environmental, social and governance topics. The [Bentley Environmental Foundation](#) was newly established as a forum for the company to implement innovative activities for the benefit of the environment. >

² Bentley Bentayga EWB Mulliner: fuel consumption (combined) in l/100 km: 12.8; CO₂ emissions (combined) in g/km: 296; CO₂ class: G.

¹⁰ Bentley Flying Spur Hybrid: fuel consumption (weighted combined) in l/100 km: 3.3; electric power consumption (weighted combined) in kWh/100 km: 24.4; CO₂ emissions (weighted combined) in g/km: 75; CO₂ class (weighted combined): B; fuel consumption with empty battery (combined): 10.8 l/100 km; CO₂ class with empty battery: G.

¹¹ Bentley Bentayga Hybrid: fuel consumption (weighted combined) in l/100 km: 3.0; electric power consumption (weighted combined) in kWh/100 km: 26.1; CO₂ emissions (weighted combined) in g/km: 68; CO₂ class (weighted combined): B; fuel consumption with empty battery (combined): 11.1 l/100 km; CO₂ class with empty battery: G.

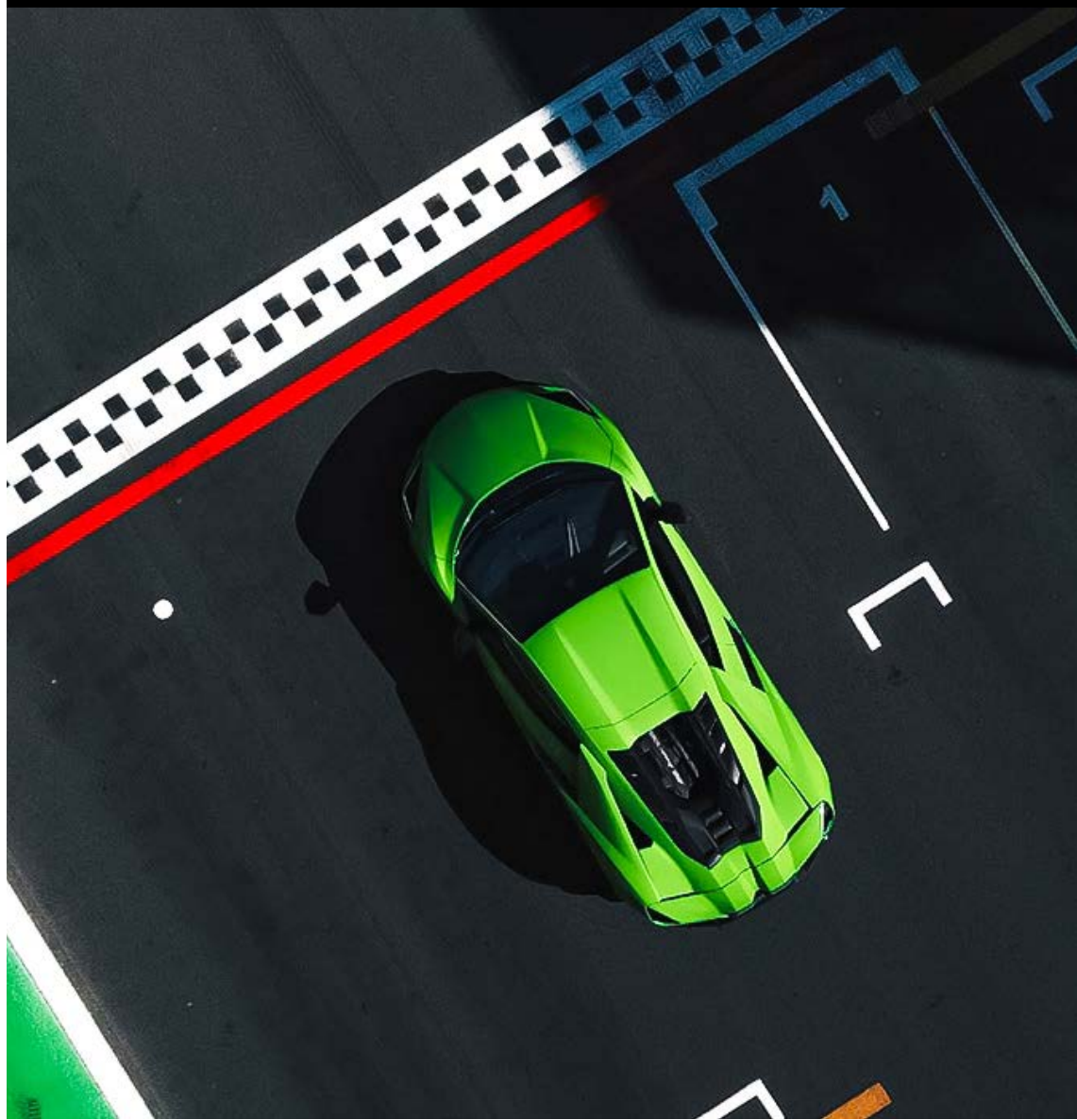
¹² Audi regards net carbon neutrality as a state in which, following the exhaustion of other possible measures aimed at reducing the still remaining CO₂ emissions caused by the products or activities of Audi and/or currently unavoidable CO₂ emissions within the scope of the supply chain, manufacturing and recycling of Audi vehicles, at least quantitative compensation is provided through voluntary and globally conducted compensation projects. Throughout the utilization phase of a vehicle, meaning from when a vehicle is delivered to a customer, CO₂ emissions produced are not taken into account.



Lamborghini is optimally equipped for the future. Ever since the company was founded by Ferruccio Lamborghini, the brand has continued to rise to new challenges, shaped the supercar segment with its cutting-edge technology and thus ensured that the founder's legacy continues across the model generations. With its "Direzione Cor Tauri" strategy, which it launched in 2021, Lamborghini is taking the next step toward an electrified future.

The Lamborghini Revuelto,³ the world's first supercar with V12 plug-in hybrid, kicked off the hybridization phase in the year under review. This successor to the Aventador is powered by a V12 naturally aspirated engine and three electric motors, which combine to deliver 1,015 PS (fuel consumption (weighted combined) in l/100 km: 11.9; electric power consumption (weighted combined) in kWh/100 km: 10.1; CO₂ emissions (weighted combined) in g/km: 276; CO₂ class (weighted combined): G; fuel consumption with empty battery (combined): 17.8 l/100 km; CO₂ class with empty battery: G).

With its eight-speed dual-clutch transmission, its high-performance aerody-



Lamborghini Revuelto³: the first HPEV hybrid supercar (High Performance Electrified Vehicle).

namics and a new carbon frame concept, the Revuelto³ symbolizes a new generation of supercar. In the course of 2024, the electrification process will be completed with the market launch of the first hybrid versions of the Lamborghini Urus¹³ super SUV and the successor to the Huracán as the second High Performance Electrified Vehicle (HPEV) in the model range. The next milestone on the path to decarbonization and electrification of the fleet is scheduled for 2028: the

fourth model line based on the fully electric Lamborghini Lanzador⁹ concept car. As a two-plus-two-seater with higher ground clearance, the Lanzador establishes the new vehicle segment of Ultra GTs – with a clear, technical design and a powertrain that promises optimum performance. The brand's first fully electric SUV will follow the year after.

This strategy will see the vehicle fleet's CO₂ emissions fall significantly compared with 2021; the plan is to reduce them by 50 percent by

2025 and by as much as 80 percent by 2030.

With the SC63,¹⁴ Lamborghini Squadra Corse has for the first time developed an endurance racing car with hybrid drive for the brand's racing customers. Among other events, it will compete at the 2024 FIA World Endurance Championship in the hypercar class, including the 24 Hours of Le Mans, and in the GTP class of the IMSA WeatherTech Sports Car Championship Endurance Cup.

³ Lamborghini Revuelto: fuel consumption (weighted combined) in l/100 km: 11.9; electric power consumption (weighted combined) in kWh/100 km: 10.1; CO₂ emissions (weighted combined) in g/km: 276; CO₂ class (weighted combined): G; fuel consumption with empty battery (combined): 17.8 l/100 km; CO₂ class with empty battery: G.

⁹ Lamborghini Lanzador: the vehicle mentioned is a concept vehicle that is not available as a series-production vehicle. All possible uses of the technical systems and functions described represent only a possible concept and are dependent on the respective legal regulations in the relevant country.

¹³ Lamborghini Urus Hybrid: the vehicle is not yet offered for sale and is therefore not subject to Directive 1999/94/EC. Fuel/power consumption and emission figures are still being checked.

¹⁴ Lamborghini SC63: this vehicle is a race car; it is not available for purchase.



Ducati Streetfighter V4 SP: top model in the Streetfighter family, “SP” stands for Sport Production.



As in the previous year, Ducati dominated the world of motorcycle racing in 2023. Francesco Bagnaia was crowned MotoGP world champion for the second time on the Desmosedici GP for the Ducati Lenovo Team. Álvaro Bautista successfully defended his title in the Superbike World Championship on his Panigale V4 R, while Nicolò Bulega on the Panigale V2 completed the triumphal march of the Ducati riders with his first world championship title in the Supersport World Championship. Ducati also prevailed in the relevant manufacturer rankings, making it the first manufacturer to win the riders’ and manufacturers’ world cham-

pionship in the MotoGP and the Superbike World Championship for the second time in a row.

Moreover, in 2023, Ducati successfully completed its first season as the sole supplier of the FIM Enel MotoE World Championship. Less than two years after the V21L prototype’s first laps on the race track, Ducati has developed and produced 18 powerful and reliable motorcycles and sent them out onto the circuit. The result was a hard-fought championship, which saw Mattia Casadei become the first MotoE World Champion, claiming victory in the final round at Misano. The V21L prototype, born from a collaboration between Ducati’s research and development department

and Ducati Corse, is a unique electric motorcycle that combines unprecedented technical solutions for the battery, motor and inverter.

From 2024, Ducati will venture into completely new territory and use its debut in the Italian Motocross Championship to test motorcycles on the off-road race track, thereby supporting their further development for customers. This strategy underscores Ducati’s approach to the development of its sportiest and most powerful models. This project is possible thanks to the company’s excellent results in recent years as well as its desire to establish a presence in new segments, attract new motorcycle riders and thus expand the Ducati community.

Apart from performance, sustainability is becoming increasingly important in the construction of motorcycles. Ducati is likewise setting standards here: the Multistrada V4 Rally features a completely new strategy that enables extended deactivation of the rear cylinder bank while riding – the first time this technical solution has been used on a series-production motorcycle worldwide.

In addition, Ducati will celebrate seven product launches in 2024: the anniversary model Panigale V4 SP2 30° Anniversario 916, the Multistrada V4 RS and the Multistrada V4 S Grand Tour, the high-performance DesertX Rally model, the Ducati Monster 30° Anniversario, the Hypermotard 698 Mono, with which Ducati is venturing into the single-cylinder supermoto segment for the first time, and the Ducati Diavel for Bentley, born from a collaboration between the two brands. /

Finance

Page 33

Financial highlights

Page 35

Financial situation

Page 48

Brand Group Progressive

Page 49

EU taxonomy

Page 55

Report on expected developments

Page 57

Report on risks and opportunities




Financial highlights

Brand Group Progressive 2023

Deliveries


1.9 million
cars

 (+17.1%)

Significant increase due to improved supply situation and strong market demand

Operating profit


EUR **6.3** billion

 (-16.8%)

Decline especially due to high negative effects of commodity hedging (EUR -0.9 billion)

Research and development ratio


7.8%

 (+0.5 ppt.)

Increase due to high upfront expenditure for upcoming model initiative

Deliveries


178 thousand
electric vehicles

 (+51.0%)

Very strong growth again for fully electric models

ROS (return on sales)


9.0%

 (-3.2 ppt.)

Operating return on sales negatively impacted due to effects of commodity hedging (adjusted: 10.3%)

Capex ratio


4.7%

 (+0.5 ppt.)

Increase due to investments for new products and platforms

Revenue


EUR **69.9** billion

 (+13.1%)

Increase mainly attributable to higher car sales

Net cash flow


EUR **4.7** billion

 (-1.4%)

Still at a high level, working capital improved

ROI (return on investment)

17.7%

 (-4.5 ppt.)

Below very strong prior-year level due to lower operating profit after tax



Year-on-year change



Outlook: fiscal year 2024

Anticipated development in the key performance indicators of the Audi Group

Deliveries

1.7 to 1.9 million cars

Revenue

EUR **63 to 68** billion

Operating return on sales (ROS)

8 to 10%

Net cash flow

EUR **2.5 to 3.5** billion

Investment ratio¹

11 to 13%

All of the key financial figures in the Finance chapter are based on the Audi consolidated financial statements prepared voluntarily in accordance with IFRS. These consolidated financial statements are included in the consolidated financial statements of Volkswagen AG. The figures in brackets represent the respective prior-year figures. The amendments to the IFRS in 2023 had no material impact on the Audi Group's net worth, financial position and financial performance. Internet sources refer to the status as of February 15, 2024.

The following section on the financial situation and the forecast contains statements on expected developments. These statements are based on current assessments and are by their nature subject to risks and uncertainties. Actual outcomes may differ from those predicted in these statements. AUDI AG has made use of the option under Section 289b.

Para. 2 and Section 315b. Para. 2 of the German Commercial Code (HGB) exempting it from submission of a non-financial declaration and non-financial Group declaration and refers readers to the combined separate non-financial report of Volkswagen AG for the 2023 fiscal year, which will be available on the Internet in German and English by no later than April 30, 2024.

Additional information on production, delivery and financial figures can be found in the [Audi Fact Pack](#) available for download on the Audi Investor Relations website.

¹ The investment ratio describes research and development activities and capex as a proportion of revenue.

Financial situation



Economic environment

The global economy developed positively in fiscal year 2023. Worldwide demand for vehicles was noticeably above the prior-year level. The world and the core regions in detail:

World

Economy

- Growth of the global economy compared with the prior year
- Weaker growth on average in advanced economies and higher growth in emerging markets
- Decline in energy and commodity prices compared with the previous year; easing of primary product and raw material shortages
- Inflation declining but still high worldwide; continuation of restrictive monetary policy with comparatively high base rates in many countries
- In the last weeks of trading in 2023, stock markets motivated by rising hopes for timely interest rate reductions in 2024

Car market

- Worldwide demand for vehicles noticeably above the prior-year level
- Growth in almost all regions of the world, also due to weak prior-year performance
- Bottlenecks and disruptions in global supply chains significantly reduced; better vehicle availability

Europe**Economy**

- Low positive growth rate; Eastern Europe stronger on average than Western Europe
- Decline of gross domestic product in Germany
- Restrictive monetary measures taken by European Central Bank to curb inflation have negative impact on private consumption and investment

Car market

- Significant increase in new registrations in Europe compared with the weak prior year
- Noticeable growth in Germany but lower than in other Western European markets
- Bottlenecks and disruptions in global supply chains eased; better vehicle availability; partial elimination of previous year's order backlogs

USA**Economy**

- Robust economic growth in the year under review
- Still high but declining inflation; continuation of restrictive monetary policy with four base rate increases by the Federal Reserve
- Unemployment rate remains at a low level

Car market

- Significant increase in sales figures compared with the prior year

China**Economy**

- Moderate growth in historical comparison but stronger than a year earlier; positive effect from termination of zero-COVID strategy
- Recovery in private consumption; structural barriers to growth impact industrial and real estate sectors
- Monetary and fiscal policy includes selective stimulus measures

Car market

- Overall demand noticeably above the prior-year level
- Pull-forward effects due to expiring incentive and purchase programs at the end of 2022 resulted in declining registration figures at the start of the year
- Recovery in the course of 2023 due to factors including discounts and new regional incentive programs

Growth in the gross domestic product, car markets and deliveries of the Brand Group Progressive in selected countries/regions¹

	Real GDP growth in %		Car markets in vehicles			Deliveries to customers of the Brand Group Progressive in cars		
	2023	2022	2023	2022	Δ in %	2023	2022	Δ in %
Europe	0.6	3.7	13,921,943	12,075,981	15.3	754,549	631,697	19.4
of which Germany	-0.2	1.9	2,844,878	2,651,357	7.3	253,920	216,526	17.3
China ²	5.4	3.0	22,237,182	21,084,976	5.5	732,893	647,221	13.2
USA ³	2.4	1.9	15,609,066	13,903,429	12.3	235,178	193,569	21.5
Worldwide	2.7	3.1	76,605,671	69,926,995	9.6	1,918,912	1,638,638	17.1

¹ The prior-year figures may have changed as a result of updated data; provisional figures for 2023.

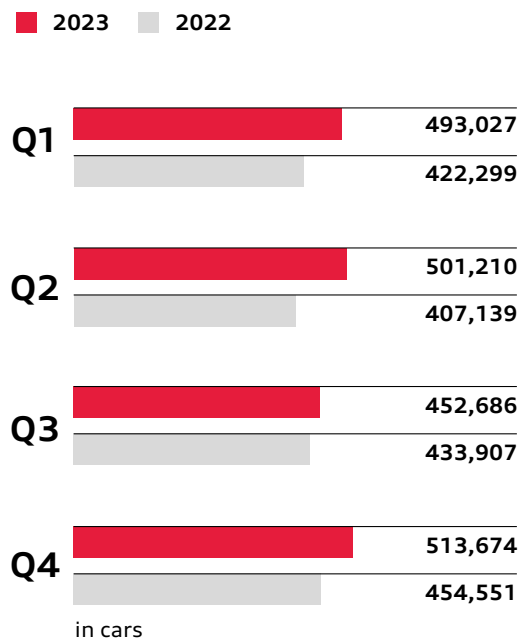
² Chinese car market including Hong Kong.

³ Sales figures for passenger cars and light commercial vehicles (up to 6.35 t).

Production

The Brand Group Progressive significantly increased its production compared with the previous year, which was characterized by supply shortages and the impact of the war between Russia and Ukraine.

Production of the Brand Group Progressive, quarterly trend



Total 2023

1,960,597

Total 2022

1,717,896

+14.1%

In the reporting period, the Brand Group Progressive manufactured 1,960,597 (1,717,896) cars, an increase of 14.1 percent compared with the previous year. The Audi brand built 1,937,342 (1,691,586) vehicles and therefore 14.5 percent more than in the year before. This figure contains 669,902 (606,252) Audi vehicles produced locally by Chinese associated companies, an increase of 10.5 percent. Lamborghini produced 10,014 (9,925) supercars and super SUVs, concluding 2023 with a small increase of 0.9 percent. The Bentley luxury brand produced 13,241 (16,385) vehicles in the period under review, a decline of -19.2 percent compared with 2022. In addition, 55,226 (70,295) motorcycles of the Ducati brand were produced, a decrease of -21.4 percent compared with the record achieved in 2022, which was due to positive pandemic-related recovery effects.

The Brand Group Progressive again increased the production of fully electric vehicles (battery electric vehicles - BEVs) significantly in 2023, manufacturing 196,657 (128,359) BEVs for an increase of 53.2 percent. The highest percentage increases were recorded for the Audi Q4 e-tron and Audi Q8 e-tron.⁴ The share of fully electric vehicles as a percentage of total car production of the Brand Group Progressive thus amounted to 10.0 percent. In the year under review, the number of plug-in hybrids (PHEVs) produced also increased by 29.1 percent to 95,329 (73,831) vehicles.

Generally speaking, the supply situation improved in the year under review. Production in all quarters was in some cases significantly higher than in the same quarters of the previous year.

Production at global sites in 2023

In 2023, a total of 667,753 (533,793) vehicles were produced at the German sites, a substantial increase of 25.1 percent compared with the previous year. Of these, 403,874 (332,981) vehicles were produced at the Ingolstadt site. The start of production of the first fully electric vehicle, the Audi Q6 e-tron, at the end of 2023 marks a milestone for the Audi Group headquarters. The Audi brand manufactured 162,734 (149,127) premium models in Neckarsulm. During the reporting period, a total of 101,145 (51,685) fully electric models of the Audi Q4 e-tron line were produced at the Volkswagen multi-brand site in Zwickau, an increase of 95.7 percent compared with 2022.

In Europe, the Bratislava site grew production by 35.1 percent to 121,418 (89,841) vehicles. The main

⁴ Audi Q8 e-tron: electric power consumption (combined) in kWh/100 km: 29.0-20.1; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.

reason for the significant year-on-year increase in the production of Audi premium SUVs at the Volkswagen multi-brand site was the improved supply situation in 2023. While the Brussels plant built 53,555 (50,302) vehicles, an increase of 6.5 percent, the plant in Győr, Hungary, raised production by 3.8 percent to 176,493 (170,018) cars.

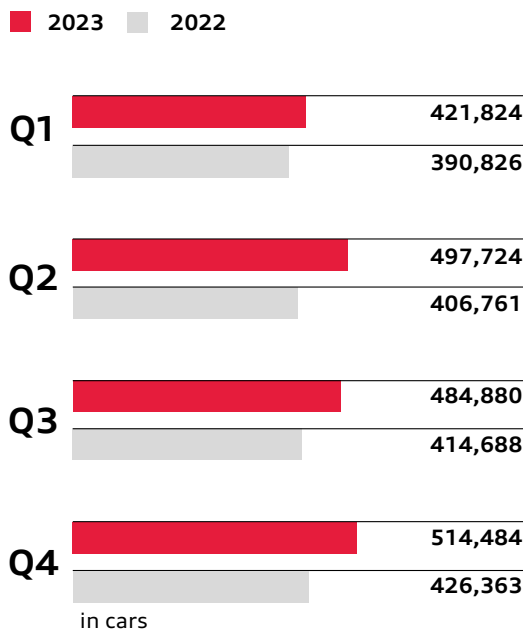
The plant in San José Chiapa in Mexico built 175,626 (178,128) vehicles of the Audi Q5 model line, roughly the same as in the previous year.

In China, the associated companies FAW-Volkswagen and SAIC Volkswagen produced a total of 669,902 (606,252) Audi brand vehicles in 2023. While production at the plants in China decreased by -1.7 percent year-on-year in the first three months of 2023, volumes grew again as the year progressed for an increase of 10.5 percent, significantly above the previous year's figure which was negatively affected by coronavirus lockdowns.

Deliveries

Deliveries of the Brand Group Progressive increased due to the improved supply situation in all core regions – further strong growth for fully electric models.

Deliveries of the Brand Group Progressive, quarterly trend



In fiscal year 2023, the Brand Group Progressive delivered a total of 1,918,912 (1,638,638) cars and outperformed the market overall with growth of 17.1 percent. With deliveries of 1,895,240 (1,614,231) vehicles, the Audi brand achieved an increase of 17.4 percent compared with the previous year, which had been negatively impacted by supply problems. Lamborghini posted growth of 9.5 percent with deliveries of 10,112 (9,233) vehicles. In a challenging market environment, the Bentley brand handed 13,560 (15,174) luxury cars over to customers, a decrease of -10.6 percent on the previous year. With 58,224 (61,562) motorcycles delivered, Ducati saw a decline of -5.4 percent from the record level in 2022.

Still very strong growth for electric vehicles

The Brand Group Progressive also posted very strong growth in the deliveries of fully electric vehicles in the year under review. With 178,429 (118,196) fully electric Audi models, 51.0 percent more vehicles were handed over to customers than a year earlier.

The best-selling fully electric model line was again the Audi Q4 e-tron with 111,735 (52,784) vehicles. In addition, robust delivery figures were recorded for the Audi e-tron GT⁵ with 11,203 (10,042) units and the Audi Q8 e-tron⁴ with 49,001 (51,209) units in the year this model was revised. As a result, fully electric vehicles increased their share of deliveries from the Brand Group Progressive from 7.2 percent to 9.3 percent. This high demand confirmed the company's clear course toward an electric future. The next major step in this direction is the market launch of the Audi Q6 e-tron in 2024, which will be followed by further fully electric models.

⁴ Audi Q8 e-tron: electric power consumption (combined) in kWh/100 km: 29.0–20.1; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.

⁵ Audi e-tron GT: electric power consumption (combined) in kWh/100 km: 22.1–19.6; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.

Total 2023

1,918,912

Total 2022

1,638,638

+17.1%

Increased deliveries of high-performance models and in the SUV segment

Deliveries of high-performance models by Audi Sport GmbH of 47,768 (45,515) vehicles in the 2023 reporting year also exceeded the previous year (+5.0 percent).

In the SUV segment as well, the brand group saw significant growth and delivered a total of 943,548 (830,901) vehicles to customers. Alongside the significantly positive development of the Audi Q5, very strong year-on-year growth was recorded for the Audi Q7 and Audi Q8 models in the C segment. The SUV share decreased slightly compared with the previous year to 49.2 (50.7) percent.

Growth in all core regions

In Europe, the Brand Group Progressive delivered 754,549 (631,697) vehicles, an increase of 19.4 percent from the prior-year level. Deliveries to the German domestic market also increased by 17.3 percent to 253,920 (216,526) vehicles. Overall, the Western European markets also outperformed the

2023
47,768
high-performance models delivered

prior year (+19.0 percent). Like the United Kingdom (+24.2 percent), Italy (+19.0 percent), France (+12.7 percent) and Spain (+15.6 percent) grew delivery figures compared with the previous year. Deliveries in the USA, which is a strategically significant market for the Brand Group Progressive, increased by 21.5 percent to 235,178 (193,569) vehicles. In China – the world’s largest single market – the brand group ended 2023 with 732,893 (647,221) vehicles delivered in a challenging market environment for growth of 13.2 percent.

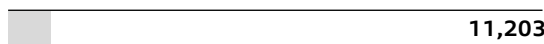
Audi Q4 e-tron



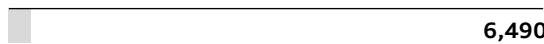
Audi Q8 e-tron⁴ / Audi e-tron⁶



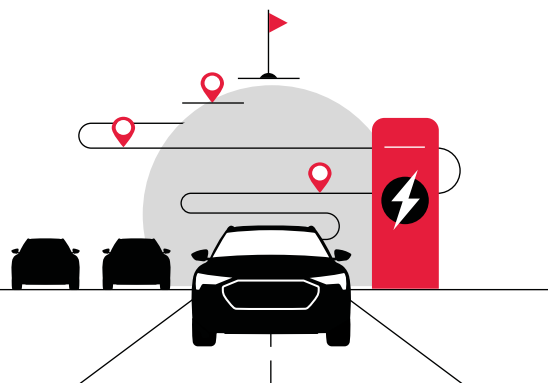
Audi e-tron GT⁵



Other Audi models



178,429
BEVs delivered



⁴ Audi Q8 e-tron: electric power consumption (combined) in kWh/100 km: 29.0–20.1; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.

⁵ Audi e-tron GT: electric power consumption (combined) in kWh/100 km: 22.1–19.6; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.

⁶ The Audi e-tron is no longer offered for sale as a new passenger car on the German market.

Car deliveries to customers by model series^{7,8}

	2023	2022	Δ in %
Audi A1	72,221	55,058	31.2
Audi Q2	90,823	87,154	4.2
Audi Q2 L e-tron ⁹	250	1,841	-86.4
Audi A3	234,547	201,119	16.6
Audi Q3	221,398	238,691	-7.2
Audi Q4 e-tron	111,735	52,784	111.7
Audi TT	9,233	7,933	16.4
Audi A4	236,744	232,481	1.8
Audi A5	76,757	60,048	27.8
Audi Q5	331,928	301,038	10.3
Audi Q5 Roadjet e-tron ⁹	5,207	1,721	X
Audi Q6 Roadjet ⁹	4,561	758	X
Audi A6	266,932	193,617	37.9
Audi A7	32,910	15,771	108.7
Audi Q8 e-tron ⁴ / e-tron ⁶	49,001	51,209	-4.3
Audi e-tron GT ⁵	11,203	10,042	11.6
Audi Q7	72,396	49,629	45.9
Audi Q8	43,760	33,678	29.9
Audi A8	20,293	17,992	12.8
Audi R8	1,591	1,068	49.0
Vehicles before market introduction	1,750	599	X
Audi brand	1,895,240	1,614,231	17.4
Bentley Continental	4,215	4,581	-8.0
Bentley Flying Spur	3,405	4,161	-18.2
Bentley Bentayga	5,940	6,432	-7.6
Bentley brand	13,560	15,174	-10.6
Lamborghini Urus	6,087	5,367	13.4
Lamborghini Huracán	3,962	3,113	27.3
Lamborghini Aventador	63	753	-91.6
Lamborghini brand	10,112	9,233	9.5
Total cars	1,918,912	1,638,638	17.1

⁴ Audi Q8 e-tron: electric power consumption (combined) in kWh/100 km: 29.0–20.1; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.

⁵ Audi e-tron GT: electric power consumption (combined) in kWh/100 km: 22.1–19.6; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.

⁶ The Audi e-tron is no longer offered for sale as a new passenger car on the German market.

⁷ Detailed figures for fuel/electric power consumption and emissions can be found on pages 135–136.

⁸ The table includes deliveries of 664,607 (597,368) vehicles manufactured locally by Chinese associated companies and available and sold exclusively in China.

⁹ Vehicle is manufactured locally by associated companies and available and sold exclusively in China.

Financial performance indicators

Audi Group achieves robust result in a challenging economic environment thanks to stable market performance and strong brands; net cash flow remains at high level.

Financial performance

The Audi Group generated total revenue of EUR 69,865 (61,753) million in the 2023 fiscal year. The 13.1 percent increase compared with the previous year was largely due to higher vehicle sales resulting from strong demand and a more stable supply situation.

Revenue from the sale of cars of the Audi brand increased to EUR 49,091 (41,081) million. In particular, the fully electric Audi Q4 e-tron and the Audi Q7, Audi A3 and Audi Q5 model lines posted strong year-on-year revenue growth. During the reporting period, the Lamborghini brand increased revenue from the vehicle business by 12.4 percent to EUR 2,466 (2,193) million, following an already very strong previous year. The Bentley brand posted revenue from the vehicle business of EUR 2,772 (3,300) million, a decline compared with the record level in 2022. With

revenue of EUR 888 (917) million, the motorcycle business of the Ducati brand performed slightly below the very strong prior-year level.

The other revenue of the Audi Group was on a par with 2022 at EUR 14,853 (15,008) million. This figure included revenue from both sales of genuine parts and engines and motors as well as from parts deliveries to China.

Revenue by region gave a consistently positive picture. The Audi Group posted significant revenue growth of 14.4 percent in Europe, to EUR 34,836 (30,460) million. Revenue in the USA also increased by a significant 17.2 percent to EUR 14,892 (12,706) million. In China,¹⁰ revenue grew by 3.2 percent to EUR 11,430 (11,081) million in a challenging market environment. ›

Condensed income statement, Audi Group

<i>EUR million</i>	2023	2022	Δ in %
Revenue	69,865	61,753	13.1
Cost of goods sold	-58,576	-52,237	12.1
Gross profit from sales	11,289	9,516	18.6
Distribution expenses	-3,377	-3,184	6.1
Administrative expenses	-771	-759	1.7
Other operating result	-860	1,977	X
Operating profit	6,280	7,550	-16.8
ROS (return on sales) in %	9.0	12.2	-3.2 ppt.
Financial result	1,423	1,522	-6.5
Profit before tax	7,703	9,072	-15.1
Income tax expense	-1,443	-1,956	-26.2
Profit after tax	6,260	7,116	-12.0

¹⁰ As well as the revenue from Audi vehicles exported to China (FBU), this line item also includes revenue from deliveries of parts to China. Other income from the China business is reported in the financial result.

Cost of goods sold increased, mainly due to higher expenses for production materials. Alongside higher sales, the primary reasons for this were higher commodity and parts prices as well as a higher proportion of electric vehicles sold in the year under review.

Distribution expenses increased noticeably as a result of higher sales and transport costs, while general administrative expenses were at the same level as the previous year due to continuing cost discipline.

The other operating result decreased significantly compared with the previous year. This was mainly due to commodity hedging effects of EUR -943 million during the year as a result of lower commodity prices. In the previous year, the commodity hedging effects of EUR 793 million had positively influenced the other operating result. Higher residual value risks due to the develop-

ment of the used car market also had a negative effect compared with the previous year. By contrast, currency effects had a slightly positive impact.

Operating profit impacted significantly by commodity hedging effects

As a result, the operating profit of the Audi Group amounted to EUR 6,280 (7,550) million, which was significantly below the previous year's record value. This corresponded to an operating return on sales of 9.0 (12.2) percent.

Adjusted for commodity hedging effects, the operating profit was EUR 7,223 (6,757) million and the operating return on sales was 10.3 (10.9) percent.

Key figures for research and development

<i>EUR million</i>	2023	2022	Δ in %
Research and development activities	5,436	4,517	20.3
● Capitalized development costs	2,705	2,079	30.1
+ Amortization of and impairment losses on capitalized development costs	1,292	1,600	-19.3
= Research and development expenditure	4,024	4,039	-0.4

Research and development in the Audi Group

The research and development ratio¹¹ in the year under review was 7.8 (7.3) percent. Alongside expenditure for new models, the main reason for the significant growth in research and development activities was the investment in the strategically important areas of electrification and digitalization. The capitalization ratio¹² of 49.8 (46.0) percent was higher than in the previous year. The

high ratio reflects the present product life cycle of the model range and also demonstrates the ability of the future product portfolio to retain its value. Total research and development expenditure was almost unchanged from the previous year due to lower amortization of and impairment losses on capitalized development costs.

¹¹ This ratio shows research and development activities relative to revenue.

¹² This ratio expresses capitalized development costs in relation to research and development activities.

Financial result, Audi Group

<i>EUR million</i>	2023	2022	Δ in %
Result from investments accounted for using the equity method	173	271	-36.2
Net interest result	464	583	-20.3
Other financial result	785	668	17.5
Financial result	1,423	1,522	-6.5
of which China business ¹³	915	1,153	-20.7

Financial result of the Audi Group

The financial result of the Audi Group decreased to EUR 1,423 (1,522) million in the past fiscal year. This was mainly attributable to a decline in the net interest result. Interest income from current investments increased, but this effect was outweighed by higher expenses due to the discounting of provisions because of the year-on-year decrease in interest rates. There was a further decline in the result from investments accounted for using the equity method. The other financial result developed in the opposite direction, the main reason for this increase being higher income from securities. By contrast, the lower income from the brand settlement¹⁴ for the China business agreed with Volkswagen AG had a negative effect on the other financial result.

The Audi Group's China business contributed EUR 915 (1,153) million to the financial result, despite the challenging market situation.

Profit after tax considerably lower than in the previous year

In the 2023 fiscal year, the Audi Group posted a profit before tax of EUR 7,703 (9,072) million. The return on sales before tax was 11.0 (14.7) percent. Profit after tax came to EUR 6,260 (7,116) million.

Return on investment lower after a strong previous year

The Audi Group's return on investment (ROI)¹⁵ was 17.7 (22.2) percent in the 2023 fiscal year. The declining development in the return on investment year-on-year is largely attributable to the lower operating profit after tax.

Development of return on investment of the Audi Group

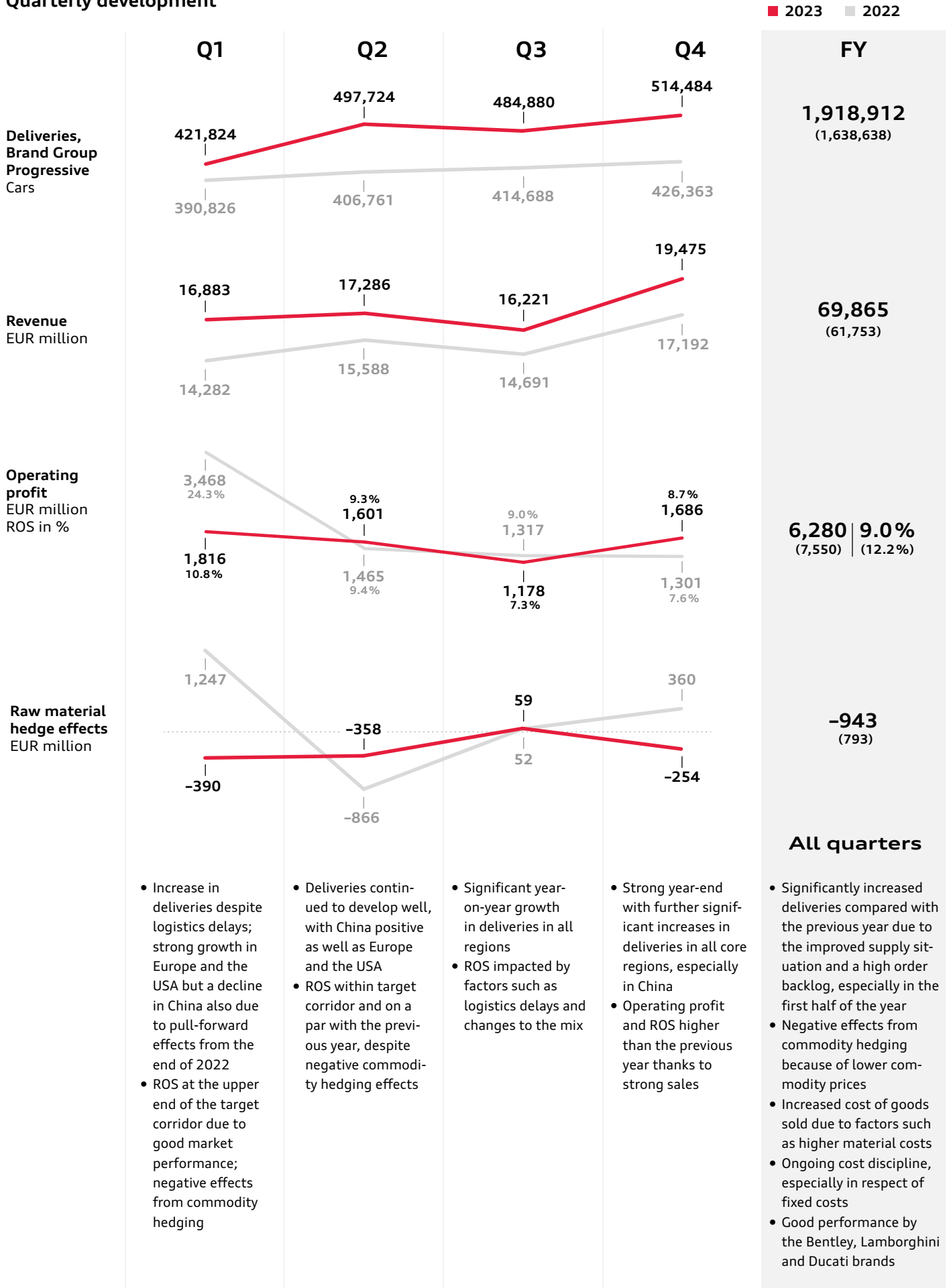
<i>EUR million</i>	2023	2022	Δ in %
Operating profit after tax ¹⁵	4,396	5,285	-16.8
Invested assets (average)	24,801	23,808	4.2
Return on investment (ROI)¹⁵ in %	17.7	22.2	-4.5 ppt.

¹³ Includes the result from investments accounted for using the equity method: FAW-Volkswagen Automotive Co., Ltd., Volkswagen Automatic Transmission (Tianjin) Co., Ltd., SAIC Volkswagen Automotive Co., Ltd., Audi FAW NEV Co., Ltd., and brand settlement for China business.

¹⁴ Financial brand settlement agreed between AUDI AG and Volkswagen AG and performance-related income for China business in connection with associated companies.

¹⁵ Assumed tax rate of 30 percent; further definitions on return on investment can be found in the [Audi Fact Pack](#).

Quarterly development



- Increase in deliveries despite logistics delays; strong growth in Europe and the USA but a decline in China also due to pull-forward effects from the end of 2022
- ROS at the upper end of the target corridor due to good market performance; negative effects from commodity hedging

- Deliveries continued to develop well, with China positive as well as Europe and the USA
- ROS within target corridor and on a par with the previous year, despite negative commodity hedging effects

- Significant year-on-year growth in deliveries in all regions
- ROS impacted by factors such as logistics delays and changes to the mix

- Strong year-end with further significant increases in deliveries in all core regions, especially in China
- Operating profit and ROS higher than the previous year thanks to strong sales

- All quarters**
- Significantly increased deliveries compared with the previous year due to the improved supply situation and a high order backlog, especially in the first half of the year
 - Negative effects from commodity hedging because of lower commodity prices
 - Increased cost of goods sold due to factors such as higher material costs
 - Ongoing cost discipline, especially in respect of fixed costs
 - Good performance by the Bentley, Lamborghini and Ducati brands

Net worth

Total assets of the Audi Group as of December 31, 2023, increased to EUR 73,447 (70,812) million. Non-current assets of the Audi Group grew significantly, mainly due to higher capitalized development costs and investment in property, plant and equipment.

Current assets as of December 31, 2023, were almost at the previous year's level. At the same time, increased sales at the end of the year led to a reduction in inventories. There was a corresponding year-on-year increase in trade receivables.

Cash and cash equivalents increased, mainly due to fixed-term deposits that had matured in 2023 and been recognized as other current assets in 2022.

Equity strengthened further

As of December 31, 2023, the equity of the Audi Group increased to EUR 33,839 (31,582) million, giving an equity ratio of 46.1 (44.6) percent. This increase was mainly due to the rise in retained earnings.

Non-current liabilities were noticeably higher at the end of 2023, mainly due to increased provisions as a result of the lower discount rate and the increase in deferred tax liabilities.

Current liabilities declined, primarily on account of lower financial liabilities. Trade payables developed in the opposite direction, with the increase mainly attributable to higher investment at the end of the year.

Condensed balance sheet, Audi Group

<i>EUR million</i>	12/31/2023	12/31/2022	Δ in %
Non-current assets	35,230	32,675	7.8
Current assets	38,199	38,119	0.2
of which inventories	7,966	8,336	-4.4
of which trade receivables	5,598	5,471	2.3
of which cash and cash equivalents	13,436	9,599	40.0
Assets held for sale	18	18	-
Total assets	73,447	70,812	3.7
Equity	33,839	31,582	7.1
Liabilities	39,608	39,230	1.0
of which non-current liabilities	15,228	14,415	5.6
of which current liabilities	24,380	24,815	-1.8
of which trade payables	8,839	8,632	2.4
Total equity and liabilities	73,447	70,812	3.7



Financial position

Audi RS 6 Avant GT: fuel consumption (combined) in l/100 km: 12.7–12.2; CO₂ emissions (combined) in g/km: 289–277; CO₂ class: G.

In the 2023 fiscal year, the Audi Group generated cash flow from operating activities of EUR 11,135 (10,028) million.

The year-on-year increase despite the lower profit was attributable, among other things, to the positive development of working capital in the year under review.

The reduction of inventories over the course of the year had a positive impact; these had increased in the previous year. Trade receivables increased only slightly after a significant increase in the previous year. In addition, the decline in provisions in working capital was lower than a year earlier. By contrast, a slight year-on-year increase in trade payables had a negative effect on the change in working capital.

Capital expenditures impacted by upfront expenditure for future models

Investing activities attributable to operating activities came to EUR –6,395 (–5,221) million in the year under review. Capital expenditures rose significantly to EUR –3,251 (–2,590) million. The change is especially attributable to investments for new products based on the fully electric Premium Platform Electric (PPE) and on the Premium Platform Combustion (PPC). The capex ratio in the year under review was 4.7 (4.2) percent.

The increase in capitalized development costs during the reporting period also had a negative effect on net cash flow. It was offset by lower investments in participations compared with the previous year.

Net cash flow remains strong and net liquidity high

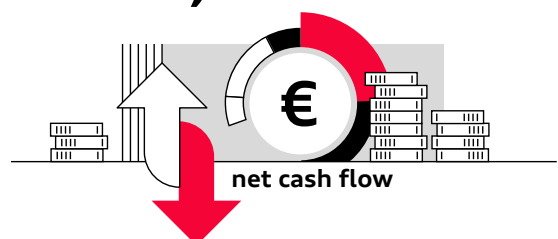
Net cash flow of the Audi Group in the year under review came to EUR 4,740 (4,808) million, which was on a par with the strong prior-year level.

Cash flow from investing activities amounted to EUR –2,799 (–8,369) million and, in addition to the aforementioned investing activities attributable to operating activities, included the proceeds from maturing fixed-term deposits. In the previous year, expenditure of a similar amount had had a negative impact.

Cash flow from financing activities amounted to EUR –4,312 (–4,327) million. It mainly comprised the profit transfer to Volkswagen AG of EUR –3,546 million for 2022.

As of the reporting date, cash funds increased to EUR 13,436 (9,599) million. The net liquidity of the Audi Group as of December 31, 2023, was EUR 23,554 (22,570) million.

EUR 4,740 million



Condensed cash flow statement, Audi Group

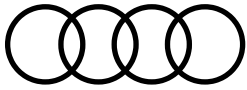
<i>EUR million</i>	2023	2022	Δ in %
Cash and cash equivalents as of January 1	9,599	12,235 ¹⁶	-21.5
Cash flow from operating activities	11,135	10,028	11.0
Investing activities attributable to operating activities	-6,395	-5,221	22.5
of which capital expenditure ¹⁷	-3,251	-2,590	25.5
of which additions to capitalized development costs	-2,705	-2,079	30.1
of which change in participations	-504	-697	-27.7
of which disposal of fixed assets	64	145	-55.6
Net cash flow	4,740	4,808	-1.4
Change in cash deposits and loans extended	3,596	-3,148	X
Capital contributions from non-controlling interests	-	143	X
Profit transfer to the Volkswagen Group	-3,546	-4,025	-11.9
Lease payments, change in miscellaneous financial liabilities	-767	-445	72.2
Change in cash and cash equivalents due to changes in exchange rates	-186	32	X
Change in cash and cash equivalents	3,838	-2,636	X
Cash and cash equivalents as of December 31	13,436	9,599	40.0
Net liquidity as of December 31	23,554	22,570	4.4
Cash flow from investing activities	-2,799	-8,369	-66.6
Cash flow from financing activities	-4,312	-4,327	-0.3

¹⁶ Includes an addition of EUR 213 million in connection with the first-time consolidation of the Bentley subgroup as of January 1, 2022.

¹⁷ Capital expenditure includes investments in property, plant and equipment, investment property and other intangible assets according to the cash flow statement.

Brand Group Progressive

Comparison of deliveries, revenue, operating profit and return on sales: key performance indicators 2023



Audi

Deliveries

1,895,240

↗ +17.4%

Revenue
EUR million

63,484

↗ +15.0%

Operating profit
EUR million

4,855

↘ -21.1%

Operating return on sales (ROS)

7.6%

↘ -3.6 ppt.

Bentley

Deliveries

13,560

↘ -10.6%

Revenue
EUR million

2,938

↘ -13.2%

Operating profit
EUR million

589

↘ -16.7%

Operating return on sales (ROS)

20.1%

↘ -0.8 ppt.

Lamborghini

Deliveries

10,112

↗ +9.5%

Revenue
EUR million

2,663

↗ +12.1%

Operating profit
EUR million

723

↗ +17.8%

Operating return on sales (ROS)

27.2%

↗ +1.3 ppt.

Ducati

Deliveries

58,224

↘ -5.4%

Revenue
EUR million

1,065

↘ -2.2%

Operating profit
EUR million

112

↗ +2.3%

Operating return on sales (ROS)

10.5%

↗ +0.5 ppt.

¹ Audi Q8 e-tron: electric power consumption (combined) in kWh/100 km: 24.5–20.1; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.

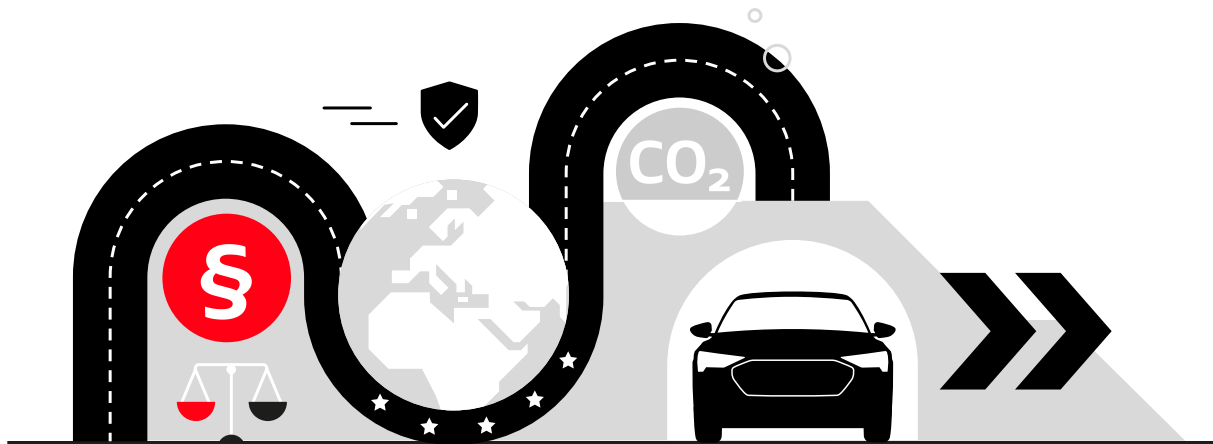
² Bentley Bentayga EWB Mulliner: fuel consumption (combined) in l/100 km: 12.8; CO₂ emissions (combined) in g/km: 296; CO₂ class: G.

³ Lamborghini Revuelto: fuel consumption (weighted combined) in l/100 km: 11.9; electric power consumption (weighted combined) in kWh/100 km: 10.1; CO₂ emissions (weighted combined) in g/km: 276; CO₂ class (weighted combined): G; fuel consumption with empty battery (combined): 17.8 l/100 km; CO₂ class with empty battery: G.

⁴ Ducati Streetfighter V4 SP.



Year-on-year change



EU taxonomy

The EU taxonomy makes sustainable business operations measurable and comparable. Audi makes voluntary disclosures in accordance with the EU Taxonomy Regulation.

The European Union (EU) is increasing its focus on climate change mitigation. The “European Green Deal” and the goal of becoming climate-neutral by 2050 are an expression of the EU’s great ambition and provide the framework for a broad package of measures. The EU taxonomy represents the next logical step on this path and, at the same time, is one of the central measures in the aforementioned package. Its goal is to redirect capital to sustainable investments while fostering transparency and the long term in financial and economic activity. To this end, the EU Taxonomy Regulation and the associated delegating acts define criteria to make companies’ sustainable business operations uniformly measurable and comparable. At the same time, the EU taxonomy goes beyond the climate change mitigation aspect to require additional compliance with social aspects, for example. The

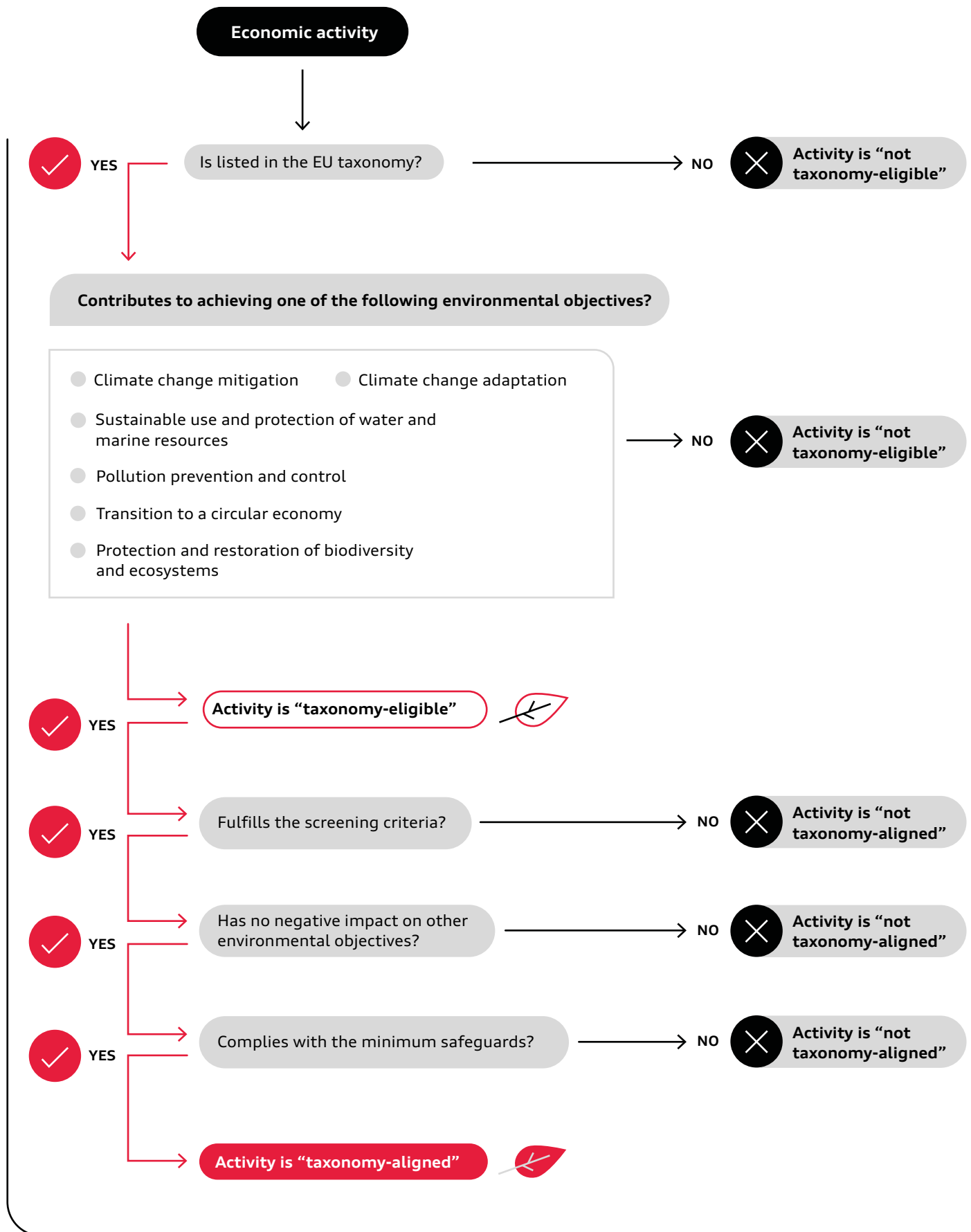
Audi Group is committed to the Paris Climate Agreement and aligns its activities with the 1.5-degree goal. The company plans to be net carbon-neutral by 2050.

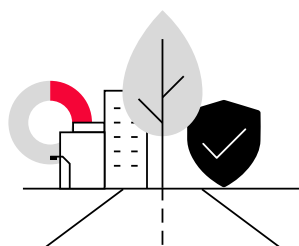
Voluntary reporting by the Audi Group¹

The Audi Group is a fully consolidated Volkswagen Group company and is therefore not required to provide a separate report in accordance with EU taxonomy criteria. Since fiscal year 2021, the Audi Group has been fostering transparency by publishing a voluntary report of the key figures relating to the EU taxonomy, thus reflecting the priority the brands give to ESG (Environmental, Social and Governance) criteria. Sustainability has a central role for the Audi Group and this is to be demonstrated visibly.

¹ For more detailed information on the EU taxonomy, please also read the Annual Report of the Volkswagen Group.

What makes an economic activity taxonomy-eligible or taxonomy-aligned?





1 Taxonomy-eligible

- Contribution to the environmental goal of climate change mitigation
- Manufacture of low-carbon technologies for transport
- Manufacture of automotive and mobility components

The Audi Group's business model covers the development, production and selling of vehicles and the associated activities. Within the meaning of the EU Taxonomy Regulation, activities in these areas are suited to making a substantial contribution to the environmental goal of climate change mitigation through the expansion of clean or climate-neutral mobility. Under the "climate change mitigation" environmental objective, the Audi Group allocates all the itemized activities to the economic activities "Manufacture of low-carbon technologies for transport" and, for the first time, "Manufacture of automotive and mobility components." These apply to all cars and motorcycles produced, irrespective of their drive technology, and also cover genuine parts. The inclusion of the second economic activity permits the consideration of components as well because these play a key role in reducing greenhouse gas emissions. This relates in particular to the sale to third parties of produced engines and powertrains for fully electric vehicles.

In the Audi Group's current estimation, hedging transactions and individual activities of subordinate importance, which are reported as other sales revenue in Audi's consolidated financial statements, should not be assigned to an economic activity and are therefore not deemed in the first instance to be taxonomy-eligible. Other activities which are directly connected with the aforementioned vehicle-related business and, in Audi's estimation, should also be assigned to these economic activities, are currently classified as not taxonomy-eligible. On the basis of the requirements published by the EU, it was not clear which economic activity they should be assigned to in accordance with the EU taxonomy. These activities particularly include the sale of other engines and powertrains, as well as parts deliveries and production under license by third parties, which are also reported as other sales revenue.

2 Fulfillment of screening criteria

- Vehicle CO₂ emissions
- BEV = 0 g/km CO₂ and PHEV < 50 g/km CO₂ by 2025

The key performance indicator for fulfilling the screening criteria is the CO₂ emissions of the vehicles produced by the Audi Group. For this reason, CO₂ emissions in our vehicle-related business have been analyzed in accordance with WLTP by model and powertrain type. In this way, those vehicles have been identified among all of the taxonomy-eligible vehicles that meet the screening criteria and with which the substantial contribution to climate change mitigation is measured. Until December 31, 2025, a threshold value of < 50 g/km CO₂ (WLTP) will apply.

These vehicles include the Audi Group's fully electric vehicles (BEV):

- Audi Q4 e-tron, Audi e-tron² / Audi Q8 e-tron,³ Audi e-tron GT⁴

In addition, most of the plug-in hybrids (PHEV) produced by the Audi Group also fulfill the screening criteria:

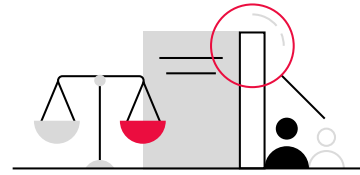
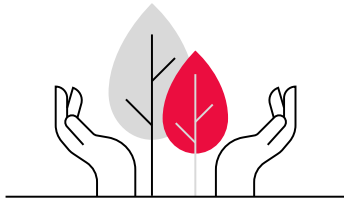
- Vehicles of the model lines Audi A3, Q3, A6, A7 and most of the Audi Q5 and A8 model lines

For fulfilling the screening criteria, a CO₂ threshold of 0 g/km already applies to motorcycles. None of the motorcycles in the Ducati product range met this requirement. At the same time, development work started on fully electric motorcycles in the 2023 fiscal year.

² The Audi e-tron is no longer offered for sale as a new passenger car on the German market.

³ Audi Q8 e-tron: electric power consumption (combined) in kWh/100 km: 29.0–20.1; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.

⁴ Audi e-tron GT: electric power consumption (combined) in kWh/100 km: 22.1–19.6; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.



3 Compatibility with other environmental objectives

(Do No Significant Harm, DNSH)

- No significant harm to the other environmental objectives
- Central Volkswagen assessment: criteria fulfilled by Audi

Ecologically sustainable economic activities within the meaning of the EU taxonomy must not only contribute to at least one of the defined environmental objectives but may also have no negative impact on the other environmental objectives. The DNSH (Do No Significant Harm) criteria for economic activities define the minimum requirements which must be fulfilled in order to exclude any significant harm to any of the other environmental objectives. In the year under review, the DNSH criteria for the economic activities “Manufacture of low-carbon technologies for transport” and “Manufacture of automotive and mobility components” for the Audi Group were analyzed at the higher level of the Volkswagen Group. For the vehicle-related business, the analysis was performed at the level of the individual production sites which manufacture or will in the future manufacture Audi vehicles that fulfill the screening criteria named under step 2 above or will do so in the future in accordance with the five-year plan. The Volkswagen Group’s Annual Report presents the key interpretations and analyses used by the Volkswagen Group to examine whether any substantial harm has been done to the other environmental objectives. The result of these assessments is that the Audi Group’s vehicle-producing sites fulfilled the DNSH criteria in the year under review.

4 Minimum safeguards

- Upholding human rights and meeting minimum social standards
- Central Volkswagen assessment: criteria fulfilled by Audi

The minimum safeguards consist of the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, the Fundamental Conventions of the International Labour Organization (ILO) and the International Bill of Human Rights.

The Audi Group is aware of its corporate responsibility for human rights, is committed to these conventions and declarations and affirms its acceptance of the content and principles specified therein. The Volkswagen Group has performed and concluded human rights risk assessments for all Audi Group companies, including all sites audited in accordance with DNSH criteria. This risk analysis took account of the results and risk assessments from the previous year.

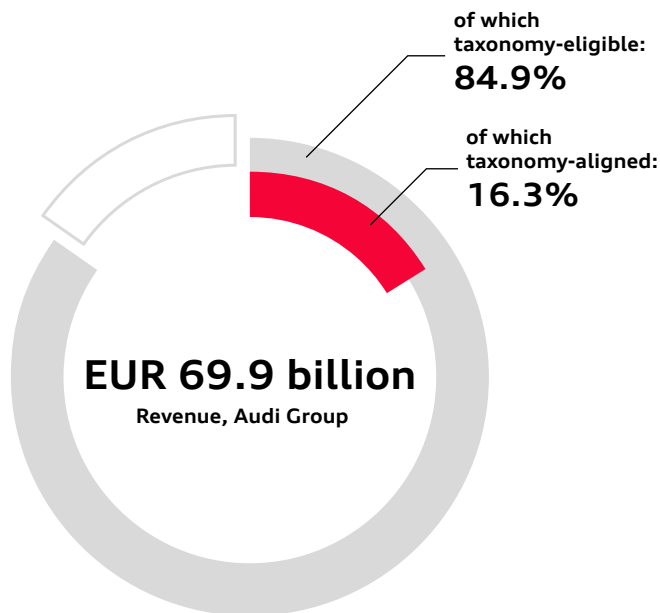
For the risks identified in the analysis, the companies received risk-specific measures which had to be implemented. The Group constantly monitors the status of implementation of these measures. The result of these assessments is that the requirements of the minimum safeguards were fulfilled in the year under review.

Audi Group key figures in accordance with the EU taxonomy⁵

Revenue

Revenue of the Audi Group in 2023 totaled EUR 69.9 (61.8) billion (see page 41). Of this amount, EUR 59.3 (51.6) billion, or 84.9 (83.5) percent, was attributable to the economic activities “Manufacture of low-carbon technologies for transport” and “Manufacture of automotive and mobility components” and is therefore classified as taxonomy-eligible. This mainly includes the sales revenue from new and used vehicles, including motorcycles, from genuine parts, from extended warranties, and from the rental and lease business.

Of this amount, EUR 11.4 (8.3) billion, or 16.3 (13.5) percent, fulfilled the screening criteria (see step 2). Because it satisfies the DNSH criteria and minimum safeguards, this proportion of sales revenue can be classified as taxonomy-aligned. In the case of fully electric models only, this applied to EUR 8.3 (6.1) billion or 11.9 (9.8) percent of Audi Group revenue. Revenue from the sale of PHEVs was also higher than the previous year.



Capital expenditure

In accordance with the EU taxonomy, capital expenditure covers additions to intangible assets, property, plant and equipment, leasing and rental assets, and investment property.

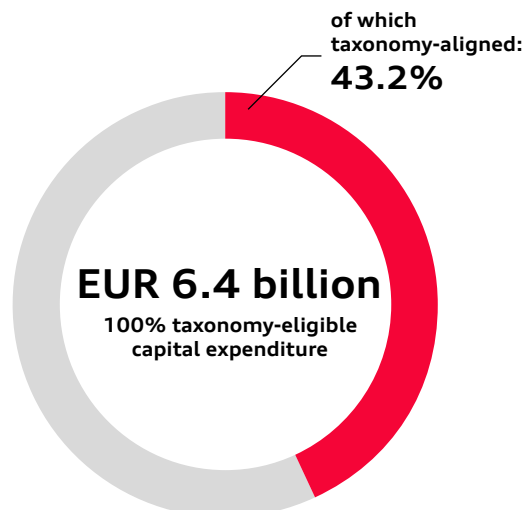
All capital expenditure attributable to the vehicle-related business was associated with the economic activity “Manufacture of low-carbon technologies for transport.”

No substantial capital expenditure was assigned to the other activities in the vehicle-related business (especially engines, powertrains, parts deliveries and franchises) that were initially not included.

In fiscal year 2023, additions in the Audi Group amounted to

- EUR 3.0 (2.3) billion from intangible assets
- EUR 3.3 (2.7) billion from property, plant and equipment
- EUR 0.1 (0.1) billion from leasing and rental assets, and investment property

Taxonomy-eligible capital expenditure thus totaled EUR 6.4 (5.1) billion or 100 percent. Capital expenditure relating to vehicles that meet the screening criteria amounted to EUR 2.8 (2.0) billion. Taking into account the DNSH criteria and minimum safeguards, 43.2 (39.3) percent of total capital expenditure was taxonomy-aligned in 2023. The percentage increase is largely attributable to the higher investments in fully electric vehicles. Taxonomy-aligned capital expenditure included EUR 2.6 (1.7) billion, or 40.3 (34.3) percent, for these vehicles. This year-on-year increase reflects the Audi BEV roadmap.



⁵ The EU taxonomy contains wording and terms which are still subject to interpretation. Their later clarification by the EU may result in reporting changes. There is a risk that key figures reported as taxonomy-aligned might need to be assessed differently. The Audi Group’s interpretation is shown below.

Operating expenditure

In accordance with the EU taxonomy, operating expenditure covers non-capitalized research and development costs, expenditure for maintenance and repair, and short-term leases. All operating expenditure attributable to the vehicle-related business is associated with the economic activity “Manufacture of low-carbon technologies for transport” and was therefore classified as taxonomy-eligible.

Thus, of the Audi Group’s total operating expenditure:

- taxonomy-eligible operating expenditure: EUR 3.1 (2.8) billion or 100 (100) percent
- taxonomy-aligned operating expenditure: EUR 1.3 (1.0) billion or 41.0 (36.1) percent

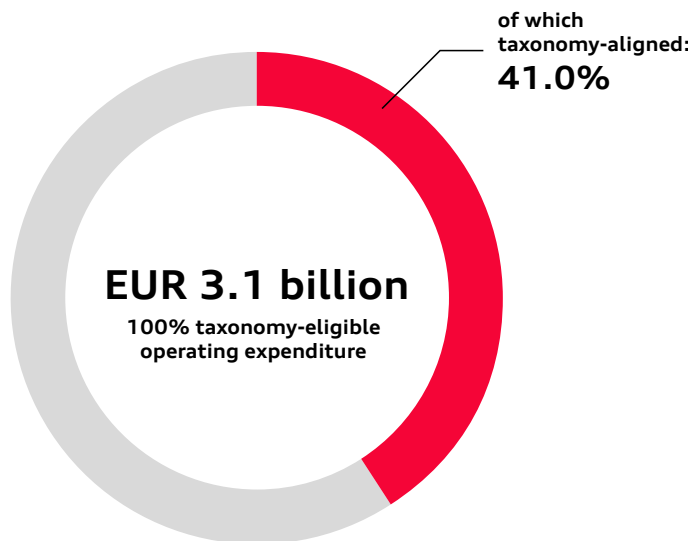
The increase in taxonomy-aligned operating expenditure – both absolute and proportionate – is attributable to the growing number of environmentally sustainable projects in accordance with the EU taxonomy. In the case of fully electric vehicles, a total of EUR 1.2 (0.9) billion, or 39.2 (32.8) percent, is included in the taxonomy-aligned operating expenditure.

Audi invests in a sustainable future

The Brand Group Progressive is continuing with its ambitious BEV roadmap. This is reflected, among other things, in the taxonomy-aligned share of revenue of 16.3 percent as well as in the capital expenditure planned for electric mobility and digitalization. To drive forward its transformation to a provider of

sustainable and connected premium mobility, the brand group is earmarking investments of around EUR 29.5 billion for electrification and digitalization for the period 2024 to 2028. With a total investment of around EUR 41 billion, almost two-thirds of the upfront expenditure is going into these future-oriented topics.

Audi is presenting a large number of new models in 2024, led by the fully electric Audi Q6 e-tron based on the PPE (Premium Platform Electric) drive platform. Furthermore, the Bentley and Lamborghini brands ([see page 27](#)) are committed to the electrification of their fleet, while Ducati is the exclusive supplier for the electric class of the MotoGP™ World Championship.



Economic stability

A solid economic performance is the essential basis for every company if it is to succeed in the long term. Only through stable profits and positive cash flows can the required investments be financed and future viability ensured.

An insufficient financial performance endangers the implementation of the Audi strategy, as the required upfront expenditure for products and systems cannot be provided in the required scope. This could jeopardize Audi’s competitiveness in the long term.

The Audi strategy sets out clear, ambitious goals for the most important key figures. These are communicated transparently and monitored.

The financial steering process of the Audi Group is strongly oriented toward the planning process of the Volkswagen Group and includes long-term, medium-term, annual and monthly planning data. The financial targets contained therein are monitored regularly, reported on in the top-level committees and coordinated with the Volkswagen Group. When deviations are imminent, corresponding measures are initiated. Through regular financial reporting and the exchange with capital market participants, the financial targets and competitiveness are reviewed.

Report on expected developments

Audi expects fiscal year 2024 to be demanding in a still volatile and challenging environment.



The Audi Group assumes that the global economy will grow overall in 2024 but that the pace of growth will be slower than a year earlier. Persistently high inflation in many regions and the restrictive monetary policy adopted by central banks as a result are likely to have a negative effect on private demand. Audi continues to see risks in protectionist tendencies, turbulence in financial markets and structural deficits in individual countries. Moreover, growth prospects will be negatively affected by continuing geopolitical tension and conflicts. In particular, the

war between Russia and Ukraine and the conflicts in the Middle East harbor risks. The Audi Group assumes that both advanced economies and emerging markets will display positive growth rates on average, although their gross domestic product (GDP) may see below-average growth rates.

Development in the automotive industry is closely tied to the course of the global economy. Audi expects the intensity of competition in the international automotive industry to continue

Audi Q8 e-tron edition Dakar: electric power consumption (combined) in kWh/100 km: 25.1–24.7 (with summer tires, without roof basket); CO₂ emissions (combined) in g/km: 0; CO₂ class: A. Some details of the vehicle shown here may differ from the standard specification. Please refer to our configurator for an overview of available equipment.

to rise. Crisis-related disruptions of the global supply chain and the resulting effects on vehicle availability could have a negative impact on new registrations. Additional uncertainties could be generated by shortages of primary products and raw materials. These could be exacerbated further by the effects of the war between Russia and Ukraine and the conflicts in the Middle East, resulting especially in rising prices and declining energy availability.

The Audi Group expects passenger car markets to develop at different rates in the various regions in 2024 but that this development will be largely positive. Overall, global sales volumes for new vehicles are likely to be slightly higher than those of the previous year.

In Europe, the Audi Group expects new registrations in the overall passenger car market in 2024 to be slightly above the level of the year under review. For the German passenger car market, it is expected that the volume of new registrations will likewise slightly exceed the prior-year level. In 2024, Audi also expects sales volumes of passenger cars and light commercial vehicles (up to 6.35 t) in North America overall and in the USA to increase slightly

above the previous year's level. Models in the SUV and pickup segments are likely to stay the main focus of demand. In addition, it is to be expected that new registrations of fully electric vehicles will see significant growth. The Audi Group continues to anticipate that the market volume in China will be slightly higher than the 2023 figure. Demand for long-range plug-in hybrid models is expected to grow.

Outlook for 2024

Subject to the anticipated slight economic growth and the expectations for the supply of parts, the Audi Board of Management is assuming the following key performance indicators for fiscal year 2024: deliveries to customers of Brand Group Progressive cars are likely to amount to between 1.7 and 1.9 million vehicles. The Audi Group expects revenue in the range of EUR 63 to 68 billion. The operating return on sales (ROS) is likely to be between 8 and 10 percent. This does not take account of the potential effects of commodity hedging. The Audi Group is anticipating a net cash flow corridor of EUR 2.5 to 3.5 billion. In addition, an investment ratio¹ of between 11 and 13 percent is forecast for fiscal year 2024.

Anticipated development in the key performance indicators of the Audi Group

	Actual 2023	Forecast 2024
Deliveries of cars of the Brand Group Progressive to customers ²	1.9 million cars	between 1.7 and 1.9 million cars
Revenue	EUR 69.9 billion	between EUR 63.0 and 68.0 billion
Operating return on sales (ROS)	9.0%	between 8.0 and 10.0%
Net cash flow	EUR 4.7 billion	between EUR 2.5 and 3.5 billion
Investment ratio ¹	12.4%	between 11.0 and 13.0%

¹ The investment ratio describes research and development activities and capex as a proportion of revenue.

² This includes delivered Audi models produced locally by associated companies in China and available and sold exclusively in China.

Report on risks and opportunities

Early detection and management of risks and opportunities are decisive factors for ensuring the sustained success of the Audi Group. A comprehensive Risk Management System (RMS) and an Internal Control System (ICS) provide the basis for this.



Risk Management System in the Audi Group

Addressing risks and opportunities constructively and openly is vital for the Audi Group in order to ensure the lasting success of its entrepreneurial activities.

The purpose of an effective risk management system is to:

- fulfill legal requirements, especially the establishment of an early warning system,
- safeguard the company's strategic, operational and financial goals over the long term,
- stabilize and develop the company in accordance with the wishes of its interest groups,
- fulfill the company's far-reaching duty of care with respect to how it handles risks and
- protect long-term viability and competitiveness.

The Audi Group's responsible and transparent approach to risks is reflected, among other things, in the formulation of ambitious corporate goals that are based comprehensively on risk/return considerations. These are synchronized both within the Audi Group and with the Volkswagen Group. In addition to the RMS, the ICS ensures that processes within the Audi Group are compliant and stable and is continuously developed. The ICS covers all material risk-carrying business processes including associated control activities across division boundaries. The effectiveness of the control activities is verified regularly.

Operating principle of the Risk Management System

The Risk Management System of the Audi Group is based on the internationally recognized standard of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Risks

are to be identified, evaluated and appropriately managed by those responsible. They are communicated to the people responsible in each division and to the Audi Board of Management in a transparent, appropriate and timely manner. All divisions and material subsidiaries of Audi are integrated into the Risk Management System in order to satisfy both corporate and statutory requirements. Changes in the legal framework with respect to risk management are also continually monitored and accordingly implemented promptly in the company's RMS as well as the ICS.

Central tasks of risk management

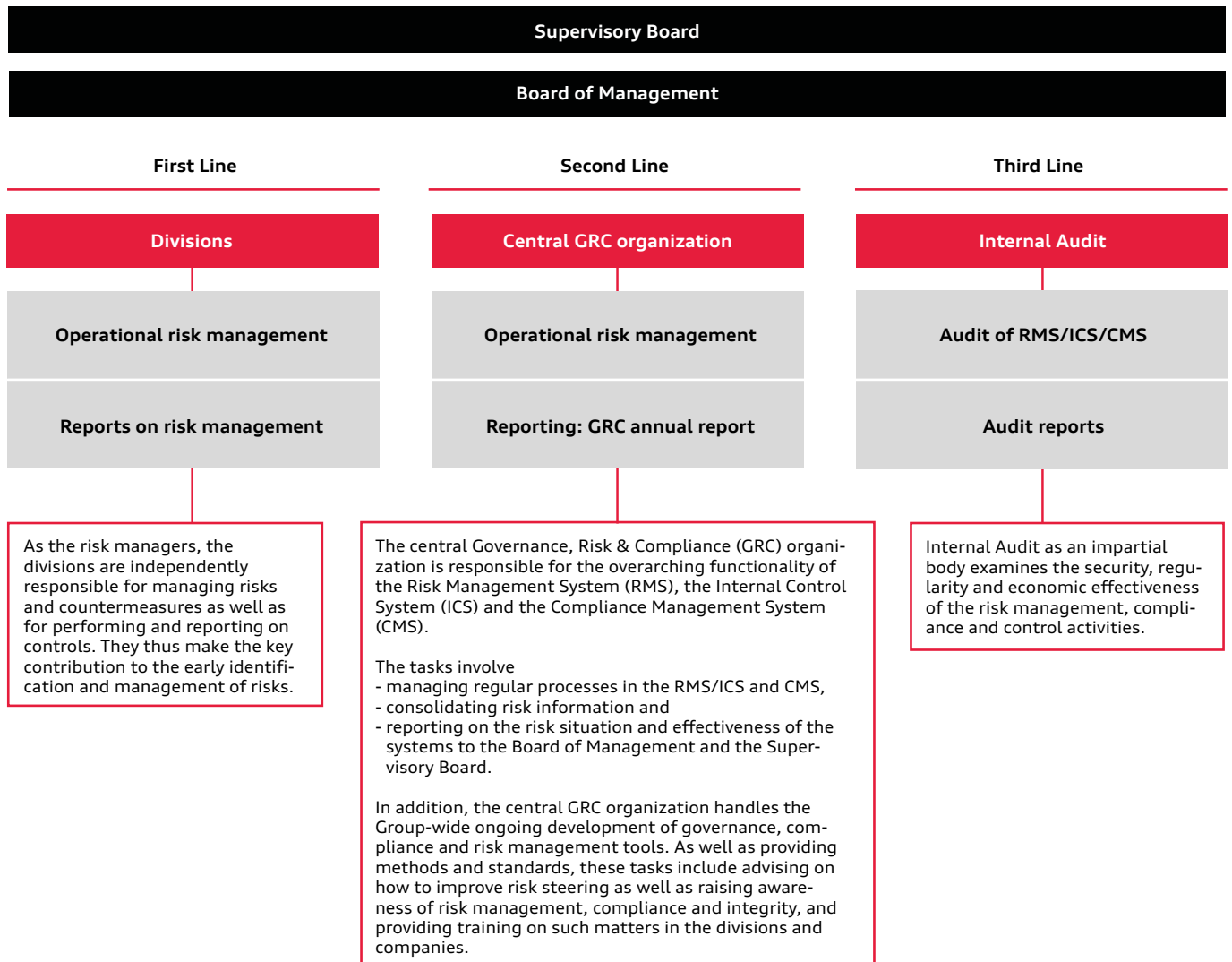
The central tasks of risk management are to identify and analyze risks, ensure transparent reporting of these risks and improve their controllability using suitable risk management tools. Risks are generally reported quarterly through the quarterly risk process, which maps the current risk situation in the Audi Group. In accordance with the COSO framework, risk-appropriate internal controls are also defined along the entire value chain and their

implementation is monitored within the ICS. The Audi Group promotes the further development of the RMS/ICS through cross-divisional and cross-company projects. The priority here is to interlink the system closely with corporate financial planning and management, as well as with accounting. In view of its high strategic relevance, the regulatory framework for the RMS/ICS is firmly established both in an internal Corporate Policy of AUDI AG and in a Brand Group Policy to be implemented by material subsidiaries.

To systematically structure its risk management architecture, the Audi Group follows the "Three Lines" model – a recommendation of the European Confederation of Institutes of Internal Auditing (ECIIA). On this basis, the RMS/ICS of the Audi Group features three lines that are intended to protect the company against the occurrence of material risks.

The risk early warning system that is part of the RMS and the RMS/ICS for accounting are subject to scrutiny by the independent auditor of the consolidated financial statements.

The "Three Lines" model



Operating principle of opportunities management

In addition to managing risks effectively, it is necessary in all long-term corporate decisions to identify and use opportunities in order to secure the sustained success of the Audi Group. Opportunities management – which includes such aspects as optimizing revenue and costs and improving products – is integrated into the operational and organizational structure of the Audi Group and is closely aligned with our strategic objectives. To that end we continuously analyze the international context for potential impacts on the business model in order to identify trends and industry-specific key factors early on. Relevant developments are studied in detail with the help of scenario analyses, which are used to estimate possible effects on the Audi Group. This work is performed in conjunction with Strategic Corporate Planning, the divisions affected and the Controlling area. The long-term competitiveness and future viability are to be safeguarded through the corporate strategy as well as through, among other things, efficiency and opportunities initiatives such as the Performance Program 14, and ad hoc through benchmarking. In addition, the divisions identify and operationalize medium- and short-term potential opportunities on an ongoing basis.

Risks and opportunities of the Audi Group

The main operative risks and opportunities for the Audi Group are described below. Based on current assessments, these have been categorized as materially relevant to future development and may lead to negative or positive deviations from the key performance indicators forecast and may cause reputational damage.

The most significant risks at present relate to the implementation of the ambitious product program, which could subsequently lead to delays in the ramp-up of new vehicle models and thus result in negative financial effects. These risks are largely related to the introduction of new platforms for electric and combustion models and to the growing complexity of the software architecture. In addition, significant supply risks remain and could impact production volumes at the sites in 2024 as well. Other risks are associated with the legal requirements relating to products and services, such as planned legislation on prohibited substances (including PFAS) and cybersecurity regulations.

Moreover, general economic risks may arise that could prevent positive growth in global economic output. From Audi's perspective, these could derive from a further increase in geopolitical tensions. Turbulence on the financial, energy and commodity markets, increasingly protectionist tendencies and structural deficits may also jeopardize the development of individual advanced economies and emerging markets.

Material opportunities may arise from a more lively global economy, declining inflation and an easing of the general supply situation. In addition, further synergies may develop within the Volkswagen Group and in particular within the Audi Group. These synergy effects relate above all to the areas of development, procurement and production. A further improvement in the positioning of the brands of the Audi Group represents an additional opportunity.

Overall risk situation of the Audi Group

Compared with the previous year, the overall risk situation of the Audi Group has grown slightly in terms of the number and aggregate assessment of the risks, especially in light of the demanding ramp-up situation in the years ahead. On the basis of the information available at present, however, there continue to be no risks that could pose a threat to the Audi Group and material Group companies as going concerns. ›

Sustainability in the spotlight

Sustainability is a global issue and therefore plays an important role throughout the entire automotive value chain. For this reason, the Audi Group has deeply embedded sustainability in its strategy and in the management of the whole company group. For example, sustainability aspects are taken into account in important decision-making processes. Audi therefore also considers CO₂ effects when making product decisions. The decarbonization index (DCI)¹, the BEV share and key figures in line with the EU taxonomy all contribute significantly to managing the company in accordance with sustainability criteria. Risks and opportunities in connection with climate change are also identified and assessed. In addition, Audi recognizes that the risks from exposure to climate change include: physical risks, regulatory risks, market risks, legal risks and reputational risks. Activities relating to a holistic ESG risk management system were further intensified in the year under review. The material medium- and long-term opportunities and risks associated with climate change are explained below.

The challenge facing car manufacturers is to comply with differing and constantly changing global regulations and legislation such as those relating to vehicle emissions, the use of materials and supply chains. This results, for example, in a risk for Audi, too, that it will fail to meet the average target for CO₂ fleet emissions in various regions of the world. In addition, there are risks in connection with the speed of the general shift to electric mobility, particularly with regard to the heterogeneous development of demand for electric models in the different regions. This results from, among other things, the slow development of the charging infrastructure for electric vehicles, as well as from the respective price and subsidy policies and the associated low acceptance of electric mobility. At the same time, the supply of electric vehicles is still at a high level.

In addition, there are challenges in establishing a sustainable circular economy, especially in relation to the production and disposal of high-voltage batteries for fully electric vehicles.

Electrification and the technologies of the future as opportunities

The consistent development of fully electric drive concepts is a pillar of the corporate strategy and long-term success of the Audi Group. The market introduction of the Audi Q6 e-tron in 2024 will mark the start of a major model initiative for fully electric vehicles. The opportunities from the electrification of the product portfolio can be found, for example, in a more stable supply situation, an improved cost position, advances in battery technology and the systematic expansion of the global charging infrastructure. The development of highly automated drive systems can result in increased vehicle safety and the more efficient use of vehicles. Moreover, the deployment of artificial intelligence and automation can optimize production times and thus, among other things, also reduce CO₂ emissions from production.

Sustainable Development Goals

The following SDGs are at the focus of this company commitment:



Further information on Audi and the UN sustainability goals can be found on [page 134](#).

¹ The decarbonization index (DCI) quantifies the average emissions of CO₂ and CO₂ equivalents over the entire life cycle of the Audi passenger car portfolio and is stated in metric tons of CO₂ per vehicle. It includes both direct and indirect CO₂ emissions at individual production sites (Scopes 1 and 2), as well as all other direct and indirect CO₂ emissions over the life cycle of the vehicles (Scope 3).

Audi SQ6 e-tron: electric power consumption (combined) in kWh/100 km: 18.4–17.5; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.





ESG

[Page 63](#)

Materiality analysis AUDI AG

[Page 65](#)

Environmental

[Page 94](#)

Social

[Page 121](#)

Governance

Audi SQ6 e-tron: electric power consumption (combined) in kWh/100 km: 18.4–17.5; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.

The 16 most important sustainability topics



Emissions and energy along the value chain
Page 66



Alternative drive technologies and vehicle emissions
Page 76

Circular economy and sustainable materials
Page 79



Nature conservation and biodiversity
Page 87

E

Environmental

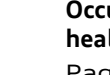
Fair working conditions and modern working forms
Page 95



Vehicle safety
Page 99



Responsibility in the supply chain
Page 103



Occupational health and safety
Page 107

Corporate culture, integration and diversity
Page 110



S

Social



Corporate citizenship
Page 118



Stakeholder focus and long-term customer relationships
Page 115



Sustainable corporate governance
Page 122



Economic stability
Page 32



New mobility concepts
Page 125



Responsible digitalization
Page 131



Compliance and integrity
Page 127

G

Governance

GRI 3-1, 3-2

What's important: The materiality analysis of AUDI AG

What impact does Audi make on the environment and society?
What are the most important topics for the Four Rings? And what
are the stakeholders' wishes and priorities? A look at the Audi
materiality analysis and at what impetus it provides for the company's
sustainability concept.

As a global company, AUDI AG operates in a complex environment – a continuous review of its own ESG and corporate goals is essential for worldwide success. It is important to the company to keep an eye on the opportunities and risks of its actions in order to strengthen its positive influences on the environment and society and to keep negative impacts to a minimum. An important means to this end is the materiality analysis, which Audi has been carrying out for over 10 years. The company uses the analysis to review its objectives in the field of ESG and compare them with its stakeholders'¹ expectations.

Back in 2021, Audi identified the 16 most relevant sustainability topics for the company, such as “Emissions and energy along the value chain” and “Alternative drives and vehicle emissions.” For this purpose, the company analyzed a number of internal and external sources such as industry standards, regulatory standards, rating criteria, studies and competitor comparisons. An online survey of around 2,200 stakeholders was then used to prioritize the sustainability issues that had been identified.

Updated with impact rating

To develop the materiality analysis further, Audi added an impact rating in accordance with the currently applicable “GRI Sustainability Reporting Standards” of the Global Reporting Initiative.² The requirements of sustainability reporting prompted the company to take a more precise look at its positive and negative impacts on the environment and society. These impacts were evaluated in two steps.

In the first step of the impact rating, the company's strategy team identified potential positive and negative impacts for all 16 sustainability topics in the form of opportunities and risks. At the same time, the team calculated the period of impact (short-term or

long-term), the position in the value chain as well as the source (Audi causes the impact, Audi contributes to the impact, Audi is associated with the impact through its products and/or services) for each impact.

In the second step, the individual impacts were evaluated using a scoring method based on their probability of occurrence and their severity (size, scope and reversibility of the impacts, among others). At the end, internal Audi experts in Environmental, Social and Governance (ESG), risk management and strategy validated the impact rating.

This resulted in an assessment of all opportunities and risks, in other words all impacts for each of the 16 topics. These were then used to prioritize the material topics as “very high,” “high” and “medium.” All topics that were rated as particularly important for Audi were given the designation “very high.” One example is the topic “Alternative drive technologies and vehicle emissions.” For this topic, one opportunity (expansion of electric mobility in combination with the use of green electricity promotes environmentally friendly and healthy mobility) and three risks in the areas of environmental pollution and harmful effects on health caused by emissions from vehicles with internal combustion engine as well as negative impacts on the environment and society from the expansion of electric mobility were identified. The evaluation of these four impacts resulted in the very high overall rating of the topic by internal experts.

As the final step, the impact analysis (X-axis of the materiality matrix) was supplemented by the stakeholder perspective from the 2021 materiality analysis (Y-axis of the materiality matrix).

As a result of combining stakeholder relevance and the impact rating, Audi identified two main topics: (1) “Emissions and energy along the value chain” and (2) “Alternative drive technologies and vehicle emissions.” A total of six of the 16 topics (see diagram) were rated as “very high.”

¹ Audi regards material stakeholder groups as internal and external groups of individuals that are affected directly or indirectly by the company's business activities. The selection of the respective stakeholders is fundamentally based on their expertise and their ability to influence Audi. Audi differentiates the stakeholders according to different groups: Customers, analysts and investors, press and media, business partners, employees, neighbors and local residents, politics and associations as well as employees' organizations, science and sustainability experts as well as non-governmental organizations (NGOs) and other groups. The basis for determining and selecting stakeholders is the Stakeholder Engagement Standard AccountAbility 1000 (AA1000SES) and its associated principles of inclusivity, materiality and responsiveness.

² On January 1, 2023, the “Universal Standards 2021” of the GRI came into effect. This means that all organizations reporting on GRI are required to use these standards for information published on or after this date.

Audi materiality matrix

Relevance from the stakeholder perspective	very high	<ul style="list-style-type: none"> Fair working conditions and modern working forms Page 95 Sustainable corporate governance Page 122 Circular economy and sustainable materials Page 79 	<ul style="list-style-type: none"> Emissions and energy along the value chain Page 66 Alternative drive technologies and vehicle emissions Page 76 	
	high	<ul style="list-style-type: none"> New mobility concepts Page 125 Compliance and integrity Page 127 Nature conservation and biodiversity Page 87 Corporate culture, integration and diversity Page 110 	<ul style="list-style-type: none"> Responsibility in the supply chain Page 103 Economic stability Page 32 Occupational health and safety Page 107 	<ul style="list-style-type: none"> Vehicle safety Page 99
	medium	<ul style="list-style-type: none"> Responsible digitalization Page 131 Stakeholder focus and long-term customer relationships Page 115 Corporate citizenship Page 118 		
		medium	high	very high

Field of activity:

- E** Environmental
- S** Social
- G** Governance

Impact of the business activity of the Audi Group on the environment and society

The matrix visualizes the assessment of 16 relevant topics or fields of action by stakeholders (Y-axis) and by an analysis of the Audi Group (X-axis). This was carried out in a multi-stage process:

1 First stage: In 2021, Audi identified the 16 most relevant sustainability topics for the company.

2 Second stage: Audi then used an online survey of around 2,200 stakeholders¹ to prioritize the issues that had been identified.

3 Third stage: In 2022, the analysis was expanded in accordance with the “GRI Sustainability Reporting Standards” of the Global Reporting Initiative² to include an internal assessment of ecological and societal impacts.

Strategic instrument for greater transparency

Audi uses the materiality analysis as a strategic tool. Within the context of sustainability, it creates transparency: firstly on the ecological and societal impacts of Audi’s actions based on the 16 most relevant ESG topics, and secondly on the relevance of the topics from the perspective of the different stakeholders. This analysis thus makes a contribution to the regular review of objectives and resource usage and therefore to the further development of the company. It provides an even better understanding of the interaction between economic success and sustainable action, thereby helping to mesh these two aspects more closely. The idea is as follows: if the company is aware

of its impacts and can manage accordingly, it can act optimally both with regard to risk minimization and opportunity maximization as well as resource allocation. /

The materiality analysis is not the only means Audi uses to maintain contact with its stakeholders.

Find out more about stakeholder management, dialogue events and the commitment of Audi online at: [audi.com](https://www.audi.com).



E

Environmental

**Emissions and energy along
the value chain**

Page 66

**Alternative drive technologies
and vehicle emissions**

Page 76

**Circular economy
and sustainable materials**

Page 79

**Nature conservation and
biodiversity**

Page 87



GRI 302, 305

Emissions and energy along the value chain

Audi consistently reduces CO₂ emissions and energy consumption along its value chain to reduce the ecological footprint over the entire life cycle of its vehicles.

Production operations at all Audi production sites¹ are expected to be net carbon-neutral² by 2025, while the entire company should have achieved net carbon neutrality² by no later than 2050.

Climate change is one of the greatest challenges of the present time. Audi is aware of the effects of its products and business activities on the environment and society: CO₂ emissions are generated over the entire life cycle of Audi vehicles, which can lead to negative effects on the environment.

The company is committed to the Paris Climate Agreement and its goals. Audi is a member of the United Nations Global Compact (UNGC), the world's largest initiative for sustainable corporate governance, and promotes the implementation of the UN Sustainable Development Goals (SDGs) within this framework. The decarbonization of the entire value chain is an integral part of the Volkswagen Group's "goTOzero" environmental mission statement. The reduction of greenhouse gas emissions along the entire value chain is set out in the Statement of Principles on Sustainability of the Audi Group. At corporate level, the Audi Code

of Conduct for Audi Group employees identifies environmental protection as one of the key issues for the organization. The AUDI AG Environmental and Energy Policy applies to all products, services and activities. It is implemented at all levels of the company. The AUDI AG environmental declarations report annually on continuous improvements in environmental management.

Reducing emissions along the entire value chain

CO₂ emissions are generated along the entire automotive value chain. They can be divided into five phases: supply chain, production, logistics, utilization phase and end of life. Audi strives to reduce CO₂ emissions in all phases of the value chain in order to achieve effective decarbonization. The Audi Group has set itself the goal of achieving net carbon neutrality² by no later than 2050.

¹ Audi plants in Ingolstadt and Neckarsulm (Germany), Brussels (Belgium), Győr (Hungary), San José Chiapa (Mexico).

² Audi regards net carbon neutrality as a state in which, following the exhaustion of other possible measures aimed at reducing the still remaining CO₂ emissions caused by the products or activities of Audi and/or currently unavoidable CO₂ emissions within the scope of the supply chain, manufacturing and recycling of Audi vehicles, at least quantitative compensation is provided through voluntary and globally conducted compensation projects. Throughout the utilization phase of a vehicle, meaning from when a vehicle is delivered to a customer, CO₂ emissions produced are not taken into account.



Environmental declaration for Ingolstadt for 2023

The decarbonization index (DCI)³ is used to measure the progress made toward decarbonization for the individual Volkswagen Group brands and the Group as a whole. The DCI³ is therefore a strategic indicator on the path to net carbon neutrality.² It quantifies the average emissions of CO₂ and CO₂ equivalents⁴ over the entire life cycle of the Audi passenger car portfolio and is stated in metric tons of CO₂ per vehicle. It includes both direct and indirect CO₂ emissions at individual production sites (Scope 1⁵ and 2⁶) as well as all other direct and indirect CO₂ emissions over the life cycle of the vehicles (Scope 3⁷). It therefore encompasses the entire value chain.

The goal is to reduce CO₂ emissions by 30 percent per vehicle model on a fleet basis⁸ over the entire life cycle by 2025 compared with the baseline year 2015 and by 40 percent by 2030 (baseline year 2018).

Phase 1: Decarbonization of the supply chain

The supply chain will account for a substantial proportion of CO₂ emissions in the future due to the consistent electrification of the Audi vehicle portfolio. Whereas an average of about 20 percent of CO₂ emissions in the life cycle of an Audi model with combustion engine are attributable to production (assuming production in the EU), and roughly 80 percent to the utilization phase, this ratio changes with Audi BEV models (battery electric vehicles). In this case, an average of around 50 percent of CO₂ emissions are attributable to production (assuming production in the EU) and roughly 50 percent to the utilization phase (assuming the average electricity mix in the EU).

This is one reason why the carbon footprint has to be improved in the supply chain. The [Audi CO₂ program](#) was launched for this purpose in 2018. In cooperation with supplier companies, it identifies CO₂ mitigation measures and optimization potential throughout the entire production process for materials and components. Audi is addressing CO₂ hotspots to ensure an efficient approach to decarbonization of the supply chain. These hotspots are used to identify specific materials or components in the company that are expected to offer the greatest savings potential.

The biggest emissions driver in the supply chain for an electric vehicle is the high-voltage battery, followed by parts made of aluminum and steel. All of the components in these three areas together are generally responsible for more than half of the carbon footprint

³ The decarbonization index (DCI) describes the average emissions of CO₂ and CO₂ equivalents over the entire life cycle of the Audi passenger car portfolio (in the regions of Europe [EU 27, United Kingdom, Norway and Iceland], China and USA) and is stated in metric tons of CO₂ per vehicle. It includes both direct and indirect emissions of CO₂ and CO₂ equivalents at individual production sites (Scopes 1 and 2), as well as all other direct and indirect emissions of CO₂ and CO₂ equivalents over the life cycle of the vehicles in the AUDI AG portfolio (Scope 3). The use phase is calculated over 200,000 kilometers, taking into account region-specific fleet values without legal flexibility. The CO₂ intensity of the charging current of electrified vehicles is also calculated on the basis of region-specific electricity mixes. Vehicle maintenance is not considered in this calculation. Vehicle life cycle assessments used as a data basis for the calculation of supply chain and recycling emissions have been verified by external and independent parties according to the ISO 14040 standard.

⁴ CO₂ equivalents are a unit of measurement used to standardize the climate impact of various greenhouse gases. Greenhouse gas emissions are converted into CO₂ equivalents and summarized.

⁵ Scope 1: direct CO₂ emissions. This figure is made up of CO₂ emissions generated by the use of fuel at the plant and CO₂ emissions produced by the operation of test rigs. These emissions account for a significant portion of Scope 1 according to the GHG Protocol.

in the supply chain of an electric vehicle. Most CO₂ emissions are not attributable to direct suppliers, however, but occur in the upstream production processes. Reducing CO₂ emissions in the supply chain is thus an objective of new Audi vehicle projects. This is why Audi defines specific CO₂ requirements for its suppliers. For example, Audi requires its suppliers to use green electricity when producing high-voltage battery cells for the new Premium Platform Electric. In addition, the suppliers use CO₂-reduced aluminum for selected components, such as in the body area.

Apart from these measures, a growing proportion of raw material loops will be closed at Audi in the future and the use of recycled materials in vehicle projects will be stepped up. Recycling loops in in-house production also help to reduce net CO₂ emissions. An example of this is the [Aluminum Closed Loop](#) project, which was initiated in 2017. The aluminum sheet offcuts that are produced in the press shop are sent straight back to the suppliers. The suppliers recycle these into aluminum sheets of equal quality, which Audi then uses again in production. Compared with production of primary aluminum, the energy requirement is reduced by roughly 95 percent. In addition, the [“Chain of Custody” certificate awarded by the Aluminium Stewardship Initiative](#) for the Ingolstadt and Neckarsulm sites demonstrates the responsible handling of aluminum. In 2023 alone, the Aluminum Closed Loop process as well as other measures delivered net savings in the [supply chain](#) of more than 450,000 metric tons of CO₂. These measures include the use of CO₂-reduced materials and the use of green electricity in the production of high-voltage battery cells.

Phase 2: Decarbonization of production

The Mission:Zero environmental program combines all the company’s initiatives for reducing the ecological footprint in production and logistics. There are four action areas: [water usage](#), [biodiversity](#), [resource efficiency](#) and decarbonization.

The decarbonization action area aims to achieve net carbon-neutral² production at all Audi production sites¹ by 2025. This includes CO₂ emissions generated directly at the site (Scope 1⁵) and indirect CO₂ emissions from energy purchased through external utilities (Scope 2⁶). In the year under review, the company set an important course: production operations at the [plant in Ingolstadt](#) have been [net carbon-neutral² since January 1, 2024 – Brussels \(Belgium, 2018\), Győr \(Hungary, 2020\)](#) and Böllinger Höfe (production site near Neckarsulm, 2020) have already achieved net carbon neutrality.² The Neckarsulm and San José Chiapa (Mexico) plants are set to follow by 2025.

These are the four steps Audi is taking to achieve net carbon neutrality² at its production sites:¹

1. Increase energy efficiency
2. Produce own renewable energy
3. Purchase renewable energy
4. Offset the currently unavoidable emissions through climate action projects

External auditing companies are called on to verify and certify the net carbon neutrality² of the Audi production sites.¹ A comprehensive certification process is carried out in which independent experts not only examine the effectiveness of measures to reduce CO₂ emissions (step 1 to 3), but also whether the amount of currently unavoidable CO₂ emissions corresponds to the amount offset from step 4. The goal is to improve energy efficiency year after year, to increase the proportion of green energy produced internally and to successively reduce the amount of external energy purchased so that ultimately fewer CO₂ emissions have to be offset through the purchase of certificates. The individual steps therefore complement each other mutually.

An energy management system certified under the worldwide ISO 50001 standard has been established at the production sites¹ to increase energy efficiency. Audi has set itself an annual energy-saving target of at least two percent compared with the consumption values from the previous year.

Audi is successively increasing production of its own renewable energy at the production sites:

- **Ingolstadt:** The photovoltaic surface at the Ingolstadt plant has grown to around 23,000 square meters in recent years. Roughly 41,000 square meters are currently under construction or at the planning stage.
- **Brussels:** The plant in Brussels currently produces around 13 percent of its own electricity consumption itself. Extending across an area of over 100,000 square meters, this is the largest photovoltaic plant in the region. It produces around 9,000 megawatt hours of electricity annually. Expansion of the plant by a further 17,000 square meters was commenced in 2023. In the future it should be able to generate up to 15 percent of the energy requirement itself.
- **Győr:** The Audi plant in Hungary has a photovoltaic facility that covers an area of around 160,000 square meters. 36,000 solar cells deliver a peak output of 12 megawatts. The plant is to be extended in 2024 and should be able to supply an additional 18 megawatts of electricity from 2025. In addition, there is a geothermal plant. The production site is the largest user of industrial geothermal energy in Hungary and has covered more than 80 percent of its thermal energy requirement with geothermal energy since 2015. The system currently supplies at least 82,000 MWh of thermal energy to the site annually and even supplies the neighboring city of Győr via a district heating pipeline.

When purchasing energy, it is ensured that it comes from renewable energy sources. Since the start of 2012, for example, Audi has been exclusively purchasing electricity from renewable energy sources at its plant in Ingolstadt to produce its vehicles. Among other sources, this electricity is produced in hydroelectric

² Audi regards net carbon neutrality as a state in which, following the exhaustion of other possible measures aimed at reducing the still remaining CO₂ emissions caused by the products or activities of Audi and/or currently unavoidable CO₂ emissions within the scope of the supply chain, manufacturing and recycling of Audi vehicles, at least quantitative compensation is provided through voluntary and globally conducted compensation projects. Throughout the utilization phase of a vehicle, meaning from when a vehicle is delivered to a customer, CO₂ emissions produced are not taken into account.

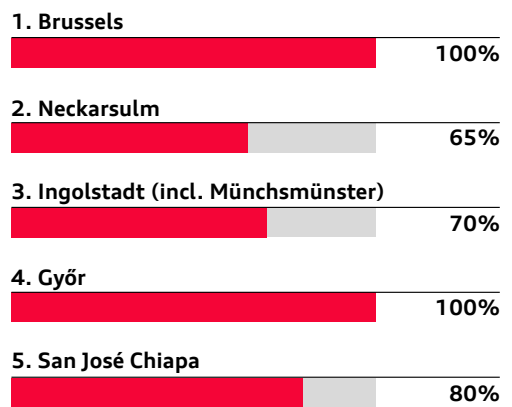
⁶ Scope 2: indirect CO₂ emissions. This figure measures the CO₂ emissions generated during the production of purchased energy (electricity, heating, cooling). These emissions account for a significant portion of Scope 2 according to the GHG Protocol.

⁷ A distinction is made in Scope 3 between upstream and downstream activities. Upstream activities relate, for example, to emissions generated on the supplier side (from manufacturing the product from raw materials up to the point of delivery to Audi, so-called cradle-to-gate). Business trips and waste produced are also included in this scope category. Downstream activities include, for example, emissions from transporting products sold and those generated by end customers in the use phase of sold goods.



Net carbon-neutral² Audi sites¹ (2023)

The goal is for all Audi sites¹ to be net carbon-neutral² by 2025. This includes CO₂ emissions generated directly at the site (Scope 1⁵), and indirect CO₂ emissions from energy purchased through external utilities (Scope 2⁶). The reported figures in the diagram establish the amount of CO₂ emissions already saved at the sites by using renewable and low-CO₂ energy sources in relation to theoretical maximum CO₂ emissions based on an energy supply that relies solely on fossil energy sources. The figure for Ingolstadt deteriorated slightly in 2023 compared with 2022. The main reason for this was that heating oil that had been purchased during the natural gas shortage had to be used and burned in boiler houses at the site. This led to higher CO₂ emissions. The situation in Neckarsulm improved slightly year-on-year, however, owing to a reduction in district heating sourced from coal-fired power plants and use of more efficient CO₂ resources instead for heating.



power plants in Austria and Germany. However, conversion from natural gas to methane from biogas plants and the use of district heating also help to reduce CO₂ emissions in production.

Up to 10 percent of all CO₂ emissions are to be offset by external climate action projects. Some CO₂ emissions are still unavoidable, such as from test rigs on which the diesel and gasoline engines are tested. The company offsets these CO₂ emissions by purchasing carbon offset certificates from external climate action projects, which have to fulfill strict quality standards for climate protection.

Reduction of the environmental impact of production (UEP)

A further important target value was defined for production in the form of the reduction of the environmental impact of production (UEP). By 2025, the aim is to reduce the impact on the environment by 35 percent per vehicle compared with 2010 in terms of CO₂, energy, fresh water, disposable waste and volatile organic compounds (VOC emissions). The development of these five variables is expressed in the UEP, with the global factors CO₂ and energy weighted at 60 percent and the local factors water, waste and volatile organic compounds (VOC emissions) weighted at 40 percent.

Phase 3: Decarbonization of logistics

Measures to reduce CO₂ emissions in logistics are likewise part of the Audi Mission:Zero environmental program. At the heart of the efforts: together with Volkswagen Group Logistics, Audi is following a long-term roadmap to organize transport to and from the plant in such a way that as little CO₂ as possible is emitted.

In terms of logistics, the goal is to continue to increase the proportion of rail transport. Meanwhile, the use of innovative cargo handling technologies, for example, can enable additional potential to be leveraged. The combination of different forms of transport, such as rail and road, allows different logistics requirements to be addressed flexibly and therefore more efficiently. In April 2024, Audi will commence operation of its first block train between its Ingolstadt, Neckarsulm and Győr sites in combination with upstream and downstream transportation by truck. The block train, which consists exclusively of Audi railcars, can be operated independently of previously required railway infrastructure such as terminals and rail stations. This project will allow Audi to reduce its CO₂ emissions by 11,500 metric tons annually compared with traditional road transport. Audi is investing in the future viability of rail transport by using new loading and unloading concepts. In addition, trucks with electric drives or that are operated with biogenic fuels are to be used upstream and downstream of rail transport. In close collaboration with truck manufacturing companies, fuel producers and forwarding agents, Audi is deliberately focusing on biogenic fuels, such as biogas and HVO 100, as important bridging technology. These fuels generate up to 85 percent fewer CO₂ emissions compared with the use of diesel in road transport. In addition, use of the Battery Electric Truck (BET) will be piloted in inbound logistics (procurement and production logistics) from 2025.

⁸ Fleet of new cars sold in EU, USA and China (excl. vehicles produced in China on a CKD (completely knocked-down) basis).

⁹ The Audi e-tron is no longer offered for sale as a new passenger car on the German market.

¹⁰ The Audi Charging Service is available from Volkswagen Group Charging GmbH (Elli), Mollstrasse 1, 10178 Berlin, Germany. Further information on the number of charging points as well as current price plans and contract information can be found at audi.co.uk. AUDI AG assumes no warranty for the operation, availability, charging capacity and/or other features of the charging infrastructure in question. Access to the Audi Charging Service Portal is only possible with a myAudi account. Depending on your mobile data plan, additional fees may be charged by the respective mobile phone provider.

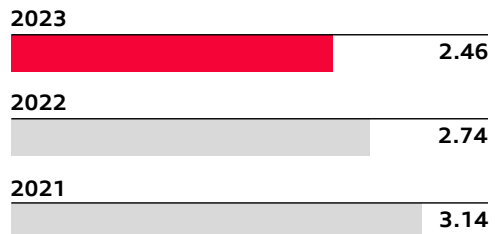
Overseas transport represents the largest single lever for decarbonizing finished vehicle logistics. Step by step, Audi is increasingly focusing here on alternative drive systems such as ships that run on LNG (liquefied natural gas).

Phase 4: Decarbonization in the utilization phase

The release of CO₂ into the atmosphere while driving can be reduced, in particular, through expansion of electric mobility combined with the use of green electricity. A significant proportion of CO₂ emissions that a vehicle emits over its life is generated at the utilization phase, in other words by actually driving the vehicle. ›

Energy intensity of the Audi Group – Automotive segment* in MWh/veh.

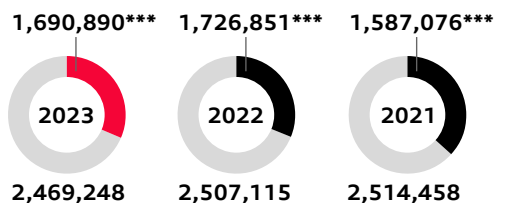
A variety of carefully thought-out energy-saving measures – such as reducing the room temperature in offices and halls coupled with a higher number of vehicles produced – led to considerably lower energy consumption: the energy intensity of the Group relating to automotive production including component manufacturing was 2.46 MWh per vehicle* (MWh/veh.) in the year under review. That is approx. 10 percent (0.28 MWh/veh.) less than in 2022.



* The energy intensity indicated refers to automotive production (including component manufacturing). This is calculated by dividing the overall energy consumption of car and component plants by the number of cars built at the sites.

Energy consumption within the Audi Group, total by type** in MWh

Total energy consumption within the Group (in MWh) went down slightly – despite the fact that the Audi Group produced just under 90,000 vehicles more in 2023. The percentage of energy from renewable sources is at a similar level to 2022.



** Total energy consumption: this figure is made up of electricity and heat consumption as well as the use of fuel gases for production processes and externally supplied refrigeration at the plant.

*** From renewable energy sources.

Electric cars can be operated without causing any local CO₂ emissions and therefore contribute significantly to reducing CO₂ emissions. And if they are also charged with green electricity, this improves the carbon footprint over the entire life cycle of the vehicle. Audi is successively expanding its electric portfolio: by 2027, the company wants to include one all-electric vehicle in the portfolio in all core segments. Increased efficiency of fully electric vehicles goes hand in hand with updating the product portfolio. For example, vehicles based on the new Premium Platform Electric are up to 30 percent more efficient in terms of energy consumption than the Audi e-tron⁹ (first generation). This is due to the use of cutting-edge technologies and systematic optimization of the entire system, consisting of electric motor, transmission and power electronics.

Audi is additionally focusing on the charging current of its electric fleet as a key lever for reducing CO₂. Even today, for example, Audi customers can use green electricity offered by the Volkswagen subsidiary Elli (Electric Life) for charging at home. Meanwhile, the charging network operated by IONITY supplies green electricity for charging on the road. The joint venture, of which the Volkswagen Group is a member with the Porsche and Audi brands, is planning to install more than 5,000 additional fast-charging points with a charging capacity of up to 350 kW at over 1,000 locations in Europe by 2025. In addition, Audi offers customers a service for charging at public charging terminals with Audi charging.¹⁰ Audi drivers therefore have access to around 600,000 charging points in 29 countries in Europe. From the beginning of 2023, Audi customers charged more than 17 million kilowatt hours with Audi charging¹⁰ (as at December 13, 2023). The Audi network of fast-charging stations, or Audi charging hubs as they are known, was expanded in 2023. In addition to Zurich and Nuremberg, further charging points were added in Salzburg, Berlin and Munich in the reporting period.

Audi is supporting the expansion of renewable energies. To increase the proportion of green electricity used for charging, the brand with the Four Rings is cooperating with VW Kraftwerk GmbH and a number of

energy suppliers. By 2025, new wind farms and solar parks are to be built in various European countries that will collectively generate around five terawatt hours of additional green electricity. The first German project for expanding the supply of green electricity is a solar park in Mecklenburg-Vorpommern. It was developed in collaboration with the German utility company RWE. The plant came on stream in 2022 and is designed for a total capacity of 170 million kilowatt hours. The sun generates as much electricity here a year as is needed to power 50,000 households annually. Encompassing nearly 420,000 solar panels over an area the size of almost 350 soccer fields, it is one of the largest independent solar parks in Germany. In addition, three solar parks and one wind farm were commissioned in Spain as early as 2021. Further projects throughout Europe are in the starting blocks. They are to be located primarily in areas where the charging demand is especially high.

Audi is also pushing for a reduction in CO₂ emissions in retail together with the Volkswagen Group. In 2021, the goTOzero RETAIL project was initiated by a number of brands in the Volkswagen Group. The aim: to reduce the carbon footprint of the Volkswagen Group's entire dealer network by at least 30 percent by 2030, by at least 55 percent by 2040 and by at least 75 percent by 2050 – starting from the baseline value in 2020. Unavoidable CO₂ emissions will be offset. Training courses and manuals are made available to the businesses to help them identify and successfully implement the correct decarbonization measures. In addition, an assessment system was developed called "goTOzero RETAIL certification." It is based on the ISO 14001 standard and on requirements of certification institutes for buildings and ESG rating agencies such as MSCI, ISS and Sustainalytics. It is being rolled out in 11 markets from 2023. It is expected that 95 percent of the worldwide dealer and service network will participate in the certification globally in the coming years. The Volkswagen Group is endeavoring to achieve the highest possible energy efficiency for newly constructed and existing buildings as well as the use of renewable energies insofar as this is economically and technically feasible. >

Sustainable Development Goals

The following SDGs are at the focus of this company commitment:



Further information on Audi and the UN sustainability goals can be found on [page 134](#).

² Audi regards net carbon neutrality as a state in which, following the exhaustion of other possible measures aimed at reducing the still remaining CO₂ emissions caused by the products or activities of Audi and/or currently unavoidable CO₂ emissions within the scope of the supply chain, manufacturing and recycling of Audi vehicles, at least quantitative compensation is provided through voluntary and globally conducted compensation projects. Throughout the utilization phase of a vehicle, meaning from when a vehicle is delivered to a customer, CO₂ emissions produced are not taken into account.

Four steps to reducing CO₂ in production

Production at the Audi plant in Ingolstadt is net carbon-neutral² as of January 1, 2024 – representing another important milestone on the path toward sustainable production at the main plant. Four steps illustrate how Audi is achieving this goal.



You can find more information at audi.com.



Photos: Karolin Klüppel (4)

Phase 5: Decarbonization in the end of life: circular economy and second life

AUDI AG is also optimizing the last phase of the life cycle of a vehicle by returning materials to the value chain following the utilization phase of the vehicles. This should allow key resource cycles to be closed gradually.

In terms of electric cars, the lithium-ion battery is one part that is of particular importance with regard to recycling. High-voltage

batteries can continue to be used meaningfully even after many years of service on the road. Audi is pursuing three possible reuse objectives in cooperation with the Volkswagen Group: firstly remanufacturing, which involves continuing to use high-voltage batteries in electric vehicles. The second involves so-called second-life concepts, which give batteries a second life for years outside of an electric vehicle – for instance in the fast-charging stations of an Audi charging hub. And the third is efficient recycling. This is done in Germany, for example, at a Volkswagen pilot plant in Salzgitter. /

Key figures and data¹¹

Emissions and energy along the value chain

	Unit	2023	2022	2021
Energy¹²				
Reduction in energy consumption as a direct consequence of energy-saving and energy-efficiency initiatives	MWh	81,858	–	–
of which electricity	MWh	34,046	–	–
of which heating	MWh	13,287	–	–
of which natural gas	MWh	34,248	–	–
of which oil	MWh	277	–	–

	Unit	2023	2022	2021
CO₂ equivalents (CO₂e)¹³ in metric tons¹²				
Reduction in greenhouse gas emissions that are a direct consequence of initiatives to reduce emissions	t CO ₂ e	10,981	–	–
of which electricity	t CO ₂ e	4,119	–	–
of which heating	t CO ₂ e	1,315	–	–
of which natural gas	t CO ₂ e	5,547	–	–
of which oil	t CO ₂ e	74	–	–

¹¹ Figures refer to the Ingolstadt, Münchsmünster, Neckarsulm, Brussels, Győr, San José Chiapa, Crewe (Bentley) since 2022, Sant'Agata Bolognese (Lamborghini), Bologna (Ducati), Amphur Pluakdaeng (Ducati) sites.

¹² Value is being reported for the first time in the 2023 reporting year.

¹³ CO₂ equivalents (CO₂e) are a unit of measurement used to standardize the climate impact of various greenhouse gases. Greenhouse gas emissions are converted into CO₂ equivalents and summarized.

Audi sustainability key figures¹⁴

Emissions and energy along the value chain

	Unit	2023	2022	2021
Energy				
Total energy consumption ¹⁵	MWh	2,469,248 ✓	2,507,115	2,514,458
Automotive segment (incl. components)	MWh	2,446,692 ✓	2,482,612	2,488,118
	MWh/veh.	2.46 ✓	2.74	3.14
of which from renewable energy sources	MWh	1,690,890 ✓	1,726,851	1,587,076
Automotive segment (incl. components)	MWh	1,688,223 ✓	1,724,326	1,585,205
	MWh/veh.	1.70 ✓	1.90	2.00
Electricity	MWh	1,464,396 ✓	1,448,444	1,420,814
Automotive segment (incl. components)	MWh	1,448,289 ✓	1,431,628	1,403,908
	MWh/veh.	1.46 ✓	1.58	1.77
Heating (incl. district heating)	MWh	667,326 ✓	712,403	816,483
Automotive segment (incl. components)	MWh	660,878 ✓	704,716	807,050
	MWh/veh.	0.66 ✓	0.78	1.02
of which district heating	MWh	236,759 ✓	339,333	381,552
Automotive segment (incl. components)	MWh	236,236 ✓	338,766	380,928
	MWh/veh.	0.24 ✓	0.37	0.48
Combustion gases for production processes	MWh	337,384 ✓	346,006	276,938
Automotive segment (incl. components)	MWh	337,384 ✓	346,006	276,938
	MWh/veh.	0.34 ✓	0.38	0.35
Refrigeration (externally sourced)	MWh	141 ✓	262	222
Automotive segment (incl. components)	MWh	141 ✓	262	222
	MWh/veh.	0.0001 ✓	0.0003	0.0003
Exported energy	MWh	1,563 ✓	2,733	3,156
Automotive segment (incl. components)	MWh	1,302 ✓	1,858	2,036
	MWh/veh.	0.0013 ✓	0.0020	0.0026

¹⁴ Figures refer to the Ingolstadt, Münchsmünster, Neckarsulm, Brussels, Győr, San José Chiapa, Crewe (Bentley) since 2022, Sant'Agata Bolognese (Lamborghini), Bologna (Ducati), Amphur Pluakdaeng (Ducati) sites. Only car-producing sites including component manufacturing are considered for the specific key figures. The environmental key figures for the current year are data as of February 9, 2024. The figures may contain estimates if, for example, they are based on statements from energy suppliers that were not available when data was collected. If deviations between the actual values and the reported data are identified in the following year, the data is updated. The individual key figures for 2022 were updated in this report using the actual values for 2022.

¹⁵ Total energy consumption: this key figure is made up of electricity and heat consumption as well as the use of fuel gases for production processes and externally supplied refrigeration at the plant.

Audi sustainability key figures¹⁴

Emissions and energy along the value chain

	Unit	2023	2022	2021
Fuels				
Total fuel use	MWh	1,030,496	950,334	840,907
Automotive segment (incl. components)	MWh	999,631	916,236	803,858
	MWh/veh.	1.00	1.01	1.02
of which from renewable energy sources	MWh	218,443	239,303	169,889
Automotive segment (incl. components)	MWh	218,416	239,303	169,889
	MWh/veh.	0.22	0.26	0.21
Natural gas	MWh	580,728 ✓	562,873	740,161
Automotive segment (incl. components)	MWh	551,665 ✓	530,883	705,400
	MWh/veh.	0.55 ✓	0.59	0.89
Biomethane	MWh	218,416 ✓	239,303	169,889
Automotive segment (incl. components)	MWh	218,416 ✓	239,303	169,889
	MWh/veh.	0.22 ✓	0.26	0.21
Heating oil	MWh	142,090 ✓	55,188	7,909
Automotive segment (incl. components)	MWh	142,090 ✓	55,188	7,909
	MWh/veh.	0.143 ✓	0.061	0.010
Diesel (test rigs)	MWh	14,351	14,481	16,573
Automotive segment (incl. components)	MWh	14,351	14,481	16,573
	MWh/veh.	0.01	0.02	0.02
Gasoline (test rigs)	MWh	74,884	77,923	76,264
Automotive segment (incl. components)	MWh	73,109	75,815	73,977
	MWh/veh.	0.07	0.08	0.09

¹⁴ Figures refer to the Ingolstadt, Münchsmünster, Neckarsulm, Brussels, Győr, San José Chiapa, Crewe (Bentley) since 2022, Sant'Agata Bolognese (Lamborghini), Bologna (Ducati), Amphur Pluakdaeng (Ducati) sites. Only car-producing sites including component manufacturing are considered for the specific key figures. The environmental key figures for the current year are data as of February 9, 2024. The figures may contain estimates if, for example, they are based on statements from energy suppliers that were not available when data was collected. If deviations between the actual values and the reported data are identified in the following year, the data is updated. The individual key figures for 2022 were updated in this report using the actual values for 2022.

Audi sustainability key figures¹⁴

Emissions and energy along the value chain

	Unit	2023	2022	2021
Emissions¹⁶				
Greenhouse gas emissions (Scope 1 and 2) ¹⁷	t CO ₂ e	253,035 ✓	230,488	270,414
Automotive segment (incl. components)	t CO ₂ e	247,431 ✓	224,676	264,783
	kg CO ₂ e/veh.	249 ✓	248	334
Greenhouse gas emissions (Scope 1)	t CO ₂ e	218,513 ✓	186,232	207,694
Automotive segment (incl. components)	t CO ₂ e	213,983 ✓	181,580	202,898
	kg CO ₂ e/veh.	215 ✓	200	256
Greenhouse gas emissions (Scope 2)	t CO ₂ e	34,522 ✓	44,256	62,719
Automotive segment (incl. components)	t CO ₂ e	33,448 ✓	43,096	61,885
	kg CO ₂ e/veh.	34 ✓	48	78
VOC emissions ¹⁸	t	982 ✓	978	772
Automotive segment (incl. components)	t	981 ✓	977	771
	kg/veh.	0.99 ✓	1.08	0.97
Direct NO _x emissions ¹⁹	t	191 ✓	193	173
Automotive segment (incl. components)	t	188 ✓	189	171
	kg/veh.	0.19 ✓	0.21	0.22
Sulfur dioxide	t	1.67	1.18	2.14
Automotive segment (incl. components)	t	1.58	0.96	2.14
	kg/veh.	0.002	0.001	0.003
Total dust	t	44	47	39
Automotive segment (incl. components)	t	44	47	38
	kg/veh.	0.04	0.05	0.05
CO ₂ reductions in logistics	t CO ₂ e	- ²⁰	9,622 ✓	8,994

¹⁴ Figures refer to the Ingolstadt, Münchsmünster, Neckarsulm, Brussels, Győr, San José Chiapa, Crewe (Bentley) since 2022, Sant'Agata Bolognese (Lamborghini), Bologna (Ducati), Amphur Pluakdaeng (Ducati) sites. Only car-producing sites including component manufacturing are considered for the specific key figures. The environmental key figures for the current year are data as of February 9, 2024. The figures may contain estimates if, for example, they are based on statements from energy suppliers that were not available when data was collected. If deviations between the actual values and the reported data are identified in the following year, the data is updated. The individual key figures for 2022 were updated in this report using the actual values for 2022.

¹⁶ The process of selecting relevant emissions and the emission factors applied are anchored – like the entire key figure collection process – in the Volkswagen standard 98000. Generally, Audi uses the real emission factors of the energy suppliers. If this is not possible, calculations are made on the basis of the VDA's standard factors. Note: This footnote does not relate to the key figure for "CO₂ reductions in logistics."

¹⁷ Greenhouse gas emissions (Scope 1 and 2) in the Automotive segment (incl. components) per vehicle; corresponds to the intensity quotient for greenhouse gas emissions shown in previous reports.

¹⁸ VOC (volatile organic compounds) emissions: this figure consists of emissions from paint shops, test rigs and other facilities

¹⁹ Direct NO_x emissions: this key figure consists of NO_x emissions caused by plant boiler houses, paint shops and the operation of test rigs.

²⁰ Since 2020, the key figure "CO₂ reductions in logistics" has only been reported in the following year. The reason for this is the change in the reporting process, as a result of which the key figure cannot be evaluated by the publication date at present.

Extended environmental key figures²¹ for all sites at which Audi models are produced

Emissions and energy along the value chain

	Unit	2023	2022	2021
Total energy consumption²²	MWh	3,505,294.7	3,389,808.1	3,641,461.7
of which from electrical energy, heating and gas from renewable energy sources ¹²	MWh	1,801,863.0	–	–
of which gas (not from renewable sources) ¹²	MWh	949,059.0	–	–
of which other energy consumption ¹²	MWh	754,372.7	–	–
Total energy consumption (specific)	MWh/veh.	1.8	2.0	2.3
Total greenhouse gas emissions (Scope 1 and 2)^{23, 24}	t CO ₂ e	628,329.8	660,695.8	687,275.4
Total greenhouse gas emissions (Scope 1 and 2, specific)	kg CO ₂ e/veh.	325.0	390.5	436.5

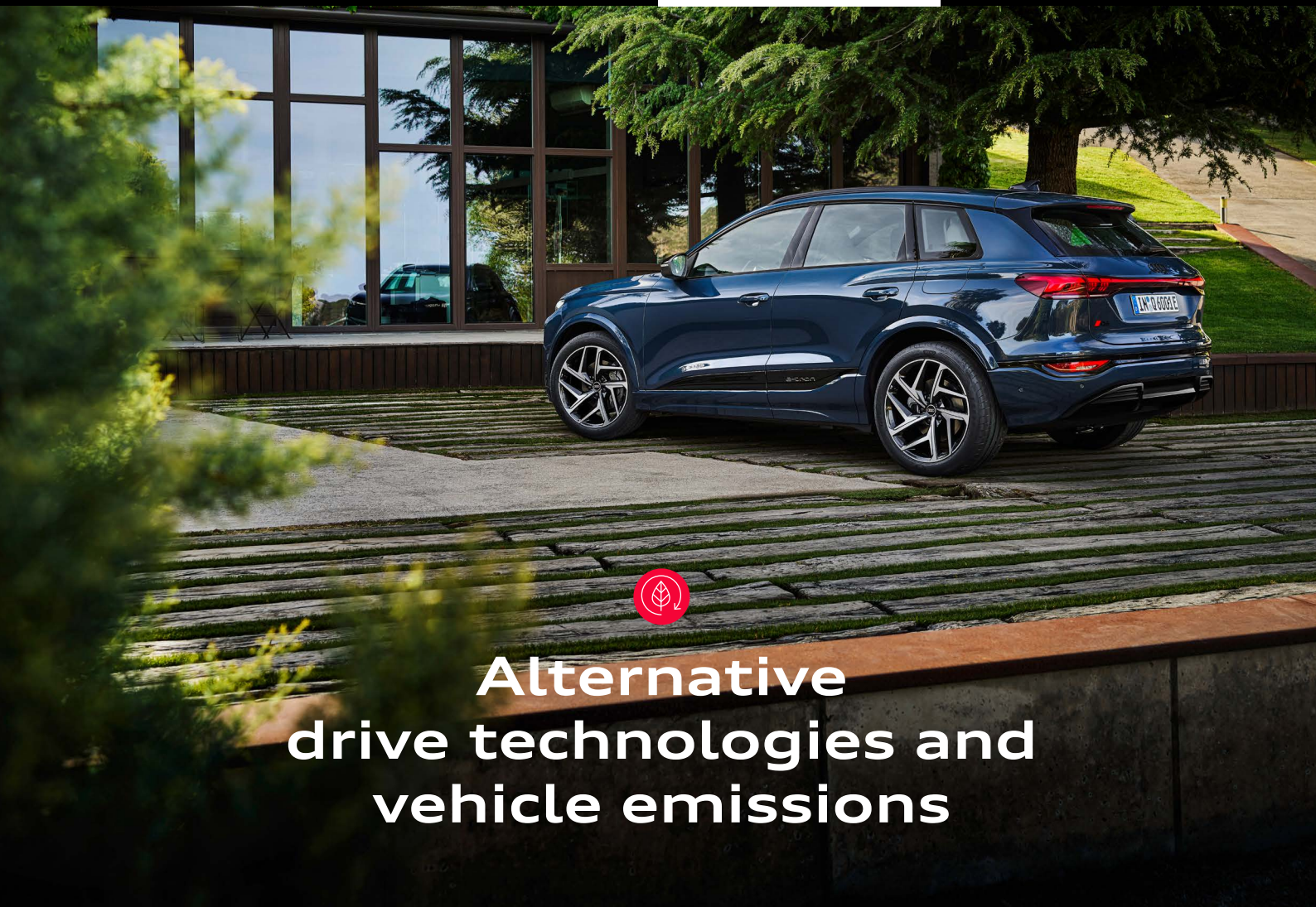
¹² Value is being reported for the first time in the 2023 reporting year.

²¹ Figures refer to the Ingolstadt, Münchsmünster, Neckarsulm, Brussels, Győr and San José Chiapa (Audi), Martorell (Seat), Aurangabad and Kaluga (up to 2022) (Skoda), Bratislava, São José dos Pinhais and Zwickau (Volkswagen Passenger Cars), Anting and Ningbo (SAIC VW), Changchun, Tianjin, Qingdao and Foshan (FAW-VW) sites. Only car-producing sites including component manufacturing are considered for the specific key figures.

²² This key figure is made up of electricity and heat consumption as well as the use of fuel gases for production processes and externally supplied refrigeration at the plant.

²³ The process of selecting relevant emissions and the emission factors applied are anchored – like the entire key figure collection process – in the Volkswagen standard 98000.

²⁴ This key figure is made up of CO₂ emissions generated by the use of fuel at the plant and CO₂ emissions produced by the operation of test rigs (Scope 1) and generated during the production of purchased energy (electricity, heating, cooling) (Scope 2). These emissions account for a significant portion of Scope 1 and Scope 2 according to the GHG Protocol.



Alternative drive technologies and vehicle emissions

Audi is resolute in its pursuit of a decarbonization strategy along the entire value chain. Advancing alternative drive technologies offers significant potential in this regard for reducing CO₂ and harmful emissions in the vehicle fleet.

Climate change is one of the greatest challenges of the present time. The goal is to limit global warming to well below two degrees Celsius compared with pre-industrial levels. If this target is to be reached, the emission of climate-damaging gases in the second half of this century must not exceed what is removed from the atmosphere by forests, for example.¹ This calls for major action on the part of the automotive sector, too. Emissions are generated along the entire value chain – from resource extraction and the supply chain to production and logistics through to the utilization phase and right up to the recycling of vehicles.

In the utilization phase of vehicles, alternative drive technologies and the use of synthetic fuels can

contribute significantly to reducing emissions, especially CO₂ emissions.

The major challenge facing car manufacturers is to comply with differing and constantly changing global regulations and legislation on vehicle emissions.

The success of alternative drive technologies, and especially electric mobility, also depends on trends in relation to raw material and battery prices, the availability of state subsidies and, not least, the expansion of the charging infrastructure.

At the same time, electric vehicles offer the greatest potential for reducing CO₂ emissions since they can be operated without causing any local CO₂ emissions. In addition, if green electricity is used to charge an electric car, this further improves the carbon footprint compared with charging using conventionally generated electricity.

High-efficiency drive concepts

Audi is committed to the [Paris Climate Agreement](#) and recognizes its responsibility for the environment as a producer of vehicles. Audi wants to enable individual premium mobility with the lowest possible CO₂ emissions over the entire life cycle of a vehicle – whether electric cars, hybrid vehicles or vehicles with combustion engine.

¹ Source: [United Nations Climate Change](#).

Further information on measures that contribute to reducing CO₂ emissions along the value chain can be found in the sections “[Emissions and energy along the value chain](#)” and “[Circular economy](#).”

Sustainable Development Goals

The following SDGs are at the focus of this company commitment:



Further information on Audi and the UN sustainability goals can be found on [page 134](#).

Audi is strengthening its portfolio with numerous new models – both with cutting-edge combustion engines and fully electric drive systems with high energy efficiency. Overall, the company is planning to launch more than 20 new models on the market in 2024 and 2025. Audi is thus positioning itself robustly for the transition period from combustion engine to electric drive.

Audi is focusing especially on electrifying its model range, since electric mobility is the most efficient way to decarbonize automotive mobility. Vehicles with mild hybridization or plug-in hybridization are also part of the electrification strategy at Audi. Audi plans to boost the expansion of its range of electric drive concepts (PHEV/BEV) globally by 2025 to 40 percent of its fleet of new passenger cars. Achieving this target depends to a large extent, however, on developments on global markets. Plans may therefore change in relation to production of individual PHEV/BEV models and consequently targets may not be reached on schedule.

By 2027, Audi wants to offer a fully battery electric vehicle (BEV) in all core segments. Production of the final combustion models will be phased out successively and come to an end by 2033.

Energy efficiency in the drive system symbolizes the Four Rings’ motto “Vorsprung durch Technik” across all new models. In particular, the efficiency of electric vehicles is to be increased. For example, the Audi Q8 e-tron² has been building on the success story of the electric pioneer, the Audi e-tron,³ under a new name since spring 2023. Standout features include the optimized drive concept, improved aerodynamics, higher charging performance and battery capacity of the Audi Q8 e-tron,⁴ with a resulting increase in range to up to 600 kilometers (according to WLTP).⁴ Another example of increased efficiency is the evolution of the [Audi Q4 e-tron model line](#). It starts the 2024 model year with a comprehensive upgrade, including a new drive that boasts higher efficiency and higher perfor-

Guidelines and obligations

Two statements of principle act as key guidelines for Audi in relation to sustainability: firstly the [Statement of Principle on Sustainability](#), which was published by Audi in October 2023 and acts as a binding point of reference for sustainable action in all divisions. Secondly, the AUDI AG Environmental and Energy Policy, which states, among other things, that the company’s products and services should help customers to reduce their ecological footprint. These statements of principle are supplemented by internal policies on [product safety and product conformity](#) and on the [Environmental Compliance Management System](#), as well as the [Audi Code of Conduct](#).

² Audi Q8 e-tron: electric power consumption (combined) in kWh/100 km: 29.0-20.1; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.

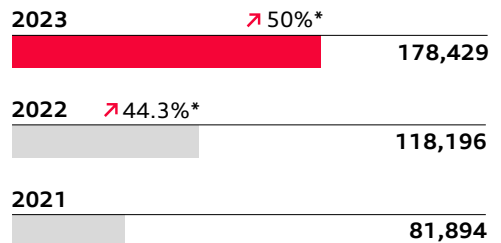
³ The Audi e-tron is no longer offered for sale as a new passenger car on the German market.

⁴ Applies exclusively to the Audi Q8 Sportback 55 e-tron quattro: electric power consumption (combined) in kWh/100 km: 24.1–19.9; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.

⁵ Audi Q4 Sportback 45 e-tron: electric power consumption (combined) in kWh/100 km: 18.6–15.6; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.

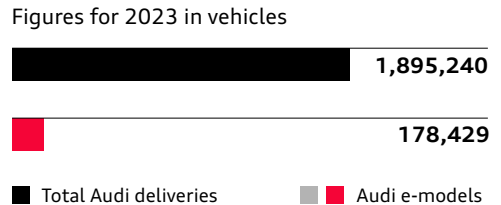
Growth gathers pace

Deliveries of Audi electric models (worldwide) Figures for 2021-2023 in vehicles



* Year-on-year increase

Deliveries of Audi electric models compared with overall deliveries (globally) Figures for 2023 in vehicles



mance. For example, the Audi Q4 Sportback 45 e-tron⁵ now achieves a range of up to 562 kilometers in the WLTP cycle.

Fuel cell drive concepts

To sustain competitiveness over the long term in relation to fuel cell drive concepts,⁶ the Volkswagen Group competence center for fuel cell technology in Neckarsulm is continually advancing a range of different technology and market monitoring measures and ensuring access to technology. Audi is working within the Volkswagen Group competence center with its own technology center and in-house development on producing and testing fuel cells and continually optimizing application-related features such as efficiency and service life, but also economic efficiency.

Alternative fuels

Use of renewable fuels in combustion engine vehicles allows CO₂ emissions to be reduced compared with the use of fossil fuels. Audi regards these fuels as an effective means of defossilizing the existing vehicle fleet in the EU and worldwide. Through its involvement in various pilot projects, Audi has been able to gain valuable insights into the production of synthetic, gaseous and liquid fuels used throughout the entire Volkswagen Group and in the participating research and cooperation partner companies. To ensure technical compatibility of AUDI AG vehicles for potential use of synthetic fuels, the relevant requirements are being assessed and implemented for vehicles whose production year dates back as far as 2015.

R33 fuels are available at the Audi plant filling stations in Ingolstadt and Neckarsulm. R33 Blue Diesel and Blue Gasoline consist of around one third renewable components (including residual and waste materials) and reduce CO₂ emissions when driving by at least 20 percent compared with fossil fuels. Moreover, many of the latest Audi diesel engines have already been approved for the renewable fuel HVO (hydrotreated vegetable oil). This fuel offers CO₂ savings of between 70 and 95 percent compared with fossil diesel.

Progress made measurable

AUDI AG is consistently pursuing a decarbonization strategy. The decarbonization index (DCI)⁷ acts as a strategic indicator of CO₂ reduction for all Volkswagen Group brands and covers the entire value chain – from extraction of raw materials, vehicle production and the provision of fuel and electricity through to vehicle emissions and right up to recycling. The target⁸ is to reduce the carbon footprint (life cycle) per vehicle model on a fleet basis by 30 percent by 2025 compared with the baseline year 2015 and by 40 percent by the year 2030 (baseline year 2018). The life cycle assessments⁹ of the AUDI AG vehicle models are an important lever for the DCI.⁷ The stated goal is that each new Audi model should have a better life cycle assessment than its predecessor.¹⁰

Battery competence in the Volkswagen Group

From battery research and cell production to the industrialization of batteries through to recycling –

the Volkswagen Group is becoming an expert over the entire life cycle of the high-voltage battery as the key component in electric vehicles. The company is making battery cell technology a core competence in this respect.

Volkswagen Group Technology bundles Group-wide activities relating to the topics of battery and charging. Its remit includes developing battery cell production worldwide via PowerCo SE. PowerCo SE combines the activities along the battery value chain – from preparation of raw materials to development of a standard Volkswagen battery through to management of the gigafactories. This means that a significant portion of the value creation of an electric vehicle remains in the Volkswagen Group. PowerCo can safeguard the electric initiative, enable technological independence and provide excellent leverage for lowering cell costs.

Audi is playing its part in making the high-voltage battery a core competence in the Volkswagen Group. This process is supported by the center of competence for high-voltage batteries in Neckarsulm, where prototypes of new high-voltage battery modules are tested for various electric vehicles, and the battery testing center in Gaimersheim, where Audi designs and develops battery cells.

When electric vehicles reach their end of life, Audi pursues a variety of approaches for dealing with the individual components of the high-voltage batteries. Further information on the “Reduce, Reuse, Recycle” principle can be found in the section “Circular economy and sustainable materials.” /

⁶ Focus on developing battery-powered electric vehicles.

⁷ As a Group-wide KPI, the decarbonization index (DCI) measures the average emissions of CO₂ and CO₂ equivalents over the entire life cycle (from the extraction of raw materials to recycling) of the Audi passenger car portfolio and is stated in metric tons of CO₂ per vehicle. It includes both direct and indirect CO₂ emissions at individual production sites (Scope 1 and 2), as well as all other relevant direct and indirect CO₂ emissions over the life cycle of the vehicles (Scope 3). The Audi DCI goals make a contribution to the decarbonization of the Volkswagen Group.

⁸ The target relates to the sold fleet of new cars in Europe, the USA and exports to China.

Audi sustainability key figures

Alternative drive technologies and vehicle emissions

	Unit	2023	2022	2021
Product-related CO₂ emissions				
CO ₂ emissions of the European (EU 27+2) fleet of new passenger cars for the Audi brand; EU excl. UK from 2021 onwards	g CO ₂ /km (WLTP) ¹¹	122.59 ¹² ✓	120.76 ¹²	121.85

⁹ Audi prepares a life cycle assessment (LCA) when it commences production of a new vehicle model. This assessment is a standardized, systematic analysis of the environmental impact of a product over its entire life cycle in accordance with the international ISO 14040ff. series of standards. The life cycle includes all conceivable impacts, from the required raw materials to logistics to production, from the first to the last kilometer on the road, from de-registration to recycling.

¹⁰ Download the life cycle assessments for Audi vehicles.

¹¹ Since January 2021, newly registered vehicles must state WLTP (Worldwide Harmonized Light Vehicles Test Procedure) figures in all countries that have adopted EU legislation on vehicle usage. This new standard has replaced the NEDC (New European Driving Cycle) standard, which applied from 1992 onwards. The WLTP standard takes the average driving situation more extensively into account than the NEDC and therefore discloses a more realistic figure for fuel consumption and CO₂ emissions. The WLTP figure is therefore higher than the old NEDC figure. A precise conversion of the values between the two methods is not possible.

¹² Subject to the official data of the European Commission in the annual CO₂ fleet monitoring report of the Volkswagen emissions pool.



GRI 301, 306

Circular economy and sustainable materials



The responsible handling of raw materials is an integral element of forward-looking automotive production for AUDI AG. The aim is to develop and produce vehicles in a more resource-saving and recycling-friendly manner, to keep them in use for as long as possible and to recycle them to the best possible extent at their end of life.

The circular economy contrasts with the traditional linear economy, which focuses primarily on easily accessible primary raw materials and low cost energy. Linear in this context means that raw materials are processed once and disposed of following use. In the circular economy, on the other hand, parts and materials are reused through maintenance and repair,

refurbishment, remanufacturing or recycling. The paradigm shift toward a functioning circular economy therefore offers potential from a social, economic and ecological point of view. This means, for example, that climate change and other global challenges, such as the loss of biodiversity, raw material wastage and environmental pollution, can be mitigated. There are likewise many opportunities >

for the economy: reusing valuable resources, for instance, can reduce the dependency on critical primary raw materials and the carbon footprint of products.

For Audi, important internal corporate guidelines concerning the circular economy include the corporate strategy, [the Statement of Principle on Sustainability](#), the [Audi Code of Conduct](#) and the [Code of Conduct for Business Partners](#). In 2023, internal target values for the proportion of secondary material and post-consumer secondary material at whole vehicle level were additionally anchored in the company for future vehicle generations.

Continuing to use products for as long as possible, increasing the proportion of reused parts and closing material loops: the circular economy is critical for Audi for preserving resources over the entire lifespan of its vehicles. Audi adopts an holistic approach in this respect in line with the principle of reduce, reuse and recycle.

Reduce: Reducing the need for primary materials, extending the utilization phase

The reduce principle involves measures during both the production process and the downstream utilization phase. There are essentially two aspects to consider here: firstly the efficient use of materials and secondly the extension of the product life cycle, for example, by repairing and reconditioning vehicles.

Material efficiency: The reduce principle is applied in vehicle production among other areas. It is implemented on the basis of the Audi Mission:Zero environmental program in the action area of resource efficiency for reducing waste generation. An example of this can be seen in Audi logistics where packaging is avoided wherever possible. If packaging material has to be used, it is preferable to use recyclable and/or renewable resources. From 2030, the goal is to increase the proportion of recyclable packaging materials in new vehicle projects to more than 90 percent.

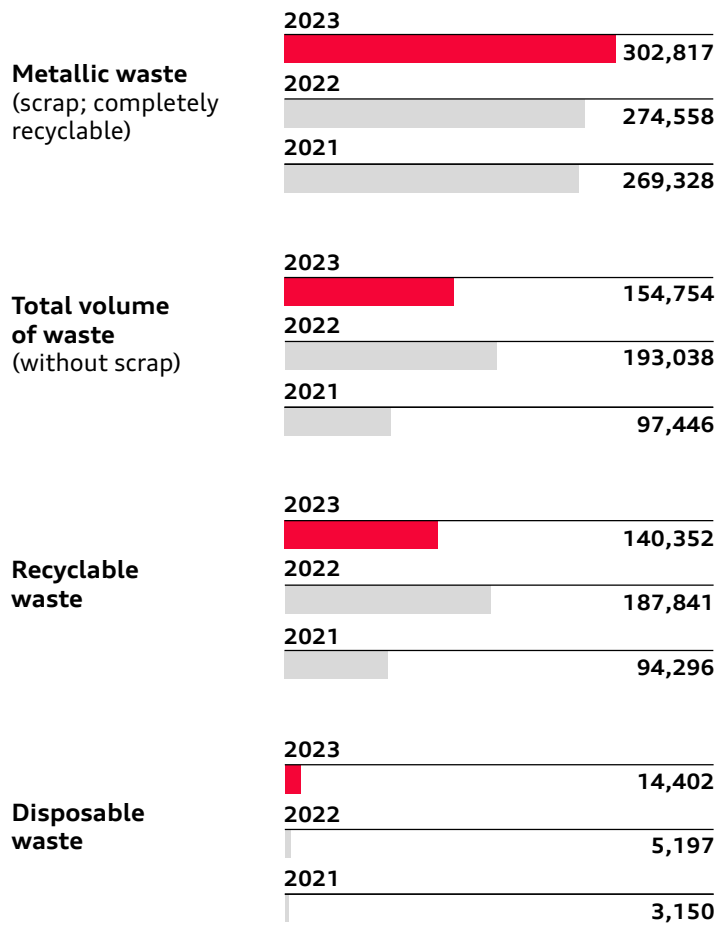
With this in mind, Audi is already focusing on sustainable packaging concepts in the early planning phase of new vehicle projects. To ensure these are optimized comprehensively, requirements are incorporated in the product specifications for suppliers. These approaches reduce the volume of plastics in packaging. Since 2020, for example, more than 650 metric tons of plastic have been saved annually, including 120 metric tons of polystyrene and foam packaging.

Audi also creates [life cycle analyses](#) for its models as another means of reducing the materials needed in the production process of a vehicle. These assessments involve using special software to analyze the energy requirement and CO₂ emissions of every part of a car. All steps along the value chain for each part are taken into consideration, for example, from the mining of the aluminum ore bauxite through to processing in the press shop.

Extending the product life cycle: The emphasis Audi places on quality – and therefore also its ambition

Total weight of waste by disposal method in t

Wherever possible, the Audi Group closes material cycles in order to reduce waste. In the 2023 reporting year, 302,817 metric tons of metallic waste were generated throughout the Group, all of which is destined for recycling. The main reason for this increase compared with the previous year: more equipment was dismantled or demolished. The increase in disposable waste can be explained, in turn, by the greater volumes of extinguishing agents, industrial waste and mineral fibers. There were no known major discharges of chemicals, oils or wastes to the environment during the reporting period.



Sustainable Development Goals

The following SDGs are at the focus of this company commitment:



Further information on Audi and the UN sustainability goals can be found on [page 134](#).

to extend the service life of a vehicle for as long as possible – has always been firmly anchored in the entire company and throughout the product process. In this respect, Audi is currently carrying out a project called “Audi reloaded,” which looks at the possibilities offered by refurbishments and upgrades. Within the refurbishment process, used cars are checked in terms of quality, assessed both visually and technically, reconditioned according to the highest standards both internally and externally, wear parts replaced and a manufacturer’s warranty of 36 months on the whole vehicle provided. In addition, upgrades will make it possible to retrospectively install optional equipment such as the S line exterior or matrix LED headlights. Such an approach should allow Audi to extend the service life of vehicles in the future and to further

enhance their attractiveness thanks to options for customizing used cars. The concept is currently being tested in collaboration with the retail trade.

Reuse: Enabling continued use

The reuse principle is divided into four approaches:

- **Remanufacturing:** Used parts are extensively reworked and reconditioned.
- **Repair:** Damage to defective parts is repaired in order to enable reuse.
- **Used parts:** Used parts are installed to repair vehicles without being reconditioned beforehand.
- **Second life:** Vehicle parts are reconditioned for non-automotive use.

The following measures exemplify how these four approaches are implemented in practice:

Remanufacturing: Audi users are offered resource-friendly “Audi Genuine Exchange Parts” as an alternative to new parts during the routine service process. For example, a sustainable remanufacturing method is offered for the transmission mechatronics of Audi S tronic models as part the “Exchange 2.0” program.

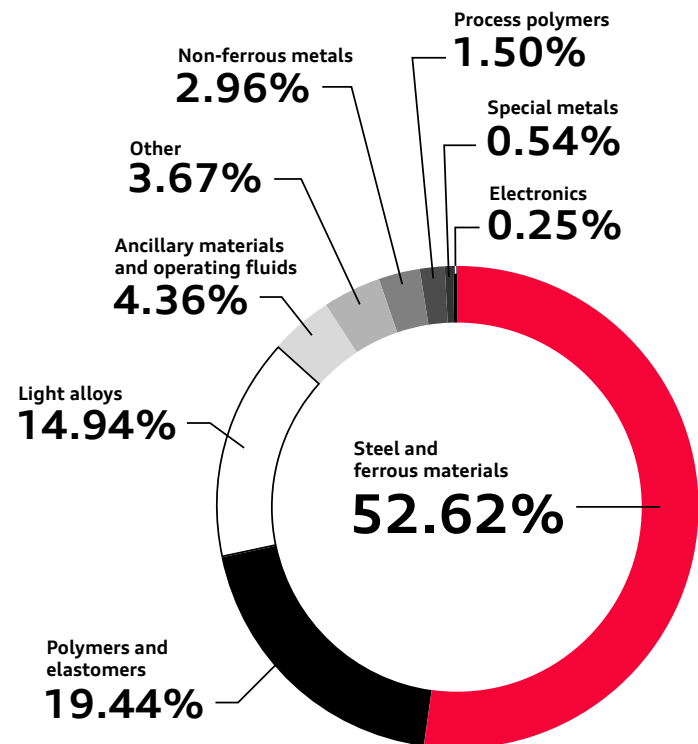
Repair: The “Audi Genuine Parts Repair” program offers Audi customers the option of having defective parts repaired. Attention focuses here on infotainment instruments and displays in the dashboard area.

Used parts: A replacement parts portfolio will be available to Audi customers in the future for carrying out repairs. Accident repairs are an important use case in this respect. Replacing all defective parts in a damaged vehicle with new parts is often no longer economically viable. However, a repair may make economic sense if less expensive used parts can be used. This means that vehicles that would otherwise be treated as a write-off can continue to be used. The replacement part portfolio includes lights, body parts such as fenders and doors, but also complete engines and transmissions – and always with a two-year warranty. The “Audi Genuine Used Parts” will be rolled out gradually in EU markets from 2024 – either online or via Audi service partners.

Remanufacturing and second life: The reuse principle is especially important with electric vehicles, particularly when it comes to the lithium-ion battery. It makes no sense either ecologically or economically to dispose of the battery prematurely because high-voltage batteries can be put to good use even after years of use on the road. Within the Volkswagen Group, Audi is pursuing two possible reuse objectives: firstly remanufacturing, which involves continuing to use high-voltage batteries in electric vehicles. And secondly, second-life concepts, which allow batteries to have a second life for years outside of an electric vehicle – for instance in the fast-charging stations of an Audi charging hub.

Volume of raw materials processed by Audi in vehicles in 2023

Diagram is based on the production figures of AUDI AG in 2023 and current disassembly studies for individual models in the various product lines; figures may not add up due to rounding.



Audi sustainable parts in 2023

Parts sold:
approx. **33,500 parts**

Scrapped vehicles:
2,146
(certificates of destruction issued)

Secondary raw materials recovered:
approx. **3,000 metric tons**

Recycle: The end as a new beginning

The recycle principle involves measures concerning both the production of a vehicle and the phase following its end of life, if reuse of the vehicle as a whole or its individual components is no longer possible. The motto is: reuse as many materials as possible, including from end-of-life vehicles, in the form of secondary materials and avoid downcycling as much as possible. The quality of a new product produced from recycled material is not as high in the case of downcycling as that of the original product. Audi wants to prevent this downward spiral in material quality.

The company is therefore following two approaches in respect of the recycle principle:

- Recovery of secondary materials from end-of-life vehicles at the end of the utilization phase (end-of-life recycling): disassembly of vehicles into individual components and subsequent remanufacturing of used raw materials, ideally without any loss of quality.

- Use of secondary materials in the production process of new vehicles: secondary materials should be used wherever technically feasible, environmentally sound and economically justifiable.

In the year under review, AUDI AG carried out a number of projects to test the product maturity of post-consumer material cycles for the materials steel, aluminum, plastic, glass and battery. These materials are in the spotlight because they play a special role in legislation and make up a high percentage of the overall weight of the vehicle. Findings from these projects are used to establish the use of secondary materials in new vehicle generations.

Steel: Steel scrap is partly used in the Audi Q6 e-tron to produce a component of the exterior skin of the body. This scrap comes from post-consumer sources recovered in part from end-of-life vehicles. The material is used to produce all variants of the exterior part of the roof of the Audi Q6 e-tron and provides an initial insight into the use of post-consumer steel scrap in future vehicle generations.

Aluminum: Apart from recycling post-consumer secondary materials, post-industrial materials are also recycled. The primary goal in this regard is to reduce CO₂ emissions. From as early as 2017, AUDI AG has demonstrated its commitment to the responsible handling of aluminum through the [Aluminium Closed Loop](#) project. Aluminum sheet offcuts that are produced in the press shop are returned to the material cycle. Compared with the production of primary aluminum, recycling aluminum waste allows savings of up to 95 percent in terms of the energy needed to produce the aluminum.

Plastics: Vehicles today usually contain more than 200 kilograms of different plastics and plastic composites. With the PlasticLoop project, Audi has created a process together with the plastics manufacturer that for the first time allows recycled materials recovered through chemical recycling of mixed automotive waste to be used for series production. Audi installs safety-relevant parts produced in such a recycling process in the Audi Q8 e-tron:¹ [the plastic covers for the seat belt buckles](#).² This type of recycling is another example of a process used to recover recycled materials in addition to mechanical and physical recycling. AUDI AG is researching the process of chemical recycling in collaboration with the Fraunhofer Institute as part of a [pilot project](#), in which plastic is first dissolved using solvents. The end result following a number of process steps as well as drying is a very pure plastic granulate of a similar quality to new goods.

Glass: GlassLoop was another project undertaken in the year under review in collaboration with Reiling Glas Recycling, Saint-Gobain Glass and Saint-Gobain Sekurit in which Audi demonstrated how material cycles can be implemented in series production. Together the companies tested how to [produce new windshields from defective automotive glass](#). Since September 2023, windshields made from recycled material are being used in the series production of the Audi Q4 e-tron.

¹ Audi Q8 e-tron: electric power consumption (combined) in kWh/100 km: 29.0-20.1; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.

² At least 70 percent of the plastic granulate used in seat belt buckle covers (including fillers and additives) comes from the pyrolysis oil produced in the project, which was supplied during the process of manufacturing the plastic granules. The allocation of waste-based pyrolysis oil to the plastic granulate is carried out as part of a mass balance approach with a qualified credit transfer. This means that it is confirmed by ecocycle, an independent external certification body, that the project members have replaced the quantities of fossil resources required for the seat belt buckle covers with pyrolysis oil produced from mixed fractions of automotive plastics. The intention is to provide sufficient pyrolysis oil in the scope described above for the entire production life cycle of the Q8 e-tron based on currently projected production figures.

Global Battery Alliance

Through its involvement in the Global Battery Alliance, Audi is clearly committed to the values of the Global Battery Alliance of the World Economic Forum. The alliance was founded in 2017 and consists of public and private-sector partners from along the entire battery supply chain. Its goal is to ensure that both social and ecological sustainability aspects are taken into account in the value chain for the raw materials used in batteries. The Global Battery Alliance is working on issues such as the conditions for mining raw materials, sustainable recycling concepts in the spirit of a circular economy and innovations that promote battery sustainability. Audi has been a member of the cooperation platform since it was founded in 2017.

The windshield in the Audi Q4 e-tron uses glass with a recycled content of up to 30 percent recovered from car windows that can no longer be repaired. Audi is the first premium manufacturer to have established such a glass cycle in the automotive industry together with partner companies.

Battery: Volkswagen AG is working on a recycling concept for batteries within the Group. The company is also exploring strategic partnerships with a number of stakeholders in the battery value chain to close the loop comprehensively for the Group. The goal is the industrialized recovery of valuable raw materials such as lithium, nickel, manganese and cobalt in a closed loop as well as aluminum, copper and plastic. At the start of 2021, Volkswagen Group Components launched the Group's first pilot plant for recycling high-voltage vehicle batteries for this purpose at the Salzgitter site. In addition, various concepts for discharging and disassembling batteries are being developed in Salzgitter and the battery materials are being investigated to determine further recycling potential. Only batteries that can no longer be used for other purposes are recycled in the pilot plant – for example, in remanufactured form in mobile energy storage units such as the flexible fast-charging terminals or charging robots.

End-of-life vehicle recycling: In 2022 and 2023, Audi took the next step in gradually closing material loops in the future with the cooperation project [Material-Loop](#). Together with 15 partner companies from research, the recycling sector and the supply industry, the project examined the possibility of reusing post-consumer materials from 100 end-of-life vehicles to produce new vehicles. Attention focused on materials such as steel, aluminum and plastic, among others, in terms of their recyclability. Compared with the reuse of post-industrial secondary materials (e.g., offcuts from production processes), the remanufacturing of post-consumer recycled materials (such as from end-of-life vehicles) is a more exacting process. End-of-life vehicles consist of a variety of mixed materials,

Glossary

- **Downcycling**

The qualitative properties of a new product made from recycled material are lower in the case of downcycling than those of the original product. For example: steel from end-of-life vehicles is reused as structural steel. This process contrasts with upcycling where materials are converted to a higher-value product.

- **Post-consumer**

Post-consumer material refers to recycled materials from products that have already been used by the end user for one product cycle and then disposed of.

- **Post-industrial (alternatively: pre-consumer)**

Post-industrial material denotes recycled materials that originate from industrial production waste and that arise during the production process, e. g., offcuts.

- **Primary raw material**

A primary raw material is a natural, untreated raw material, which is obtained directly from the environment and without prior processing (e.g., metal ores).

- **Refurbishment**

Refurbishment refers to the reconditioning of products. The products are tested in relation to their quality, assessed visually and technically, repaired and cleaned.

- **Remanufacturing**

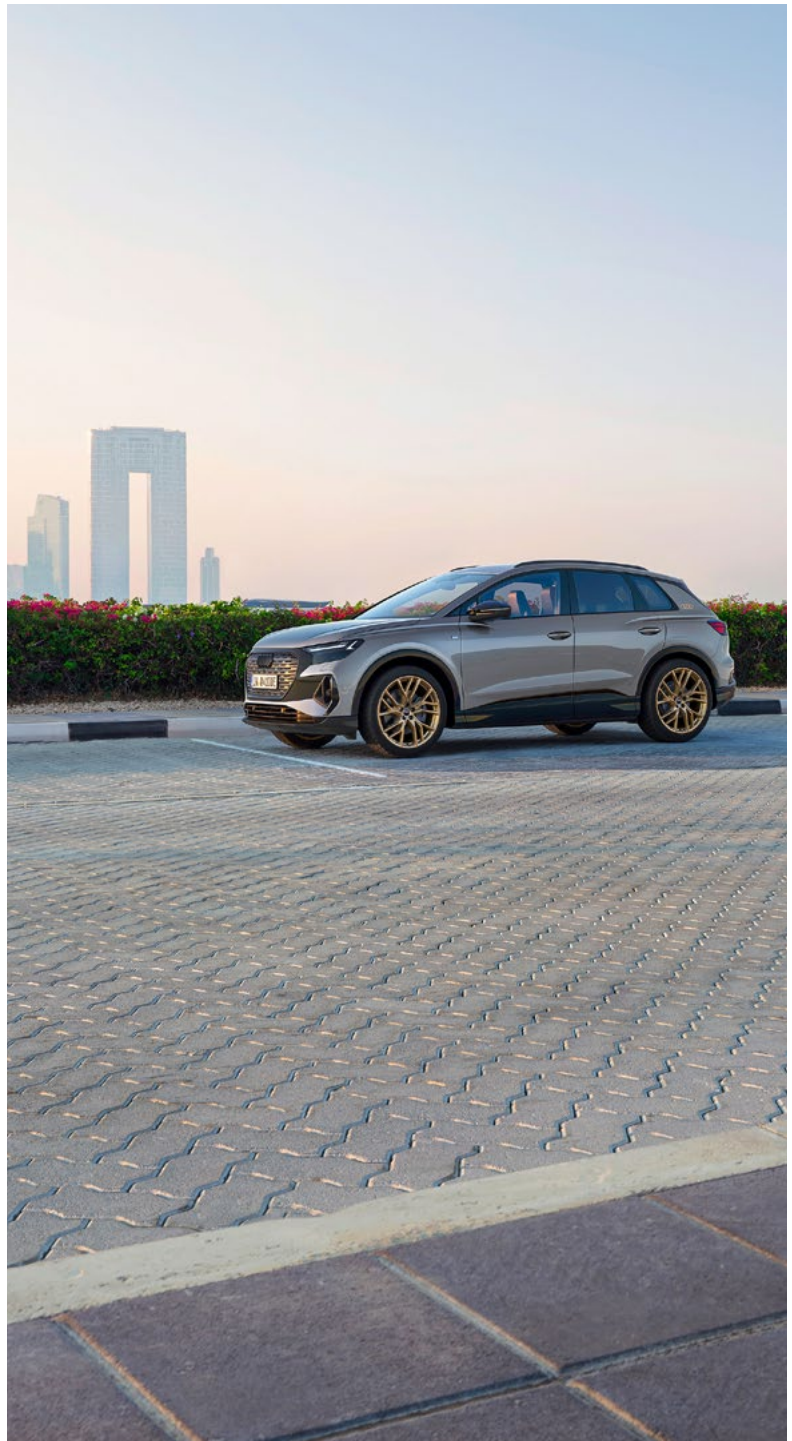
Remanufacturing involves in-depth reworking and reconditioning of used parts. The objective is that the resulting quality is the same as that of a new replacement part.

- **Recycled material or secondary material**

Materials recovered either from recycling a product used by an end customer (post-consumer recycled material) or by recycling production waste (post-industrial recycled material). Recycled metal materials include aluminum offcuts, for example, which are collected, remelted and transformed into new raw material.

- **Second use/second life**

Second use is a concept that aims to extend the value of products by reusing them in a new context. This gives them a second life.



which first have to be separated and remanufactured in complex sub-processes such as dismantling, shredding and re-sorting (referred to as post-shredding technology). The technical feasibility of this cycle was tested in the pilot project, and with success: thanks to the project, Audi was able to recycle more than 60 percent of the aluminum and more than 85 percent of the steel from end-of-life vehicles for the production of new vehicles. The technical feasibility has therefore been demonstrated. In the follow-on project (start date: August 2023), Audi is currently working on developing a business model to enable realization of the technical feasibility in the future on a larger scale. /

Since fall 2023, the windshield in the Audi Q4 e-tron uses glass with a recycled content of up to 30 percent recovered from car windows that can no longer be repaired.

Key figures & data³

Circular economy and sustainable materials

	Unit	2023	2022	2021
Recyclable waste^{4,5} (waste diverted from disposal)				
Recyclable waste	t	140,352	-	-
of which other recyclable waste	t	58,521	-	-
of which substitute raw materials and preparation for reuse	t	16,169	-	-
of which recycling following mechanical pre-treatment	t	18,246	-	-
of which recycling following physicochemical pre-treatment	t	11,452	-	-
of which thermal recovery	t	12,267	-	-
of which backfilling	t	387	-	-
of which hazardous recyclable waste	t	38,170	-	-
of which substitute raw materials and preparation for reuse	t	3,476	-	-
of which recycling following mechanical pre-treatment	t	9,354	-	-
of which recycling following physicochemical pre-treatment	t	17,348	-	-
of which thermal recovery	t	7,229	-	-
of which backfilling	t	762	-	-
of which non-production-specific recyclable waste	t	43,661	-	-
of which substitute raw materials and preparation for reuse	t	5,263	-	-
of which recycling following mechanical pre-treatment	t	37,479	-	-
of which recycling following physicochemical pre-treatment	t	47	-	-
of which thermal recovery	t	873	-	-
Metallic waste	t	302,817	-	-
of which internal recycling	t	14,421	-	-
of which external recycling	t	287,893	-	-

³ Figures refer to the Ingolstadt, Münchsmünster, Neckarsulm, Brussels, Győr, San José Chiapa, Crewe (Bentley) since 2022, Sant'Agata Bolognese (Lamborghini), Bologna (Ducati), Amphur Pluakdaeng (Ducati) sites.

⁴ Value is being reported for the first time in the 2023 reporting year.

⁵ All waste was generally treated outside the company sites.

Key figures & data³

Circular economy and sustainable materials

	Unit	2023	2022	2021
Disposable waste^{4,5} (waste diverted from disposal)				
Disposable waste	t	14,402	-	-
of which other disposable waste	t	1,086	-	-
of which thermal disposal	t	820	-	-
of which landfill	t	266	-	-
of which hazardous disposable waste	t	587	-	-
of which thermal disposal	t	587	-	-
of which landfill	t	0	-	-
of which non-production-specific disposable waste	t	12,728	-	-
of which thermal disposal	t	522	-	-
of which landfill	t	12,206	-	-

Audi sustainability key figures⁶

Circular economy and sustainable materials

	Unit	2023	2022	2021
Waste				
Total volume of waste (excluding scrap)	t	154,754 ✓	193,038	97,446
Automotive segment (incl. components)	t	153,630 ✓	191,449	95,995
	kg/veh.	154.34 ✓	211.11	121.23
Recyclable waste	t	140,352 ✓	187,841	94,296
Automotive segment (incl. components)	t	139,275 ✓	186,312	92,908
	kg/veh.	139.92 ✓	205.45	117.33
Other recyclable waste	t	58,521 ✓	53,566	50,038
Automotive segment (incl. components)	t	57,619 ✓	52,183	48,827
	kg/veh.	57.89 ✓	57.54	61.66

³ Figures refer to the Ingolstadt, Münchsmünster, Neckarsulm, Brussels, Győr, San José Chiapa, Crewe (Bentley) since 2022, Sant'Agata Bolognese (Lamborghini), Bologna (Ducati), Amphur Pluakdaeng (Ducati) sites.

⁴ Value is being reported for the first time in the 2023 reporting year.

⁵ All waste was generally treated outside the company sites.

⁶ Figures refer to the Ingolstadt, Münchsmünster, Neckarsulm, Brussels, Győr, San José Chiapa, Crewe (Bentley) since 2022, Sant'Agata Bolognese (Lamborghini), Bologna (Ducati), Amphur Pluakdaeng (Ducati) sites. Only car-producing sites including component manufacturing are considered for the specific key figures. The environmental key figures for the current year are data as of February 9, 2024. The figures may contain estimates if, for example, they are based on statements from energy suppliers that were not available when data was collected. If deviations between the actual values and the reported data are identified in the following year, the data is updated. The individual key figures for 2022 were updated in this report using the actual values for 2022.

Hazardous recyclable waste	t	38,170 ✓	35,673	38,847
Automotive segment (incl. components)	t	38,040 ✓	35,582	38,708
	kg/veh.	38.22 ✓	39.24	48.88
Non-production-specific recyclable waste	t	43,661 ✓	98,602	5,411
Automotive segment (incl. components)	t	43,616 ✓	98,547	5,373
	kg/veh.	43.82 ✓	108.67	6.78
Disposable waste	t	14,402 ✓	5,197	3,150
Automotive segment (incl. components)	t	14,355 ✓	5,136	3,087
	kg/veh.	14.42 ✓	5.66	3.90
Other disposable waste	t	1,086 ✓	898	1,253
Automotive segment (incl. components)	t	1,086 ✓	890	1,245
	kg/veh.	1.09 ✓	0.98	1.57
Hazardous disposable waste	t	587 ✓	942	1,590
Automotive segment (incl. components)	t	548 ✓	890	1,534
	kg/veh.	0.55 ✓	0.98	1.94
Non-production-specific disposable waste	t	12,728 ✓	3,357	307
Automotive segment (incl. components)	t	12,722 ✓	3,356	307
	kg/veh.	12.78 ✓	3.70	0.39
Metallic waste (scrap; completely recyclable)	t	302,817 ✓	274,558	269,328
Automotive segment (incl. components)	t	302,313 ✓	273,952	268,706
	kg/veh.	303.72 ✓	302.09	339.33

Extended environmental key figures⁷ for all sites at which Audi models are produced

Circular economy and sustainable materials

	Unit	2023	2022	2021
Total disposable waste (production-specific)	t	7,634.5	7,896.8	10,896.3
Total disposable waste (production-specific, specific)	kg/veh.	3.9	4.7	6.9
of which hazardous disposable waste (production-specific)	t	5,399.3	5,675.5	6,954.6
of which hazardous disposable waste (production-specific, specific)	kg/veh.	2.8	3.4	4.4

⁷ Figures refer to the Ingolstadt, Münchsmünster, Neckarsulm, Brussels, Győr and San José Chiapa (Audi), Martorell (Seat), Aurangabad and Kaluga (up to 2022) (Skoda), Bratislava, São José dos Pinhais and Zwickau (Volkswagen Passenger Cars), Anting and Ningbo (SAIC VW), Changchun, Tianjin, Qingdao and Foshan (FAW-VW) sites. Only car-producing sites including component manufacturing are considered for the specific key figures.



GRI 303, 304

Nature conservation and biodiversity

As part of the Mission:Zero environmental program, Audi strives to preserve biodiversity at its production sites¹ and takes responsibility for the sustainable use of water as a resource in production.

Biodiversity refers to the diversity of all living organisms, their genetic variation and their habitats. It is one of the foundations of human life on earth. People's quality of life and health depend on it. As such, efforts to protect biodiversity are vital to safeguarding the long-term needs of present and future generations. Only if biodiversity is successfully preserved can nature provide vital ecosystem services for humans. Clean drinking water is one of the world's most valuable resources due to its increasing scarcity.

AUDI AG has an influence on the environment through the production and operation of vehicles and the services it offers. To keep this impact as low as possible, its environmental program for production and logistics (Mission:Zero) focuses on several action areas, such as the preservation of biodiversity and the responsible use of water. The company has implemented numerous measures to this end, including consistent soil and water conservation at all production sites, the renaturation of open spaces and support for reforestation programs.

In this context, Audi is guided by the environmental mission statement of the Volkswagen Group along with the statements of principle on sustainability of the Audi Group and on the Environmental and Energy Policy of the Audi Group and of AUDI AG. Environmental protection is also an integral part of the Audi Code of Conduct, which is binding for all employees. In addition, Audi has integrated biodiversity into the Environmental Compliance Management System, and continuously reviews progress and develops new measures based on the findings. Audi also endeavors to minimize the use of natural resources along the supply chain by placing obligations on its suppliers through the Code of Conduct for Business Partners.

Promoting biodiversity

AUDI AG has been a member of the "German Biodiversity in Good Company" initiative since 2015 and promotes the preservation of biodiversity as part of its membership. At regular intervals, it publishes a Progress Report on the Leadership Commitment of ›

the “Biodiversity in Good Company” initiative. The Audi Group has also committed itself to conserving nature within the framework of the UN Biodiversity Conference (CBD COP 15).

To measure the company’s commitment to biodiversity at its production sites,¹ Audi has developed a biodiversity index together with the Volkswagen Group that was tested and optimized further in the reporting period. The index covers around 50 biodiversity parameters. This allows the effectiveness of measures to be assessed and progress to be recorded more easily. Audi uses specially developed key figures that are specific to the environment to evaluate its production sites and define binding targets. The following questions, for example, play a role: Are there green facades or roofs? How are the outdoor areas landscaped? Are employees made aware of the issue, for example through training? This allows the company to determine the extent to which its production sites promote biodiversity and follow a strategy for a better environmental footprint and to measure its implementation. The goal is to raise the biodiversity index for all Audi plants from an average of 25 percentage points in the reference year 2020 to 50 percentage points in 2025.

During the year under review, Audi implemented a number of biodiversity projects at its sites. Audi México, for instance, launched an ambitious reforestation project. In a wooded area near the Audi site in San José Chiapa, known as Santa Cruz del Bosque, the company plans to successively plant 42,900 trees over an area of 39 hectares. The forest had suffered considerable damage due to an infestation of bark beetles.

Four levers for better water conservation

On average, it currently takes around two to three cubic meters of water to produce a vehicle. Audi has therefore set the company the goal of using water sparingly and efficiently, and is pursuing this goal through a variety of measures.

Since 2023, the Four Rings have been the first premium car manufacturer to become a member of the Alliance for Water Stewardship (AWS). This global network of companies, NGOs and public-sector bodies is committed to the responsible use of water resources across the value chain. Audi México is the first premium manufacturer worldwide to produce vehicles without any wastewater and has been doing so since 2018. In the year under review, the production facility in San José Chiapa (Mexico) was the first car manufacturing plant in the world to be certified by the AWS for its considerate use of this natural resource. The AWS standard is an internationally applicable set of rules for companies and organizations aiming to use water as efficiently as possible (water management) and with due consideration of all relevant interest groups in the respective catchment area (responsibility for water resources). Further information on the AWS standard can be found [here](#).

Reducing the amount of water used in production is one of the focal points of the Audi Mission:Zero environmental program. By 2035, Audi aims to cut

¹ Audi plants in Ingolstadt and Neckarsulm (Germany), Brussels (Belgium), Győr (Hungary), San José Chiapa (Mexico).



Progress Report on the Leadership Commitment of the “Biodiversity in Good Company” Initiative.

Audi Environmental Foundation

Audi Stiftung für Umwelt GmbH – the Audi Environmental Foundation – is a non-profit organization that actively promotes research in new technologies and scientific methods for a livable future. Its declared aim is to help protect the environment and to create and promote opportunities for sustainable action. The foundation focuses in particular on the promotion and development of environmentally compatible technologies, on measures for environmental education and on the protection of the natural resources for humans, animals and plants. It was established by AUDI AG in 2009 as a wholly owned subsidiary and is part of its social and environmental commitment.



You can find more information at audi.com.

Fresh water consumption in the Audi Group in m³ and in m³/veh.

Careful use of resources such as water is a key component of the Audi Mission:Zero environmental program. The total fresh water consumption of the Audi Group fell by 1.14 percent in 2023 compared with the previous year. This relates primarily to increased water recycling, a reduction in water consumption for construction activities and lower cooling requirements. There was also a further improvement in fresh water consumption related specifically to vehicles. This was due to the reduction in absolute fresh water consumption despite an increase in vehicle production.

Total fresh water consumption in m³

2023	2,876,588
2022	2,909,700
2021	2,940,094

Fresh water consumption, Automotive segment (incl. components) in m³/veh.

2023	2.82
2022	3.11
2021	3.60

ecologically weighted water consumption² at its five production sites¹ by around half compared with the baseline year 2019.

To achieve this, the company is concentrating on four key levers:

1. Process optimization: Water that is not needed does not have to be sourced in the first place. Audi therefore wants to optimize all production processes in terms of water consumption.

2. Expansion of water cycles: Reusing generated wastewater reduces the impact on the environment.

3. Drinking water-free production: All sites have initiatives in place to reduce the use of drinking water in their production processes. Use of drinking water in production is to become the exception rather than the rule.

4. Use of rainwater: Rainwater is collected for further use.

With all levers, the company takes not only water consumption into account but also regional differences such as water scarcity in the respective region. It establishes in which regions water is particularly precious and prioritizes the implementation of new measures there.

In the reporting year, Audi drove forward various measures for sustainable water management. The following projects are currently underway:

- Audi Brussels, together with its Belgian partner company Hydria, is investing in the “Re-use” project to integrate the Brussels South wastewater treatment plant into the production site’s water supply. This will create a closed water cycle that will save around 100,000 cubic meters of drinking water per year. The plant’s production processes will thus become completely free of drinking water.
- After a successful pilot test, Audi is building a new waterworks system at its site in Neckarsulm, which is due to go into operation by 2025. To achieve this, Audi is creating a closed water cycle with the wastewater treatment plant of the “Unteres Sulmtal” wastewater association adjacent to the plant. Water that has been purified by the wastewater treatment plant is further processed for production with the help of filter systems and membranes. After being used in production processes, the resulting wastewater is returned to the wastewater treatment plant. By 2025, the company aims to establish as closed a water cycle as possible for process water at the Neckarsulm site. The resulting water cycle should then reduce total fresh water consumption by more than 70 percent.
- Water consumption in the painting process is particularly high compared with other sub-processes in the production of vehicles. For this reason, the paint shop at the Neckarsulm site is being equipped with

Sustainable Development Goals

The following SDGs are at the focus of this company commitment:



Further information on Audi and the UN sustainability goals can be found on [page 134](#).

² Ecologically weighted water consumption makes it possible to compare absolute water requirements at all Audi sites worldwide, while taking into account the prevailing local water stress factors and the use of rainwater. This allows the company to prioritize savings in areas where water availability is particularly short.

the very latest, water-efficient technology. This technology is expected to consume around 20 percent less energy and water compared with current levels. In the reporting year, Audi kicked off the conversion of the paint shop with the ground-breaking ceremony for a new building. By 2025, it will be one of the most modern facilities in the automotive industry.

- The Audi FAW NEV Company in Changchun (China) has acted in response to the high local water risk and succeeded in making its water use more efficient by means of a water cycle with a membrane bioreactor. Here, too, the company plans to cover a significant portion of its process water needs through wastewater treatment.

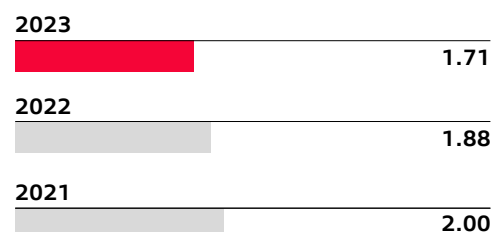
Water use in the supply chain

However, Audi not only strives for sustainable water management within its own factory gates, it also imposes corresponding obligations within its supply chain through the Code of Conduct for Business Partners. This defines sustainability requirements for direct business partners of the entire Volkswagen Group. Regional differences in the availability of clean water pose a special challenge when it comes to developing a water strategy for the supply chain. Audi therefore pursues a risk-based approach that takes regional availability into account. It analyzes which regions are subject to high levels of water stress and identifies the materials that require particularly large amounts of water to produce. Based on the intersection between these regions and materials, Audi identifies hotspots. For these, effective solution approaches are to be developed in the next step together with the relevant suppliers. /

Total volume of wastewater discharge of the Audi Group in m³/veh.

The volume of wastewater, measured in m³ per vehicle, decreased in 2023. The absolute volume is similar to 2022 – but since the number of vehicles produced increased in 2023, this key figure has improved year-on-year.

Volume of wastewater, Automotive segment (incl. components) in m³/veh.



Key figures & data³

Nature conservation and biodiversity

	Unit	2023	2022	2021
Water				
Total fresh water consumption ⁴	m ³	2,876,588	2,909,700	2,940,094
of which in regions with an extreme risk of water stress ⁵	m ³	58,349	83,430	88,976
of which in regions with a high risk of water stress ⁵	m ³	122,096	432,938	442,114
of which in regions with a medium risk of water stress ⁵	m ³	1,946,305	1,680,720	1,810,651
of which in regions with a low risk of water stress ⁵	m ³	749,838	712,613	598,353
of which in regions with an extreme risk of water stress ⁵	Percent	2	3	3
of which in regions with a high risk of water stress ⁵	Percent	4	15	15
of which in regions with a medium risk of water stress ⁵	Percent	68	58	62
of which in regions with a low risk of water stress ⁵	Percent	26	24	20
Total fresh water consumption ⁴	m ³	2,876,588	2,909,700	2,940,094
of which in Europe	m ³	2,653,985	2,726,602	2,748,487
of which in North America	m ³	216,201	178,056	187,947
of which in Asia	m ³	6,402	5,042	3,660
Water				
	Unit	2023	2022	2021
Water consumption ⁶	m ³	1,160,036	1,185,913	1,336,710

³ Figures refer to the Ingolstadt, Münchsmünster, Neckarsulm, Brussels, Győr, San José Chiapa, Crewe (Bentley) since 2022, Sant'Agata Bolognese (Lamborghini), Bologna (Ducati), Amphur Pluakdaeng (Ducati) sites.

⁴ All purchased and produced fresh water can be assigned to the category "fresh water (≤1000 mg/l total dissolved solids)."

⁵ Information on the water stress risk according to the Mapelecroft Water Stress Index.

⁶ Water consumption is calculated on the basis of fresh water usage less wastewater and results, for example, from evaporation, delivery to the product, etc.

Key figures & data³

Nature conservation and biodiversity

	Unit	2023	2022	2021
Wastewater recirculation^{7, 8}				
Total wastewater	m ³	1,716,552	–	–
of which recirculation to surface water	m ³	8,519	–	–
of which recirculation to sea water	m ³	0	–	–
of which recirculation to groundwater	m ³	0	–	–
of which recirculation to other organization	m ³	1,708,033	–	–
Total wastewater	m ³	1,716,552	–	–
of which recirculation to regions with an extreme risk of water stress ⁵	m ³	14,766	–	–
of which recirculation to regions with a high risk of water stress ⁵	m ³	96,861	–	–
of which recirculation to regions with a medium risk of water stress ⁵	m ³	1,005,358	–	–
of which recirculation to regions with a low risk of water stress ⁵	m ³	599,567	–	–

Production site ⁹	Size in m ²	Region	Directly adjacent protected regions		Protected regions within a radius of 4,500 meters		Directly adjacent to regions with high biodiversity outside of protected regions		Regions with high biodiversity within a radius of 4,500 meters outside of protected regions
			Number	Size in ha	Number	Size in ha	Number	Size in ha	Number
Ingolstadt, DE	2,844,627	Europe	0	0	4	12,890	4	6	149
Neckarsulm, DE	1,360,338	Europe	0	0	3	10,001	1	190	0
Győr, HUN	5,162,223	Europe	2	2,888	2	18,576	0	0	0
Brussels, BEL	564,991	Europe	0	0	3	4,048	0	0	1
San José Chiapa, MX	995,495	North America	0	0	0	0	0	0	0
Crewe, UK	551,074	Europe	0	0	0	0	0	0	0
Sant'Agata Bolognese, IT	345,869	Europe	0	0	1	132	0	0	0
Audi		Global	2	2,888	13	45,647	5	196	150

³ Figures refer to the Ingolstadt, Münchsmünster, Neckarsulm, Brussels, Győr, San José Chiapa, Crewe (Bentley) since 2022, Sant'Agata Bolognese (Lamborghini), Bologna (Ducati), Amphur Pluakdaeng (Ducati) sites.

⁵ Information on the water stress risk according to the Mapelecroft Water Stress Index.

⁷ All recirculated water is to be assigned to the category "fresh water (≤1000 mg/l total dissolved solids)."

⁸ Value is being reported for the first time in the 2023 reporting year.

⁹ The data relates to the 2023 fiscal year. No information is available at this time for the Münchsmünster, Bologna and Amphur Plukdaeng sites.

Audi sustainability key figures¹⁰

Nature conservation and biodiversity

	Unit	2023	2022	2021
Water				
Total fresh water consumption	m ³	2,876,588 ✓	2,909,700	2,940,094
Automotive segment (incl. components)	m ³	2,811,837 ✓	2,821,228	2,847,458
	m ³ /veh.	2.82 ✓	3.11	3.60
Fresh water consumption, internal catchment	m ³	1,743,941 ✓	1,716,820	1,814,687
Automotive segment (incl. components)	m ³	1,701,838 ✓	1,648,922	1,743,089
	m ³ /veh.	1.71 ✓	1.82	2.20
Precipitation used	m ³	130,755 ✓	157,608	196,079
Surface water from lakes, rivers, oceans	m ³	583,577 ✓	543,445	509,809
Groundwater	m ³	1,029,609 ✓	1,015,767	1,108,799
Fresh water consumption, externally sourced	m ³	1,132,647 ✓	1,192,880	1,125,407
Automotive segment (incl. components)	m ³	1,109,999 ✓	1,172,306	1,104,369
	m ³ /veh.	1.12 ✓	1.29	1.39
Wastewater				
Volume of wastewater	m ³	1,716,552 ✓	1,723,787	1,603,384
Automotive segment (incl. components)	m ³	1,701,393 ✓	1,705,373	1,579,948
	m ³ /veh.	1.71 ✓	1.88	2.00
Direct discharge ¹¹	m ³	8,519	4,711	4,355
Indirect discharge ¹¹	m ³	1,708,033	1,719,076	1,575,593
Wastewater load¹¹				
Chemical oxygen demand	kg	549,800 ✓	441,125	299,823
Total phosphorous content as phosphorous (P)	kg	7,343 ✓	6,661	3,361
Total nitrogen as nitrogen (N)	kg	65,944 ✓	62,054	32,269
Zink	kg	492 ✓	536	94

¹⁰ Figures refer to the Ingolstadt, Münchsmünster, Neckarsulm, Brussels, Győr, San José Chiapa, Crewe (Bentley) since 2022, Sant'Agata Bolognese (Lamborghini), Bologna (Ducati), Amphur Pluakdaeng (Ducati) sites. Only car-producing sites including component manufacturing are considered for the specific key figures. The environmental key figures for the current year are data as of February 9, 2024. The figures may contain estimates if, for example, they are based on statements from energy suppliers that were not available when data was collected. If deviations between the actual values and the reported data are identified in the following year, the data is updated. The individual key figures for 2022 were updated in this report using the actual values for 2022.

¹¹ Direct dischargers: Münchsmünster site; indirect dischargers: Ingolstadt, Münchsmünster, Neckarsulm, Brussels, Győr, Crewe (Bentley), Sant'Agata Bolognese (Lamborghini), Bologna (Ducati), Amphur Pluakdaeng (Ducati) sites.

Extended environmental key figures¹² for all sites at which Audi models are produced

Nature conservation and biodiversity

	Unit	2023	2022	2021
Total fresh water consumption ¹²	m ³	5,473,549.4	5,234,015.7	5,574,827.3
Total fresh water consumption (specific)	m ³ /veh.	2.8	3.1	3.5

¹² Figures refer to the Ingolstadt, Münchsmünster, Neckarsulm, Brussels, Győr and San José Chiapa (Audi), Martorell (Seat), Aurangabad and Kaluga (up to 2022) (Skoda), Bratislava, São José dos Pinhais and Zwickau (Volkswagen Passenger Cars), Anting and Ningbo (SAIC VW), Changchun, Tianjin, Qingdao and Foshan (FAW-VW) sites. Only car-producing sites including component manufacturing are considered for the specific key figures.

A photograph of a man in a red t-shirt working in a workshop. He is smiling and looking down at a red vise on a workbench. In the background, another man in a red t-shirt is working at a different station. The workshop has wooden walls and various tools hanging on the wall.

S

Social

Fair working conditions and modern working forms

Page 95

Vehicle safety

Page 99

Responsibility in the supply chain

Page 103

Occupational health and safety

Page 107

Corporate culture, integration and diversity

Page 110

Stakeholder focus and long-term customer relationships

Page 115

Corporate citizenship

Page 118



GRI 401, 402, 404

Fair working conditions and modern working forms

At the heart of the AUDI AG working world are its employees. The company offers them fair working conditions and modern collaboration models – a basis for high job satisfaction.



Fair working conditions, modern working forms and a corporate culture based on shared values all make a significant contribution to employee satisfaction. They are an important prerequisite for retaining productive and qualified employees in the long term, despite the shortage of skilled workers and international competition. Qualified, high-performing and motivated staff can have an impact on the company's productivity, sales, ability to innovate and thus ultimately on customer satisfaction and the company's image. Excessive staff turnover, on the other hand, could lead to production downtime or a loss of important expertise, for example.

AUDI AG is aware of the risks and opportunities and is therefore continuously developing measures to provide an attractive working environment for its employees.

Sustainable Development Goals

The following SDGs are at the focus of this company commitment:



Further information on Audi and the UN sustainability goals can be found on [page 134](#).

These measures include, for example, flexible working time models and a wide range of training and development opportunities.

In principle, guidelines and policies, such as the [Audi Code of Conduct](#) or various corporate policies and works agreements, govern the internal employment and working conditions at Audi. For example, the "Training" works agreement that came into force in 2023 emphasizes the significance of learning within the company and offers more flexible opportunities for advanced training. However, the Audi Group also extends its efforts beyond the boundaries of the company: employment and working conditions within the [supply chain](#) are governed by the [Code of Conduct for Business Partners](#), for example.

Boost in employer attractiveness

AUDI AG strives to be an attractive employer for its employees as well as for talent on the labor market. The company therefore offers employees a wide range of benefits, including pension benefits, parental leave, partial retirement, preventive medical checkups and early retirement based on time asset bonds.¹ These company benefits are available to all part-time and full-time employees at all sites² who are covered by collective agreements.

Employees are also guaranteed job security until 2029 – regardless of their training or profession. This means that there will be no operational redundancies during this period. In addition, employment contracts at AUDI AG are essentially permanent. The company also pledges to inform employees about operational changes, such as business restructuring, at an early stage.

In its efforts to boost its attractiveness as an employer, AUDI AG focuses on three core topics: training and development, work-life balance and modernizing the working world.

Training and development

Learning culture and continual development are a high priority at AUDI AG. The Audi Akademie plays a central role in this and consolidates all of the company’s training and education activities – from vocational training to advanced training and competence development.



Apprenticeship and work-study programs at Audi Zachary Park, aspiring automotive mechatronics technician, and dual student Gina Haase, AUDI AG.

Over the past two years, AUDI AG has invested over EUR 250 million in the training and development of its employees.

During the year under review, the company expanded its range of digital training formats in order to make learning opportunities as accessible as possible. With the launch of the Audi Learning Experience (Audi LXP) in 2023, it created a central, digital entry point for qualification. Audi LXP consolidates over 25,000 learning opportunities from both internal and external providers. There is a wide range of formats on offer, including live online training (LOT), e-learning and self-motivated learning on one of the various learning platforms, such as LinkedIn Learning or Speexx. Employees can use filters to find the courses that are relevant to them based on their individually selected skills.

Additional reskilling and upskilling measures are offered to cover specialist learning content, focusing on strategic areas of expertise such as digitalization or electrification. The Audi Akademie also has training advisors on hand to provide advice if required.

Another key element lies in promoting personal development, for example by offering educational leave, terminating employment contracts with a promise of re-employment or awarding Audi employee scholarships. The company offers scholarships for accredited courses of study in the areas of digitalization, technology and engineering or interdisciplinary functions, such as law or business administration, culminating in a Bachelor’s or Master’s degree.

Work-study degree programs, the trainee program and vocational training at Audi are constantly being

Transformation-related training

Of which participation in transformation training*

10,250

Of which participation in training with a focus on digitalization*

1,370



57,445
participations in training*

* AUDI AG Germany (excluding web-based training (WBT), including training centers). All figures refer to 2023.

¹ The time asset bond gives employees the option of foregoing the payment of salary components above the collective agreement pay scale in favor of a reduction in working life.

² Audi plants in Ingolstadt and Neckarsulm (Germany), Brussels (Belgium), Győr (Hungary), San José Chiapa (Mexico).

adapted to the topics of the future and the strategic alignment of the company. For example, professions in the field of digitalization already account for more than 25 percent of the total training on offer. In addition, various learning stations and job rotations promote practical learning in order to prepare apprentices for their future tasks at an early stage. AUDI AG also offers the option of completing a vocational training program in conjunction with a “Fachabitur” high-school diploma. A number of Bachelor’s and Master’s work-study degree programs round off the portfolio for junior staff. Because a permanent position is guaranteed upon successful completion, an apprenticeship at Audi offers secure prospects even in these uncertain times.

Through the Audi Global Graduate Program, AUDI AG additionally recruits highly qualified junior staff for strategically important areas of the company from colleges and universities all over the world. The focus here is on professions in the areas of future business, data-driven world and new mobility.

The annual performance appraisals between disciplinary managers and all employees of AUDI AG with variable performance-based pay as well as non-pay-scale employees are used to jointly determine professional development options and possible advanced training courses.

Work-life balance

A good work-life balance not only contributes significantly to employee health and well-being, it also strengthens employee loyalty and promotes productive work. To this end, AUDI AG offers its employees a wide range of benefits, including flexible working time models, mobile working, sabbaticals, help with caring for family members and childcare (during school breaks).

Reliable and logistically uncomplicated childcare is particularly important for many employees with children. For this reason, AUDI AG already provides 274 places in several daycare centers close to the Ingolstadt and Neckarsulm sites. And it is driving forward the provision of childcare by continuously increasing the number of places in regional childcare facilities.

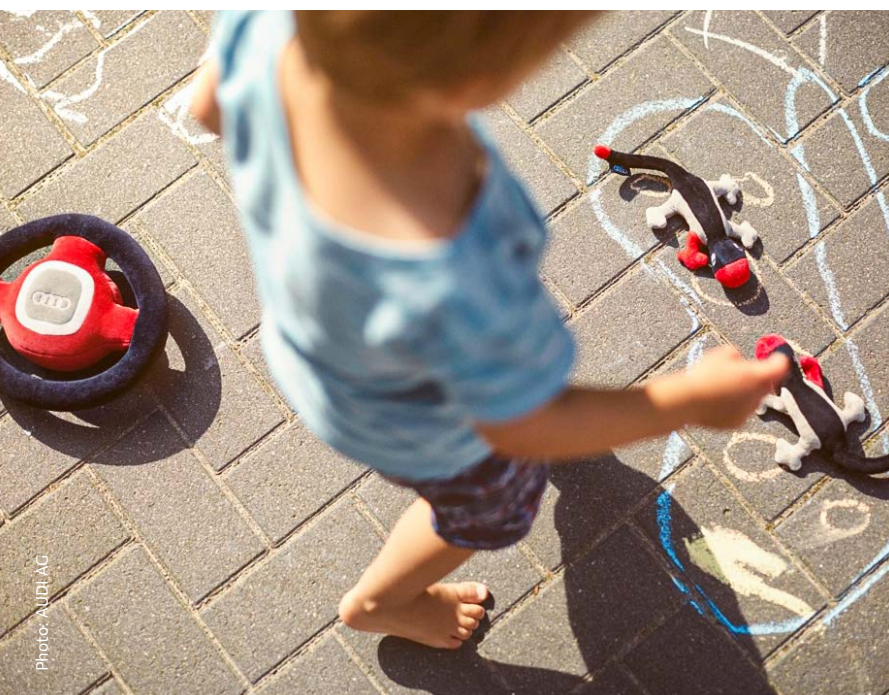
The company offers a range of information and support options to make life easier for employees who act as carers. Employees can take advantage of individual care advice, year-round online presentations and dialogue formats as well as regular awareness-raising and prevention campaigns. Moreover, AUDI AG goes beyond the statutory provisions by offering its employees a full or partial leave of absence of up to three years to care for relatives, with the option of subsequently extending the care leave on the basis of a pledge of re-employment. The site in Ingolstadt also offers places in a care home for employees’ relatives.

better normal: modernizing the working world

Another aspect that can make a significant contribution to employer attractiveness is the modernization and flexibilization of the working world. AUDI AG has set its focus on the increased use of digital technologies and the application of new findings to optimize the working environment. A key element of this is the “better normal” project.

With “better normal,” the company offers its employees the best of both worlds: an attractive working environment in the office and the flexibility of remote work. Modernized office workspaces help employees work together more efficiently as a team. To this end, a new office environment was successfully tested in 2023, featuring a desk-sharing model and accompanying booking apps as well as modern technological equipment at the work stations and in areas for collaboration. Concurrently, AUDI AG supports working from home, for example with professional equipment packages for IT and furniture to enable ergonomic mobile working. Together with their managers, employees can choose the working arrangement that best suits them and their tasks. The hybrid working environment is a significant factor in promoting the best possible performance from employees.

There are also plans to modernize and flexibilize the working environment for employees who are unable to work in hybrid arrangements due to the nature of their work. For example, 2024 will see modernization measures carried out in recreation rooms to increase the quality of time spent there. Furthermore, production employees will be given additional options for accessing the AUDI AG digital ecosystem. Finally, an ongoing pilot project in the production division at the Ingolstadt site that is designed to offer flexible hours for employees who work in shifts is to be completed in 2024. The experience and insights gained from this project will serve as a basis for potentially adapting the concept to other areas as well. /



Audi sustainability key figures

Fair working conditions and modern working forms

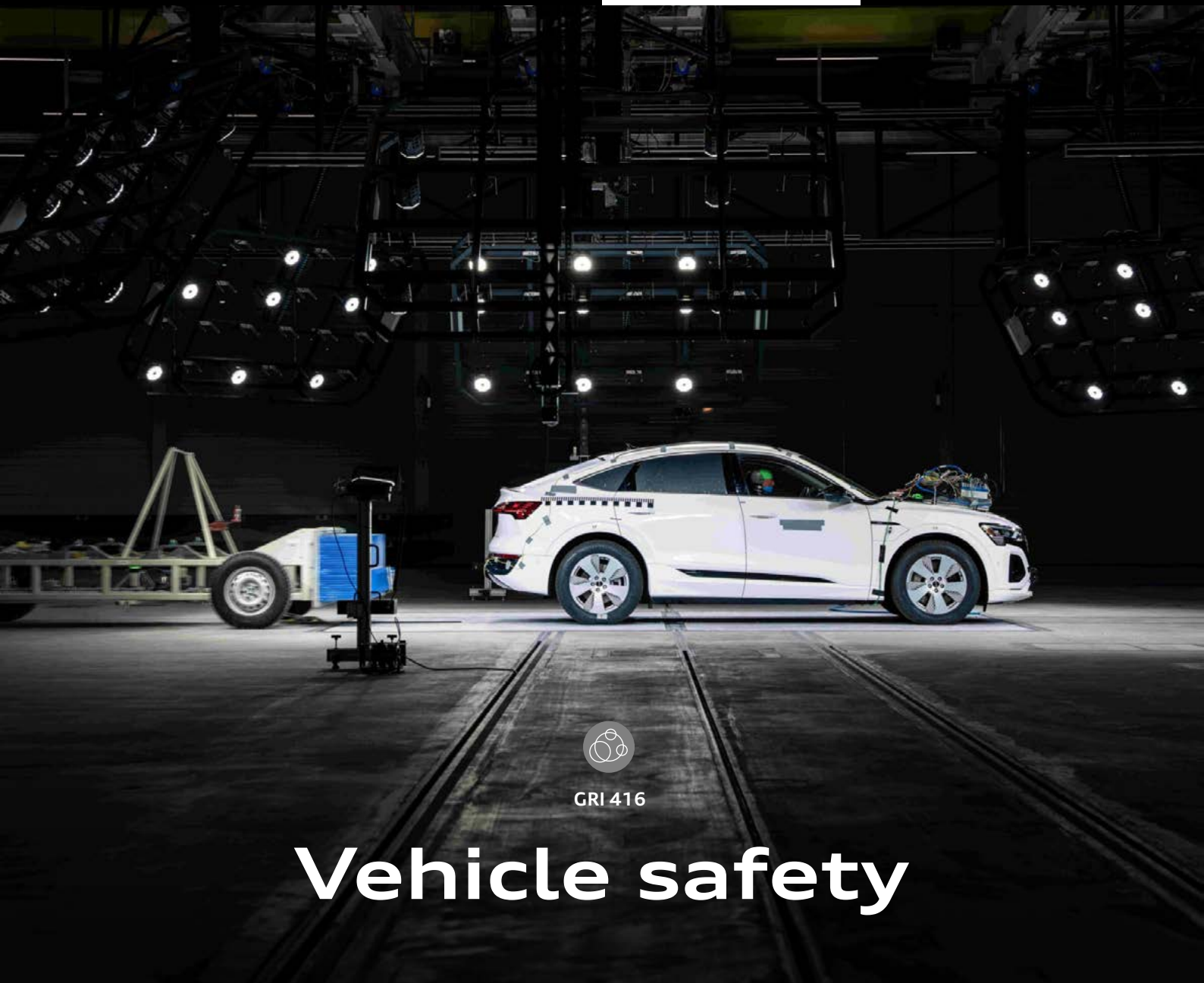
	Unit	2023	2022	2021
Workforce				
Part-time employees, AUDI AG ³	Number	4,657	4,474	4,373
Employees on parental leave, AUDI AG ³	Number	3,312	3,833	3,729
Number of female employees on parental leave, AUDI AG	Number	1,589	1,725	1,648
Number of male employees on parental leave, AUDI AG	Number	1,723	2,108	2,081
Average duration of parental leave	Months	11	10	10
Average training time per employee, AUDI AG				
Training time, total	Hours	14.4	13.0	9.1
Production employees	Hours	12.3	7.4	6.0
Non-production employees	Hours	16.5	18.0 ⁴	11.8
Employees in management positions ⁵	Hours	10.8	15.9 ⁴	13.7
Other structural data				
Audi profit share per employee, AUDI AG ⁶	EUR	8,840 ✓	8,510	5,640

³ As of December 31 of the year under review.

⁴ The prior-year figures have been adjusted.

⁵ Calculation of the key figure was changed in the course of 2023. Experts training is now recorded under "Non-production employees" and no longer, as before, under "Employees in management positions."

⁶ Payment in the following year; average figure for a skilled worker at AUDI AG.



GRI 416

Vehicle safety

Audi contributes to enhancing general vehicle safety by investing in further developing the safety of its vehicles and has been working from the very beginning on high standards designed to protect vehicle passengers and other road users. Vehicle safety is a high priority at Audi.

Mobility of people and goods is an essential element of a functioning economic system and shapes the prosperity and quality of life of all of us. At the same time, it also harbors dangers. According to the World Health Organization (WHO), some 1.3 million people worldwide die in road traffic accidents each year and between 20 and 50 million people suffer non-fatal injuries.¹ Vehicle safety can help to increase road safety in general and contribute to protecting the lives and physical safety of road users. Customers have come to value this, too. Survey after survey has shown that safety standards are one of customers' top priorities when they purchase a vehicle.

As a global manufacturer of premium automobiles, AUDI AG consciously invests in further developing vehicle safety and has been working from the very beginning on high standards designed to protect vehicle passengers and other road users. As early as 1938, engineers at DKW, one of the four founding brands of today's AUDI AG, conducted rollover and side-impact tests with DKW models. These are among the first systematic crash tests in the history of the automobile. >

¹ Source: [World Health Organization \(who.int\)](https://www.who.int).

Connectivity and driver assist systems

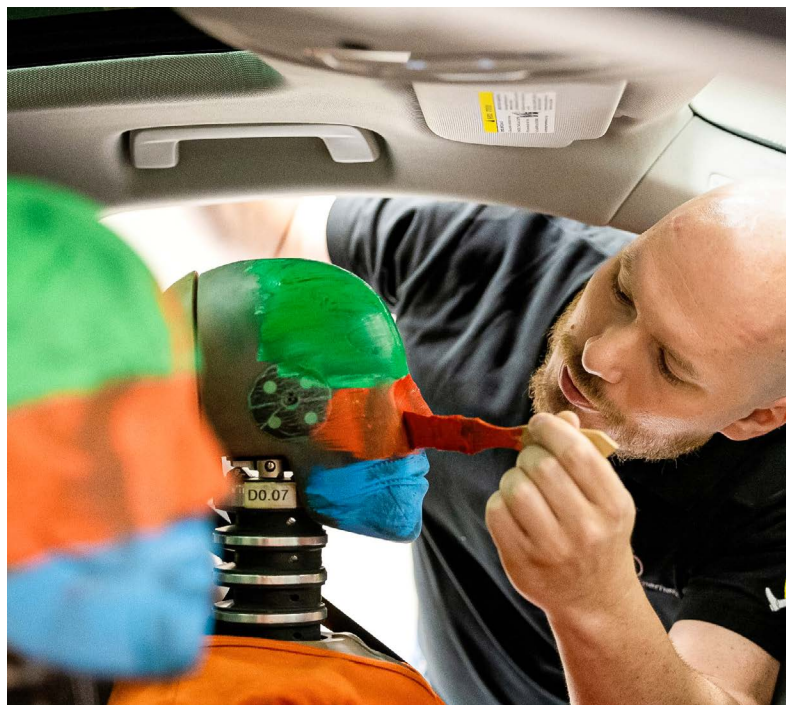
Audi has set itself the goal of actively helping to define vehicle safety in the future and playing its role in continually advancing road safety in general. In particular, the active and passive safety technologies² offered by AUDI AG can contribute significantly to reducing the risk of passengers and other road users being involved in an accident or sustaining injuries. In the field of active vehicle safety, this is to be achieved by the wide range of predictive assistance and safety systems at one end of the scale through to automated driving³ at the other end.

In this respect, attention is focused especially on driver assist systems. For example, the Audi Q8 e-tron⁴ features around 40 driver assist systems.⁵ Some of these come as standard – including the Audi pre sense basic and Audi pre sense front safety systems for reducing the risk of collisions. Networking different vehicle systems is especially helpful since this allows the assist functions to evaluate the particular driving situation.⁵ When handling at the limits, it is therefore even easier to initiate emergency and hazard braking as well as other safety measures.⁵

Additional safety features⁵ are also available, such as adaptive cruise assist, which integrates the adaptive cruise control, traffic jam assist and Audi active lane assist functions. Emergency assist is also available. This detects when the driver is inactive and repeatedly provides a visual, acoustic or haptic warning depending on the hazard. If the driver does not respond, the system takes over, activating the Audi pre sense safety functions and automatically bringing the vehicle safely to a standstill with the hazard warning lights switched on.⁵ An emergency call is also made depending on the country.

If a vehicle communicates with its environment, this can increase driving safety. This is also underpinned by the “Connected Car” systems offered by Audi. Thanks to Car-2-X and C-V2X⁶ technology, Audi models can communicate in real time with their environment. Car-2-X technology, which already comes as standard in many of the latest Audi models, can use the backend to convey information from other vehicles and elements of the transport infrastructure – for example, from traffic lights or speed display signs. This can enhance driving convenience for drivers and help to increase the safety of all road users.

The ability to communicate with the environment also plays a major role in the development of lighting technology. The company is proving this yet again with the new generation of digital OLED rear lights that will be optionally available on the Audi Q6 e-tron as a world first in 2024. For the first time, the digital OLED rear lights can communicate with their immediate environment in a targeted manner using Car-2-X technology. Audi is systematically and strategically developing this technology in order to help enhance road



Applying the final brushstroke: two dummies are prepared for a crash test.

safety. The proximity indication function already familiar from other Audi models is being extended in the new Audi Q6 e-tron to include the optionally configurable communication light. One of the features of the intelligent headlights and rear lights is to proactively warn other road users of accident and breakdown sites.⁵ In addition to the regular taillight design, the communication light in the digital OLED rear light can display a specific static taillight signature with integrated warning symbol in critical driving or traffic situations.⁵ This assist system⁵ not only helps Audi drivers, it also warns road users traveling behind. The Audi Q6 e-tron thus shows yet again the innovative power of the E³ electronics architecture based on the Premium Platform Electric (PPE). E³ meets the requirements for ultramodern, high-performance technology and, consequently, improved assist systems.

Awards from consumer protection organizations

The opening of the new Vehicle Safety Center in the year under review underscores the importance Audi attaches to vehicle safety: the facility, in which around EUR 100 million was invested, contributes to consistently improving the passive safety of vehicles. When it comes to vehicle safety, Audi endeavors at all times to achieve the best possible endorsement from external

² Experts consider “active safety” to be all elements in a vehicle that could help prevent an accident, such as: brake system, active emergency brake systems, chassis, tires, automotive light technologies and driver assist systems like Audi pre sense. “Passive safety” involves elements that can reduce the risk of injury or eliminate it entirely, for example: seat belts, airbags, stable passenger compartments and energy-dissipating vehicle structures.

³ At the moment, piloted/automated driving is not legally approved for use on public roads in most countries. Please also note in general that assist systems can only assist the driver in the task of driving within the respective system limits. The driver is always responsible for driving the vehicle and is required to be attentive at all times.

⁴ Audi Q8 e-tron: electric power consumption (combined) in kWh/100 km: 29.0–20.1; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.

⁵ Assist systems can only assist the driver in the task of driving within the respective system limits. The driver is always responsible for driving the vehicle and is required to be attentive at all times.

⁶ C-V2X technology means cellular vehicle-to-everything communication.

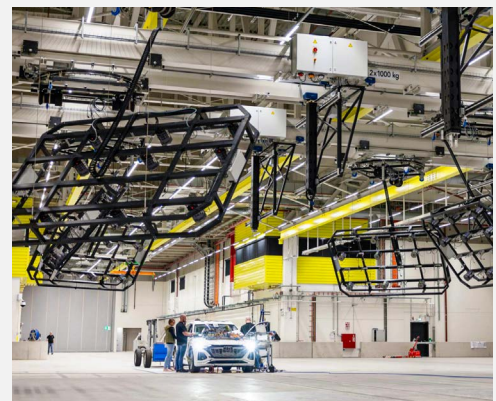


The new Vehicle Safety Center at the incampus in Ingolstadt.

consumer protection organizations in the various core markets (e.g., IIHS, China NCAP, Euro NCAP). The awards it has received prove the success of decades of experience: under the Euro NCAP program, practically all Audi models tested – including all tested electric models – have received a maximum five-star rating since 2009.⁷ And Audi also scores points in the USA: in the 2023 reporting year, eight Audi models⁸ were honored with an IIHS “TOP SAFETY PICK” award from the US Insurance Institute for Highway Safety (IIHS), including six Audi models⁹ (four of which were electric) that were distinguished in the highest “TOP SAFETY PICK+” category. Aspects tested included crash performance, but also other factors such as accident prevention and lighting technology.

Audi Accident Research Unit

Audi supports the Vision Zero strategy of road safety organizations in many countries around the world to continually enhance the safety of customers and road users globally. It is a vision that is also supported by the United Nations, the WHO, the EU and the German Road Safety Council (DVR). The primary goal is to eliminate all traffic fatalities and severe injuries. In addition to continually enhancing its active and passive driver safety systems, AUDI AG also contributes actively to accident research as part of an interdisciplinary research project in collaboration with the University Medical Center in Regensburg. The Audi Accident Research Unit (AARU) is committed to understanding causes, circumstances and consequences of accidents in order to develop proposals and measures to enhance road safety. Audi shares these findings with public organizations and uses them to progressively develop new models. ›



New Vehicle Safety Center

Audi invested around EUR 100 million in the new Vehicle Safety Center on the grounds of the incampus technology park in Ingolstadt in order to progressively develop passive safety. The center offers significantly enhanced and more efficient testing facilities to also meet future international requirements. [Further information can be found here.](#)

⁷ Source: Euro NCAP.

⁸ In the 2023 reporting year, eight Audi models received the “TOP SAFETY PICK” award from the IIHS: Audi Q4 e-tron, Audi Q4 Sportback e-tron, Audi Q5, Audi Q5 Sportback, Audi Q7, Audi Q8, Audi Q8 e-tron, Audi Q8 Sportback e-tron. Source: IIHS.

⁹ In the 2023 reporting year, six Audi models were honored by the IIHS in the highest “TOP SAFETY PICK+” category: Audi Q4 e-tron, Audi Q4 Sportback e-tron, Audi Q7, Audi Q8, Audi Q8 e-tron, Audi Q8 Sportback e-tron. Source: IIHS.

Internal regulations and management systems

Audi places very strict quality demands on vehicle safety. It focuses primarily on customer requirements, on statutory and official stipulations and on the company's own binding regulations and code of conduct. Every Audi model fulfills strict internal standards, including the [Audi Code of Conduct](#), the [Quality Management Statement of Principle](#) and internal corporate policies on [Product Safety and Product Conformity](#) and on Automotive Security.

All divisions formulate their quality requirements in goals, manage these based on key figures, are subject to independent controls and contribute to the achievement of corporate goals. In relation to vehicle safety, all product and service categories are reviewed in the context of quality controls regarding their impact on health and safety before they are delivered to customers. And Audi continues to keep an eye on its products even after they have been delivered – in line with the product monitoring obligations incumbent on a car manufacturer.

In addition to interfaces to the [Environmental Compliance Management System](#) (ECMS), [Product Compliance Management System](#) (PCMS) and the Committee for Product Safety (APS), the interface to the [Compliance Management System](#) (CMS) should also be highlighted, in particular, in terms of continually optimizing the response to the effects of products and services on health and safety.

The goals of interdisciplinary collaboration include exchanging information on process weaknesses, initiating improvement measures when necessary and therefore minimizing compliance risks related to product safety and product conformity. Audi firmly established the topic of product integrity and the Product Compliance Management System (PCMS) in the company in 2021 as a regulatory framework for guaranteeing product integrity. Since then, Audi has focused on enhancing the PCMS. Every employee plays their part in ensuring that product compliance risks are minimized, by observing regulations in specific corporate policies. Audi also monitors its products after they have been placed on the market. If this results in indications of potential deviations in the required product safety or conformity, the APS sees to the requisite clarification of facts and, if necessary, initiates necessary measures in coordination with the relevant authorities where applicable. This includes any necessary product corrections. For reasons of confidentiality, no specific key figures can be reported. /

Sustainable Development Goals

The following SDGs are at the focus of this company commitment:



Further information on Audi and the UN sustainability goals can be found on [page 134](#).

Saving even more lives around the world

In its new Vehicle Safety Center, Audi subjects its vehicles to sophisticated crash tests to optimize them and increase safety standards – also taking into account the most demanding safety requirements used in the major regions of North America, China and Europe. A visit to the experts for crash tests and passive vehicle safety provides an overview.

You can find more information at [audi.com](https://www.audi.com).



Human rights due diligence is a particular focus in the supply chain for raw materials – for sustainable aluminum as well.



GRI 204, 308, 414

Responsibility in the supply chain

Meeting our due diligence obligations: the Audi Group systematically works toward more sustainable supply chains. These efforts are focused on ensuring respect for human rights and compliance with environmental and social standards. Our responsibility does not end at the factory fence.

Audi¹ works together with over 14,000 suppliers in more than 60 countries. Vehicle production is based on global and widely branched supply chains. This complex network gives rise to environmental and social risks, for example relating to CO₂ emissions and other environmental issues or to working conditions, health and safety, and other social aspects. With its commitment to more responsible supply chain management, the Audi Group² has been exceeding the legal requirements for years in order to have a positive impact on people and the environment.

Furthermore, in recent years, regulations have been introduced at several political levels to enshrine

¹ Global production sites of Audi vehicles.

² Audi Group including relevant subsidiaries, defined by internal policies.

corporate responsibility for supply chains in law. In Germany, for example, the Supply Chain Due Diligence Act (LkSG), which came into force on January 1, 2023, governs corporate responsibility for compliance with human rights and environmental due diligence obligations in global supply chains.

Guidelines for sustainable action

The Audi Group² seeks to achieve a more sustainable economy in which business success is based on corporate values, compliance and integrity. Strong partners along the supply chain are crucial to successfully

The brands and regions of the Volkswagen Group work together on an ongoing basis in the Sustainability Procurement Network. Interested readers can gain more insight into the goals and activities of the Volkswagen Group in the [Volkswagen Group Sustainability Report 2023](#).

² Audi Group including relevant subsidiaries, defined by internal policies.

reaching the defined environmental, human rights and due diligence targets.

The sustainability requirements of the Volkswagen Group – and thus also the expectations of the Audi Group – with respect to partner companies are summarized in the [Code of Conduct for Business Partners \(CoCBP\)](#). During the year under review, new aspects were added to it, including requirements relating to the protection of human rights activists, the unlawful seizure of land and the disclosure of supply chains. The sustainability requirements are based on the following pillars, among others:

- [The Ten Principles](#) of the United Nations (UN) Global Compact
- [UN Guiding Principles](#) on Business and Human Rights
- [OECD Guidelines](#) for Multinational Enterprises
- [OECD Due Diligence Guidance](#) for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- Conventions of the International Labour Organization (ILO), in particular the [labor standards](#)
- [Guiding Principles](#) of the Drive Sustainability Initiative

Measures along the supply chain

The Audi Group² has created structures and established measures to achieve its goal of having a positive impact on people and the environment in the widely branched supply chain. Responsibility in the supply chain is therefore processed as part of three action areas: People, Environment and Innovation.

In the first action area, the company continuously advocates for the improvement of working conditions for people, for example in the supply chains for raw materials. As part of the [Raw Materials Due Diligence Management System \(RMDDS\)](#), standards are developed with the aim of ensuring compliance with environmental and human rights requirements.

Some specific examples for the “Environment” [action area](#) include projects such as [MaterialLoop](#) and the implementation of decarbonization measures with our partner companies, the use of green electricity in high-voltage battery cell production and the use of CO₂-reduced aluminum in various vehicle components.

Measures in the “Innovation” action area are aimed at improving traceability – for example of violations of the CoCBP in the complex global supply chains – through increased integration of new technologies and proactively promoting cooperation with suppliers. Specifically, AUDI AG – for instance as part of the [Act4Impact](#) sustainability initiative – is building a network together with suppliers to work on joint solutions for a more sustainable supply chain. The [Act4Impact Playbook](#) offers comprehensive information on the principles and measures as well as numerous ideas for implementation at the supplier companies. There are also specific offers such as workshops, train-the-trainer sessions, training on human rights due diligence and webinars for suppliers.

Principles of cooperation

Suppliers hoping to enter into a business relationship with the Volkswagen Group – and thus with the

Audi Group and the relevant subsidiaries – must meet mandatory basic principles: in addition to compliance with the CoCBP, suppliers considered relevant as a result of their risk classification have to demonstrate a positive [Sustainability Rating \(S-Rating\)](#). Using the S-Rating, defined Audi Group companies evaluate the sustainability performance of the suppliers with regard to requirements in the areas of environment, social and integrity, such as certifications as well as training courses on certain sustainability standards. The basis for this is a [self-assessment questionnaire \(SAQ\)](#) – a standardized questionnaire that was developed together with several automotive partner companies as part of the [Drive Sustainability](#) initiative. The SAQ is designed to help identify deficits and prompt suppliers to make improvements by providing specific pointers – it is the suppliers’ responsibility

Sustainability Rating (S-Rating)

The **S-Rating** is a standardized tool of the Volkswagen Group that is used to assess the sustainability performance of relevant suppliers in the areas of the environment, social issues and integrity and to mitigate the associated risks. It is directly relevant to the awarding of contracts.

As a result of the S-Rating, suppliers are placed into one of three categories: suppliers with an A or B rating fulfill the requirements of the Volkswagen Group to a sufficient extent and are therefore eligible for being awarded contracts. If a supplier company does not meet the requirements for compliance with sustainability standards (C rating), it is generally not eligible to be awarded a contract. This is a direct incentive for suppliers to improve their sustainability performance. The revenue share of direct suppliers with a positive S-Rating (A and B rating) is equivalent to 79 percent of the total procurement volume. Further information in the [Volkswagen Sustainability Report](#).

to actively eliminate any non-conformities. To this end, they must provide details of the relevant management systems as well as policies and guidelines. Requirements from the SAQ that are relevant to the scope of the S-Rating include corporate governance, the environment, occupational safety, social issues, human rights, compliance, responsible procurement of raw materials and supply chain management. To give a concrete example in the category of the environment: all suppliers with a production site employing 100 or more people must provide evidence of a certified and/ or validated environmental management system. >

Sustainable Development Goals

The following SDGs are at the focus of this company commitment:



Further information on Audi and the UN sustainability goals can be found on [page 134](#).

A total of 14,953 active suppliers of the Volkswagen Group had completed an SAQ for the S-Rating by the end of the reporting period. In the year under review, according to the feedback received, 9,357 suppliers managed to improve their sustainability performance as a result of taking relevant measures.

Depending on the result of the SAQ, a risk-based audit (on-site inspection) may be carried out. If any deviations from the Audi requirements are identified, the supplier must rectify them and document the measures taken. Following the implementation of the measures, a follow-up audit may be necessary depending on the result of the original audit. In the worst-case scenario, the business relationship may be terminated if the measures taken against the deviations are not successful. A total of 89 audits were carried out worldwide in 2023 within the scope of the S-Rating.

AUDI AG also continued its involvement in the Responsible Supply Chain Initiative (RSCI) together with other companies from the automotive industry in the reporting year. One result of this collaboration is a standardized audit protocol for the automotive industry. This brings AUDI AG closer to its goal of using industry standards as well as Group tools to ensure compliance with environmental and social standards in the supply chain.

Grievance mechanism for the supply chain

Stakeholders can use the available reporting channels to report potential violations of the CoCBP by suppliers directly to the Audi Group. These reports are processed via the Supply Chain Grievance Mechanism (SCGM), which is subject to continuous further development. Information can be reported at any time and by all potentially affected stakeholders – including employees of supplier companies or members of civil society – via the Whistleblower System on the website as well as by telephone or email to whistleblower-office@audi.de, among other channels. An anonymous report is also possible. In the period under review, 219 reports of violations were processed via the SCGM in the Volkswagen Group. A total of three suppliers were blocked for new awards of contract due to serious violations until the deficiencies are remedied.



People, environment and innovation are at the focus of Audi's responsibility for the supply chain.

Human rights and environmental due diligence obligations

The Audi Group² strives to protect people and the environment from negative impacts – not only from those caused by its direct suppliers, but also by downstream (n-tier) suppliers in the globally distributed supply chain. With the Responsible Supply Chain (ReSC) system, the aforementioned companies ensure that human rights and environmental due diligence obligations are systematically implemented within the procurement process. The starting point is a risk analysis that is performed on the basis of criteria, such as industries and business models of suppliers, ›

Key figures & measures
Responsibility in the supply chain

	2023	2022	2021
Direct suppliers of the Volkswagen Group with completed self-assessment questionnaire (SAQ)	>14,900	>16,000	>15,500
Number of audits (on-site inspections) carried out by the Volkswagen Group in the course of the S-Rating	89	252	654
Direct suppliers of the Volkswagen Group who participated in training on sustainability standards in the supply chain	>7,700*	>2,900	>1,000
Procurement employees of AUDI AG who participated in training on sustainability standards in the supplier relationship	621**	–	–

* Reduction of scope. Includes all suppliers who were present for at least 51% of training time.

** Training for Procurement employees at AUDI AG has been offered since 2019. This key figure is now being included for the first time in the Audi Report 2023.

² Audi Group including relevant subsidiaries, defined by internal policies.

and that takes account of external and internal data on human rights and environmental risks. On the basis of the risk assessment, information is added from the S-Rating or a media screening and in-depth measures are devised. One such measure is the Human Rights Focus System (HRFS), which is used to evaluate aggregated data from the Supply Chain Grievance Mechanism as well as information from studies, NGO reports and discussions with stakeholders. This allows specific risks in connection with human rights and environmental obligations to be identified and addressed appropriately.

Systematic approach in upstream supply chains

Complying with human rights due diligence obligations is an important task for the Audi Group² – especially in upstream supply chains, such as those for raw materials. Certain raw materials can be particularly prone to human rights violations in the extraction and production processes. With its Raw Materials Due Diligence Management System (RMDDMS), the Volkswagen Group is placing the spotlight on specific measures to identify and mitigate risks in the raw materials chain, and is implementing the five steps of the [OECD Due Diligence Guidance for Responsible Business Conduct](#) and the requirements of the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#).

The RMDDMS defines 18 raw materials that carry a particularly high risk, such as aluminum, cobalt and leather, which means that specific activities and measures are taken for them. Within the Volkswagen Group, AUDI AG is responsible for the raw materials of aluminum and copper (new since October 1, 2023) and thus for developing risk mitigation measures and carrying out risk analyses for the entire Volkswagen Group in relation to these materials.

The current status, progress and targets have been reported annually in the [Responsible Raw Materials Report](#) since 2021. This report also details the company's involvement in various industry initiatives, such as the [Aluminum Stewardship Initiative](#) and [The Copper Mark](#).

Procurement with Purpose for diverse supply chains

AUDI AG believes that a diverse supply chain offers opportunities for a positive transformation in society and long-term success. That is why the company is incorporating the "Procurement with Purpose" program into its existing sustainability initiatives: potential partners are identified on the basis of two criteria. First, they create added value at the social level by offering solutions for social or ecological challenges (social businesses). Or second, they are run by members of groups that are underrepresented in the business world (minority-owned businesses), such as women, people with disabilities or members of the LGBT_IQ³ community. These companies are screened against the company's needs by means of a matching process in order to identify potential for collaboration.

Together with its partner Yunus Social Business (YSB), AUDI AG piloted activities with social businesses in a total of eight countries of the Audi Group in 2023 (including Brazil, Hungary, Italy and Mexico). These included several workshops, meetings with regional partners and pitch days with social businesses. The first contracts have already been awarded on the basis of these activities. Further contributions to Procurement with Purpose were made through various memberships and commitments in the reporting year. For example, the company joined the National LGBTIQ+ Chamber of Commerce and the [WEConnect International network](#). /

Focus on human rights



The Audi Group² has considered respect for and compliance with human rights to be part of its corporate responsibility for many years. This is enshrined in the binding [Audi Code of Conduct](#) as well as in the [Compliance Management System](#) and the sustainability requirements for its global supply chains.

Since the beginning of 2023, Daniel Patnaik has been monitoring and overseeing the observance of human rights within the Audi Group and along the supply chain in his new role as Human Rights Officer. In this context, the company updated its [Statement of Principle on Respect for and Observance of Human Rights](#) during the year under review and has spent the past few months preparing the report on the fulfillment during the year under review and has spent the past few months preparing the report on the fulfillment of its due diligence obligations, which will be published for the first time at the beginning of the second quarter of 2024.



You can find more information at [audi.com](https://www.audi.com).

² Audi Group including relevant subsidiaries, defined by internal policies.

³ Lesbian, gay, bisexual, transgender, intersex, queer. The underscore in LGBT_IQ symbolizes the range of transgender people.



GRI 403

Occupational health and safety



AUDI AG believes that motivated and high-performing employees are the key to sustainable success. A comprehensive system for occupational health and safety makes a critical contribution towards achieving this goal and is therefore a high priority for the company.

Occupational health and safety plays an important role in today's working world. After all: more than ever, employees expect their employer to provide a safe and healthy working environment. If this is not provided, the company may not succeed in attracting and retaining the required qualified personnel. In contrast, happy and healthy employees can realize their full potential and thus contribute to the company's success. Occupational health and safety is therefore an important key performance indicator for sustainable

corporate governance, particularly for industrial manufacturing companies such as AUDI AG, where part of the workforce is performing physically strenuous activities and faces particular dangers, for example when working with hazardous substances or in the vicinity of highly automated machines. The absence of protective measures, such as having insufficient work instructions, would endanger the health of the employees. AUDI AG therefore takes its responsibility for occupational health and safety very seriously, which is reflected in various regulations that apply to all

Sustainable Development Goals

The following SDGs are at the focus of this company commitment:



Further information on Audi and the UN sustainability goals can be found on [page 134](#).

company employees, such as the [Code of Conduct](#), the Statement of Principle on Occupational Health and Safety, specific operating and work instructions and in the corporate policies “Occupational Safety” and “Occupational Health/Corporate Health.” Clear requirements have also been defined for external firms that work in the operational areas of Audi sites. The Board of Management is responsible for compliance with the regulations. Furthermore, each operations leader is responsible for occupational safety in their supervisory and functional area.

Continuous development of occupational health and safety is essential for AUDI AG. Therefore, important KPIs are monitored regularly and, if required, measures are developed. Moreover, the Works Council,¹ management, HR and the employees are involved in the continuous enhancement of the company’s occupational health and safety standard. At the moment, certification of the occupational health and safety management system to the international standard ISO 45001 is being reviewed; AUDI AG has already completed a preliminary audit for this in which all employees of AUDI AG were recorded.

Occupational safety

At AUDI AG, measures to prevent accidents are consolidated in the area of occupational safety. A key element of this is the systematic assessment of hazards. Hazards are assessed at all work stations. New machines or production equipment are also subjected to a risk assessment prior to their introduction. They are inspected annually to ensure they remain in a safe condition. In addition, employees are instructed regarding the risk situation at their particular work station and the associated protective measures, as the need arises but at least once per year.

AUDI AG is striving toward a safety culture in which employees are not simply working to regulations, but where every member of staff is independently vigilant regarding the safety of their environment. The company therefore places great value on informing and training all employees. This is why, for example, the program “Du.bist.sicher@audi” (You.are.safe@audi) was launched. It aims to deepen the understanding of occupational safety and to motivate employees to behave in a more safety-conscious manner. Furthermore, AUDI AG offers a wealth of free-of-charge training materials – both for managers and for employees.

The ergonomic design of work stations² represents another pillar of occupational safety. This includes measures to reduce physical strain (e.g., through mechanical support) and mental stress (e.g., through more diverse activities) as well as to increase satisfaction (such as through managers showing more appreciation for their employees). In terms of the latter, the “[better normal](#)” project is also making a significant contribution. This involves planning the gradual introduction of a modern, hybrid working world. However, even in those areas where hybrid working is not possible, specific solutions are being developed to increase the attractiveness of jobs at Audi.

¹ Members of the Works Council and/or employees are represented in committees and working groups. Additionally, the Works Council exercises its rights in accordance with the Labor Management Relations Act and organizes itself by location into its own committees on occupational health and safety and environmental protection.

² AUDI AG understands ergonomics as the adaptation of working conditions to people.

³ Workplace accidents involving temporary workers or employees of external companies are not included in the reported accident frequency figure for reasons of confidentiality and data protection.



The success of efforts in the area of occupational safety was also clear to see in 2023: there has not been a single fatal industrial accident within AUDI AG for five years.³

Preventive health management

Promoting the health of employees, helping them to maintain that health or to recover from health issues are important goals for AUDI AG. The company supports its employees in achieving their full potential, by promoting their health through preventive actions and providing a healthy workplace. Building on occupational health medicals and the support of the company medical service, AUDI AG has established a comprehensive prevention program. The range of prevention offerings extends from the Audi Checkup and the Mental Health Checkup – a preventive program aimed at identifying stress factors and potential risk factors for mental illnesses – through to physiotherapy and programs for a healthy lifestyle. In 2023, for example, the healthy meals service was extended. The Audi Gastronomy menu plans are now consistently aligned to the healthy Audi menu line – EAT line. The meals contain, for example, high levels of satisfying protein, slow release carbohydrates and plenty of vegetables. The vegetarian and vegan range has also been expanded.

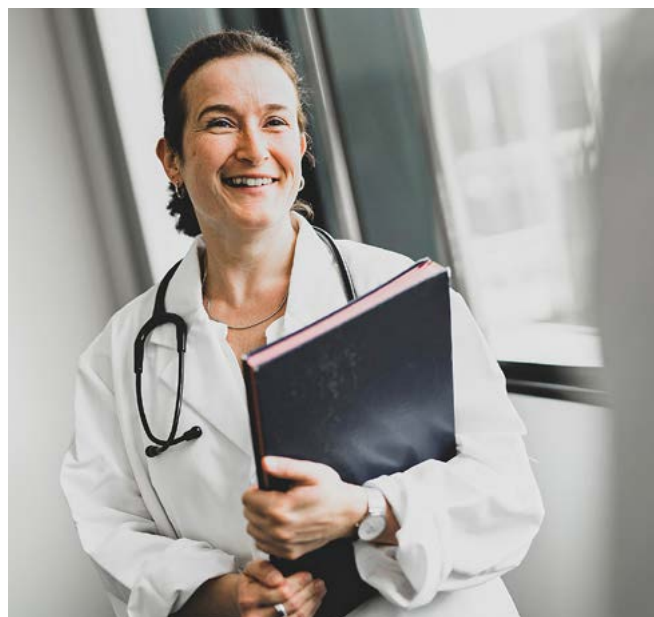
The Audi Checkup, which has been offered since 2006 and allows employees to obtain a comprehensive overview of their health at regular intervals and using the most modern diagnostics, helps to detect both acute and also any developing illnesses as quickly as possible. An online clinic was established in 2023 for selected medical consultations with patients or also for specific consultation requirements.

In addition, employees can also take advantage of the recently established Mental Health Checkup. In consultation with mental health experts, interested parties can reflect on their own psychological health. The aim is to be able to detect psychological stresses and anomalies at an early stage and provide the person affected with the appropriate recommended actions and tools. The Mental Health Checkup was developed by mental health experts at AUDI AG and was evaluated in collaboration with the Technical University of Chemnitz. The result: it has proved possible to reduce

significantly the typical stress symptoms of those people taking part. Further insights are being gathered in an ongoing research project with the University of Düsseldorf in order to develop the Mental Health Checkup further.

In 2023, with the Audi Checkup and the Mental Health Check-up, AUDI AG achieved the targets it had set itself as part of the sustainability program: to expand its support offerings and to establish a network of medical practices providing further treatment and comprehensive health care structures for physical and mental health. In the year under review, following a comprehensive analysis of occupational health management in the form of an external audit, AUDI AG became the first automotive company to be awarded the gold level German Seal of Corporate Health for both German sites, Ingolstadt and Neckarsulm. Moreover, with its destigmatization campaign “Everyone has mental health,” Audi already won the DGPPN Anti-Stigma Prize in 2020.

In the case of acute medical problems, the range of services offered has been rounded off with the acute care provided by the medical service and the Audi emergency service. /



Audi sustainability key figures

Occupational health and safety

	Unit	2023	2022	2021
Attendance rate, AUDI AG ^{4, 5, 6}	Percent	94.7 ✓	94.2	95.5
Accident frequency, Audi Group ^{7, 8}	-	5.1 ✓	5.0	4.6
Accident frequency, Automobili Lamborghini S.p.A. ⁸	-	1.4	1.8	1.9
Accident frequency, Bentley Motors Ltd. ⁸	-	1.5	2.2	-
Accident frequency, Ducati Motor Holding S.p.A. ⁸	-	2.7	3.7	2.8
Industrial accidents, Audi Group	Number	552 ✓	520	475
Industrial accidents, Automobili Lamborghini S.p.A.	Number	5	6	6
Industrial accidents, Bentley Motors Ltd.	Number	11	16	-
Industrial accidents, Ducati Motor Holding S.p.A.	Number	9	13	9

⁴ Average figure for the year.

⁵ Excluding apprentices.

⁶ The attendance rate is calculated using the formula $100 - (\text{sick days/payment-relevant days}) \times 100$.

⁷ Position as of February 1, 2024.

⁸ The key figure for accident frequency states the number of accidents that result in at least one day's absence from work per million hours worked.



GRI 405

Corporate culture, integration and diversity

Shared values and the Audi Team Spirit are the foundation of the corporate culture at AUDI AG and at the same time an important factor for the successful implementation of the corporate strategy. Audi is committed to diversity and integration, equal opportunities and protection from discrimination, to responsible leadership principles and co-determination for all employees.

Commercial enterprises can make a significant contribution to achieving the UN Sustainable Development Goals, such as “Reduced inequalities” (SDG 10). They can do this, for example, by reducing or fully eliminating significant income disparities, precarious working conditions or discriminatory processes.

AUDI AG in Germany employs more than 50,000 people with different backgrounds, different views, skills and abilities, people of different genders and ages as well as different sexual orientations. What unites them all is the Audi Team Spirit and a shared understanding of values that is enshrined in various policies, guidelines and commitments. These include the Volkswagen Group Essentials, the Audi Code of Conduct, the Statement of Principle on Diversity & Inclusion, the Joint Declaration on “Inclusion” in the Volkswagen Group and other corporate policies.

Audi Q4 e-tron 50 quattro: electric power consumption (combined): 20.1–17.2; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.



Feedback culture

At the heart of the AUDI AG corporate culture are the employees in all their different facets. The company seeks to create an environment in which all employees can bring their respective strengths to the fore. Promoting an open speak-up and feedback culture is a central pillar for this. For example, a regular survey called the “Stimmungsbarometer” gives employees the opportunity to provide feedback on topics such as collaboration, processes or professional development opportunities and to draw attention to potential areas for improvement. In 2023, 71 percent of employees took part in the “Stimmungsbarometer” survey conducted by AUDI AG. The individual organizational units then discuss the results in order to jointly derive measures. Employees can also submit suggestions for improvement on any topic they like via the Audi Ideas Program. For the first time in 2023, there was a separate category for ideas relating to sustainability.

In addition, AUDI AG employees have several (anonymous) grievance channels at their disposal, including the Whistleblower System. Employees are urged to report potential misconduct through this channel, since the company does not tolerate misconduct of any kind, whether it be workplace harassment or other improper behavior. Additionally, employees can contact the Anti-Discrimination Office that was set up in 2023 to report possible cases of discrimination. The principles of non-discrimination are applied to all aspects of

employment (including recruitment, job allocation and promotion). All reported concerns are investigated and appropriate solutions sought, regardless of the reporting channel used.

In order to further reinforce the Audi Team Spirit and leadership culture, managers with leadership responsibility within the Audi Group are required as part of the Role Model Program to complete at least two measures per year to promote a culture of open dialogue and trustful collaboration. Such measures may include team workshops or 360-degree feedback, a process in which participants can obtain feedback from employees, colleagues and their own managers. Tools such as the Leadership Indicator, which reflects our employees’ opinions on the topic of leadership culture based on the “Stimmungsbarometer” survey, also play a part in this context.

Diversity & Inclusion

Along with our corporate culture, the topic of Diversity & Inclusion (D&I) also plays an important role at Audi: after all, it is a key prerequisite for the company to be successful, attractive and innovative. AUDI AG takes a holistic, systematic approach to D&I.

The company has already established many measures on the way to becoming an inclusive company: for example, since March 2017, Human Resources has had its own D&I functional unit that covers a broad range >

The AUDI AG
Idea Program
in figures

10,230
ideas submitted

6,090
ideas realized

**EUR
68.8
million**
total benefit^{1,2}

¹ Since 2022, the term “total benefit” has replaced the term “saving” used in reports in previous years, although the definition and calculation of the key figure remain unchanged.

² Statistical recognition of the total benefit was changed in 2023. With the change, ideas with a total benefit of > EUR 30,000 are not statistically recognized until after the first year of use, when the total benefit of the idea has actually been realized, rather than as before in the month following completion of the idea.

of topics. Among other things, the team conducts training and awareness-raising activities, reviews HR processes, cooperates with international diversity initiatives and develops New Work projects. Four measures were particularly notable in the 2023 reporting year:

- The D&I check to reinforce equal opportunities in HR processes. In the course of the D&I check, processes were analyzed with regard to equal opportunities and diversity, and adjustments were made where necessary.
- A theme week within the Audi Group with the aim of creating visibility for the topic of D&I. A total of 72 digital sessions in seven languages were offered as part of the “We.Together: International Diversity & Inclusion Days.” Moreover, employees worldwide enjoyed a varied program of presentations, workshops, networking events and panels.
- An inclusion survey conducted throughout the Audi Group. The aim of the survey was to get a picture of the different perspectives held by people within the Group. Almost 9,000 AUDI AG employees took part in the survey.
- The cooperation with the PROUT AT WORK foundation. AUDI AG is working together with PROUT AT WORK experts to broaden the discussion of LGBT_IQ³ issues, for example through dialogue formats or joint events. The aim is to create a safe space in the working environment.

Women’s quota

With regard to the women’s quota, the Supervisory Board has set itself the target of 30 percent by 2025, which must be met separately on the shareholder and the employee side. As of December 31, 2023, women made up 40 percent of the Supervisory Board. The Supervisory Board has also set a formal target of two women on the Board of Management by 2026. There were two women on the Board of Management of AUDI AG at the end of 2023.

In addition, Audi wants to increase the proportion of women in leadership positions: specifically, the targets are to increase the women’s quota in the first management tier below the Board of Management to 12 percent and in the second management tier to 20 percent by 2025.

The Diversity & Inclusion department provides all managers with a quarterly report on the proportion of women in management, in which the target and actual figures are presented transparently. The level of target achievement for the women’s quota as well as possible measures in this connection are discussed regularly at Board of Management and top management level.

The company regularly has itself externally indexed. In the year under review, AUDI AG was ranked among the top ten German companies that took part in the Women’s Career Index (FKi). The FKi provides important indicators for the areas of new leadership, diversity and transformation.

Sustainable Development Goals

The following SDGs are at the focus of this company commitment:



Further information on Audi and the UN sustainability goals can be found on page 134.

Sending a message for more diversity in the supply chain

The brand with the Four Rings also promotes diversity in terms of sexual orientation and gender identity in the supply chain. For example, the company joined the European LGBTIQ+ Chamber of Commerce (EGLCC) in the reporting year, making it the first German member. AUDI AG has also joined the WEConnect International network, which campaigns for fairer opportunities for women in business. In this way, Audi aims to make it easier for suppliers with diverse leadership⁴ to gain access to the company.



Measurable further development of the corporate culture

To measure the further development of the corporate culture, AUDI AG has established an essentials indicator that is determined on the basis of the annual “Stimmungsbarometer” survey and thus reflects the feedback of the entire workforce. It consists of various questions pertaining to the Group Essentials. The level of achievement of the Group-wide target for the further development of our collaborative culture is continuously monitored and communicated throughout the Group. /

Corporate culture at Audi



More information is available at audi.com.

³ Lesbian, gay, bisexual, transgender, intersex, queer. The underscore in LGBT_IQ symbolizes the range of transgender people.

⁴ Companies that are run predominantly by people who are underrepresented in a business context, such as people with disabilities, women, members of the LGBT_IQ community or members of the BIPOC (black, indigenous, people of color) community.

Audi sustainability key figures

Corporate culture, integration and diversity

	Unit	2023	2022	2021
Workforce				
Workforce, Audi Group ^{5, 6}	Number	87,736 ✓	87,996	85,750
Domestic companies ^{5, 6}	Number	53,919 ✓	55,311	56,889
of which AUDI AG	Number	52,943 ✓	54,361	55,936
Ingolstadt plant	Number	38,339 ✓	39,642	41,189
Neckarsulm plant	Number	14,604 ✓	14,719	14,747
Foreign companies ^{5, 6, 7}	Number	31,023 ✓	29,861	26,073
Audi Brussels S.A./N.V.	Number	3,052 ✓	2,934	3,015
Audi Hungaria Zrt.	Number	11,842 ✓	11,914	12,039
Audi México S.A. de C.V.	Number	5,261 ✓	5,026	5,069
Automobili Lamborghini S.p.A.	Number	2,174 ✓	1,934	1,830
Bentley Motors Ltd.	Number	4,036 ✓	3,876	-
Ducati Motor Holding S.p.A.	Number	1,573 ✓	1,734	1,560
Apprentices ⁵	Number	2,306 ✓	2,369	2,337
Temporary workforce, Audi Group ⁸	Number	1,755	1,913	1,226
Average length of service, AUDI AG ^{6, 8}	Years	18.8 ✓	19.0	18.7
Turnover rate, AUDI AG ^{5, 6, 9, 10}	Percent	0.8 ✓	0.9	0.7
New hires, Audi Group	Number	4,662	4,575	1,820
New hires, AUDI AG	Number	2,047	925	815
Average age ^{6, 8, 10}	Years	42.6 ✓	42.5	42.3
Share of production employees ⁸	Percent	47.0	47.8	48.0
Share of non-production employees ⁸	Percent	50.1	49.3	49.0
Age structure, AUDI AG^{6, 8}				
< 30 years	Percent	12.2 ✓	12.2	12.1
30–50 years	Percent	56.5 ✓	56.4	56.4
> 50 years	Percent	31.2 ✓	31.5	31.5

⁵ Average figure for the year.

⁶ Excluding apprentices.

⁷ Excluding staff employed from other Volkswagen Group companies not belonging to the Audi Group.

⁸ As of December 31 of the year under review.

⁹ Employee turnover takes the following into account: terminations by the employer and/or employee without a rehire guarantee.

¹⁰ Excluding fixed-term employees.

Audi sustainability key figures

Corporate culture, integration and diversity

	Unit	2023	2022	2021
Proportion of women⁸				
Audi Group ⁶	Percent	16.4 ✓	15.9	15.4
AUDI AG	Percent	16.9 ✓	16.4	15.9
of which apprentices	Percent	22.8 ✓	23.3	22.8
of which industrial apprentices	Percent	19.6 ✓	20.0	19.3
of which clerical apprentices	Percent	52.7 ✓	54.3	63.6
Management ^{11, 12}	Percent	13.8 ✓	13.2	13.0
Audi Brussels S.A./N.V.	Percent	8.0 ✓	7.3	7.3
Audi Hungaria Zrt.	Percent	12.7 ✓	12.9	12.6
Audi México S.A. de C.V.	Percent	16.1 ✓	15.5	14.7
Automobili Lamborghini S.p.A.	Percent	19.8 ✓	19.2	19.6
Bentley Motors Ltd.	Percent	19.5 ✓	18.3	–
Ducati Motor Holding S.p.A.	Percent	18.9 ✓	18.3	18.1
Other structural data				
Proportion of academics, AUDI AG ^{6, 8, 13}	Percent	51.9 ✓	50.8	52.2
Proportion of foreign nationals, AUDI AG ⁸	Percent	8.5 ✓	8.4	8.3
Proportion of people with severe disabilities, AUDI AG ^{6, 8, 14}	Percent	6.0 ✓	6.0	6.0
AUDI AG Ideas Program				
Total benefit ¹	EUR million	68.8 ² ✓	80.1	142.9
Implementation quota	Percent	58.0 ✓	59.2	58.0

Persons in the organization's governance bodies from each of the following diversity categories:⁸



¹ Since 2022, the term “total benefit” has replaced the term “saving” used in reports in previous years, although the definition and calculation of the key figure remain unchanged.

² Statistical recognition of the total benefit was changed in 2023. With the change, ideas with a total benefit of > EUR 30,000 are not statistically recognized until after the first year of use, when the total benefit of the idea has actually been realized, rather than in the month following completion of the idea.

⁶ Excluding apprentices.

⁸ As of December 31 of the year under review.

¹¹ Excluding leave phase of partial retirement.

¹² AUDI AG has management, senior management and top management levels. The key figure reports the percentage of women in all three management groups collectively.

¹³ With respect to non-production employees.

¹⁴ Up to 2019, the severe disability quota was calculated based on the Social Code (SGB) and, from 2020, based on the percentage of employees with severe disabilities and equal opportunities.



GRI 2-28

Stakeholder focus and long-term customer relationships

Audi engages with relevant stakeholders via digital channels and various event formats as well as through its involvement in initiatives and associations. The company uses the external input it receives to further develop strategic topics and its products and to improve ESG performance.



Audi at the GREENTECH FESTIVAL in Berlin: AUDI AG engaged directly with stakeholders at one of Europe's largest sustainability forums again in 2023 and presented the Audi SQ8 e-tron¹ model.

Companies understand stakeholders to be all internal and external groups of people who are affected by their activities or who have an influence on the company. They are key to the continuous development of a company and thus to its long-term success.

The influence that stakeholders have on a company can be as varied as the group of stakeholders itself. For example, taking customer expectations and feedback into account during product development helps industrial companies manufacture products that suit their customers' needs perfectly. Regular stakeholder dialogue with analysts and investors creates transparency,

which in turn can lead to a better valuation of the company and thus contribute to its financial stability.

Opportunities through stakeholder input

Stakeholder focus and long-term customer relationships are crucial for Audi. The company's goal is to establish and maintain trusting relationships with all of its stakeholder groups, which is why it seeks to engage in direct dialogue with them. For example, Audi employees regularly discuss strategic topics with representatives from the worlds of business, science and politics.

¹ Audi SQ8 e-tron: electric power consumption (combined) in kWh/100 km: 29.0-26.2; CO₂ emissions (combined) in g/km: 0; CO₂ class: A.

Additionally, the company conducts periodic materiality analyses.

The focus is on contact to customers. On the one hand, the company uses a variety of digital touch-points – such as the myAudi app, website content and in-car services – along with direct customer support by telephone. At the same time, Audi relies on its local dealerships. At almost 3,000 Audi dealerships worldwide, customers can interact directly with employees, receive tailored advice, get help with any questions and experience Audi models up close.

It is important for Audi to know the wishes and needs of its customers. One of the ways it learns about them is through the Audi innovators circle. Through this, customers from Europe, China and North America have the opportunity to provide feedback on technologies, products and services. The company then uses this feedback to enhance its portfolio in a targeted manner, for example by designing customer-centric interior concepts or digital services. The Audi innovators circle has around 3,500 members worldwide.

Taking the interests of stakeholders into account holds opportunities for Audi. For one, this can influence corporate decisions and processes, which can contribute to improving the company’s own ESG performance. In addition, engaging in political discourse and public affairs can lead to new industry standards, laws, guidelines as well as a better transfer of knowledge and thus have a positive impact on the environment and society.

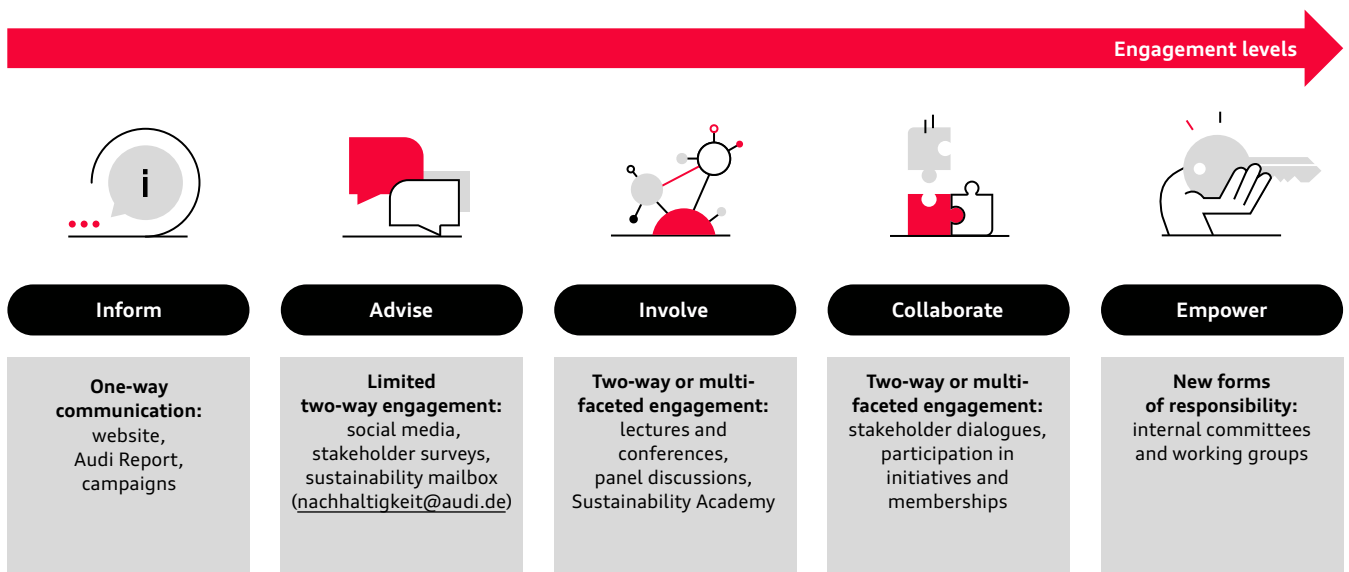
Stakeholder engagement: Audi engages with stakeholder groups across five engagement levels.

What are stakeholders?

We distinguish between different **stakeholder groups**: customers, analysts and investors, press and media, business partners, employees, neighbors and local residents, politics and associations as well as employees’ organizations, science and sustainability experts as well as non-governmental organizations (NGOs) and other groups.

Guidelines, goals and measures

Stakeholder consultation has a tradition of more than ten years at Audi and is enshrined in the corporate strategy, internal guidelines and commitments as well as the Statement of Principles on Sustainability of the Audi Group. The basis for determining and selecting stakeholders is the Stakeholder Engagement Standard AccountAbility 1000 (AA1000SES) and its associated principles of inclusivity, materiality and responsiveness.



Engagement with the various stakeholder groups is a key priority for Audi and based heavily on the “AA1000 Stakeholder Engagement Standard” (www.accountability.org). Different types of engagement can be assigned to different engagement levels.

Audi participates in a variety of volunteering initiatives, associations and community work groups to discuss ecological, economic and social issues with stakeholders. The main memberships in Germany can be found in the [Lobbying Register for the Representation of Special Interests vis-à-vis the German Bundestag and the Federal Government](#). Additionally, the company is active in major international multistakeholder initiatives with the focus on sustainability, such as the [Aluminium Stewardship Initiative](#) or the [Global Battery Alliance](#).

Audi also aims to initiate and promote future-oriented events that address the interconnections between the environment, society and corporate governance. There were four stakeholder events in the reporting year that are particularly noteworthy and exemplify the engagement of Audi:

- At the Stakeholder Dialogue event in Berlin (Germany), the Audi [Human Rights Officer](#) and other Audi representatives discussed the company's human rights strategy with 15 experts from various businesses, universities and non-governmental organizations. The event allowed community participation to be involved in this strategy process at an early stage and in a transparent manner. A follow-up event will take place in summer 2024.
- At the Decarbonization Roundtable in Seattle (USA), which was led by the [Sustainable Transportation Lab](#) of the University of Washington with support from Audi, experts gathered together to discuss carbon-neutral transportation systems. The most important finding of the community work: electric mobility is the right path toward the automotive future. However, for electric mobility to become widely accepted, we need the right surrounding conditions and cooperation between car manufacturers and key players.
- In 2023, Audi once again supported the [GREENTECH FESTIVAL](#) as a partner at events in Berlin, Los Angeles, Singapore and London. The [sustainability conferences](#) focused on projects relating to the circular economy and sustainability in the supply chain.
- AUDI AG, Bentley, the Volkswagen subsidiary Elli and the Audi Environmental Foundation delegated 34 employees and scholarship holders to the [One Young World Summit](#) in Belfast, where more than 2,000 young people met to debate the social challenges of our time.

You can find more on the [Global Battery Alliance](#) on the [alliance's website](#).

At the One Young World Summit in Belfast (pictured on the right), more than 2,000 young people discussed the social challenges of our time. Also there: Xavier Ros (center), Audi Board Member for Human Resources, and a group of employees.



Performance assessments and feedback

Audi uses various tools to obtain assessments of its own performance.

- The [company's ESG performance](#) is assessed by means of a [rating by the ISS ESG agency](#). Among other things, it analyzes performance in the fields important for the automotive sector: fleet fuel consumption and vehicle life cycle assessments, sustainability standards in the supply chain, alternative drive systems and mobility concepts as well as product safety and automotive cybersecurity. The result in the 2023 reporting period: AUDI AG received a rating of C+, making it one of the best-rated manufacturers.
- To measure customer satisfaction, Audi uses a comprehensive Customer Experience Management (CEM) system. Customers worldwide can provide feedback on our service quality and products as well as their general satisfaction via an online survey. In the reporting year, we received feedback from around 1 million customers, which is being used to further develop our products and services.
- Internal stakeholders also have a number of opportunities within the Audi Group to provide feedback on the company's development or suggestions for improvement. One example is the annual "[Stimmungsbarometer](#)," an anonymous survey that was completed by 71 percent of the total workforce in 2023.
- To assess the company's reputation, Audi calculates the Trust & Like Score. This involves asking stakeholders from the general public to what extent they value and trust the company. In the reporting year, Audi reached a score of 70 percent for the German market among 10,432 people surveyed (international: 74 percent²). /

Sustainable Development Goals

The following SDGs are at the focus of this company commitment:



Further information on Audi and the UN sustainability goals can be found on [page 134](#).

Audi sustainability key figures

Stakeholder focus and long-term customer relationships

	Unit	2023	2022	2021
Trust value of external stakeholders ²	Percent	74	-	-

² Value is reported for the first time in the 2023 reporting year and relates to surveys in Germany, China and the USA.



Corporate citizenship

AUDI AG considers itself to be a responsible member of society. For this reason, the company supports social causes in a variety of ways, such as through education and training projects, social interaction or charitable and humanitarian aid.



Sustainable Development Goals

The following SDGs are at the focus of this company commitment:

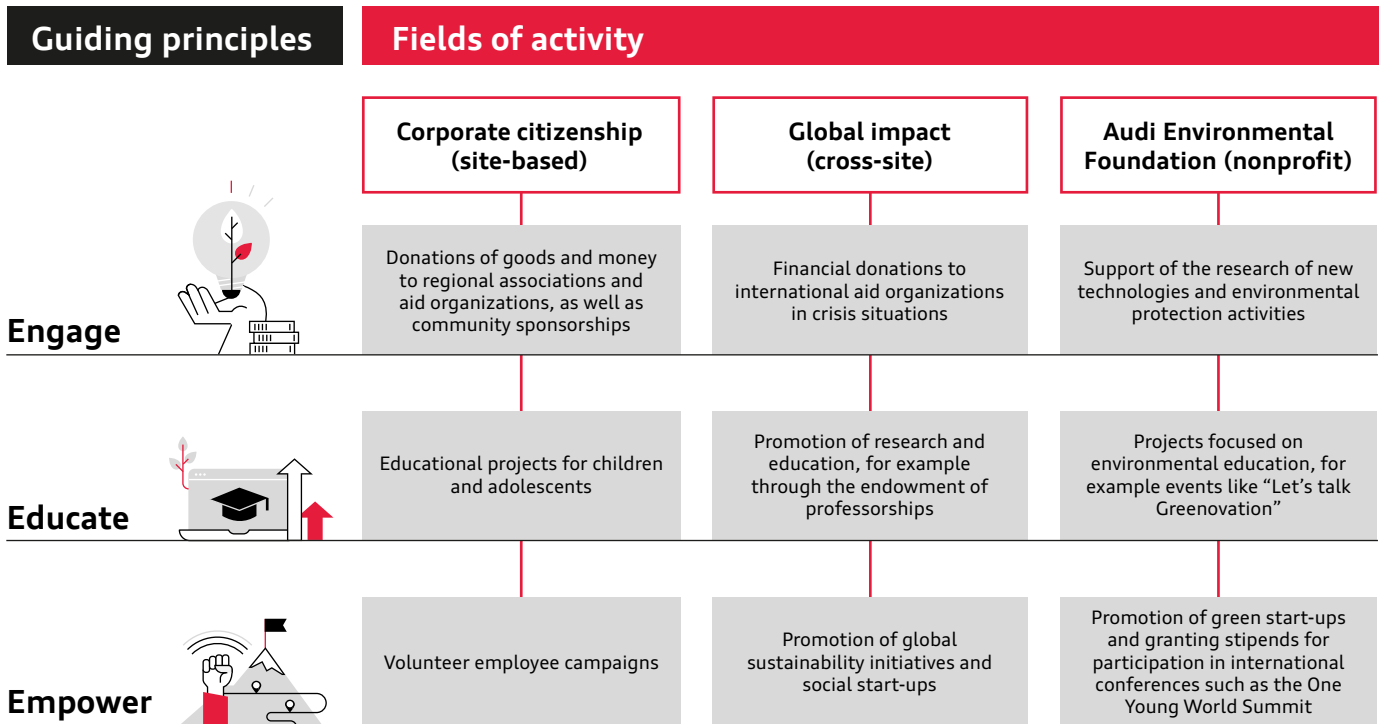


Further information on Audi and the UN sustainability goals can be found on [page 134](#).

Companies engage in corporate citizenship – by providing financial, material or personal support for internal and external projects that have a social or environmental focus – as a means to improve the common good and promote cohesion in society. At the same time, corporate citizenship is proof of a values-based corporate culture. Participating in voluntary social activities in turn makes employees feel, for example, that they are part of a community. Corporate citizenship has therefore been a special

concern for AUDI AG for a long time. The company is the largest employer at many of its production locations,¹ which gives rise to a special responsibility for the region in question. Corporate citizenship is firmly anchored in the company’s sustainability concept and in the corporate strategy. The company’s commitment is underpinned by the Audi Code of Conduct, the Statement of Principle on Sustainability, the Support Guidelines for Corporate Citizenship and its Donations Policy.

¹ Audi plants in Ingolstadt and Neckarsulm (Germany), Brussels (Belgium), Győr (Hungary), San José Chiapa (Mexico).



Guiding principles of the Audi commitment

To ensure that the company's efforts make a significant contribution to society, all citizenship activities at AUDI AG and its production locations adhere to three guiding principles: Engage, Educate and Empower.

- **Engage** encompasses social sponsorship, events, cooperations with nonprofit organizations and the promotion of projects with a positive social impact. Some highlights include the Audi Summer Concerts cultural event with around 25,000 visitors in 2023 and the promotion of popular and elite sports, such as the Heilbronner Trollinger Marathon and the Cyőri Audi ETO KC handball team. Donations also play a role when it comes to the aspect of "Engage" – both corporate donations and donations by employees.
- **Educate** unites all training and education programs that are offered or supported by Audi. The company's focus here is not only

on employees, but also on customers, business partners and society as a whole – especially initiatives in the vicinity of Audi production locations. A good example of this is the commitment to the San José Chiapa region (Mexico). At the moment, fewer than 25 percent of school students there complete high school. This is why the two-year educational project "Enseña por México" was launched recently, which provides scholarships for a total of 200 high-school students. AUDI AG also works with a number of national and international universities (e.g., through endowed professorships) to help drive progress in the areas of research and teaching.

- **Empower** is an instrument with a strong impact because AUDI AG acts as a multiplier in this respect. Through various projects, the company empowers other players to make the world as a whole more sustainable. These multipliers include employees, customers and other stakeholders. They are actively encouraged by Audi to advocate sustainable practices and lifestyles – for example through volunteering.

Effective engagement

From rapid disaster relief to years of commitment and dedication to the environment, education, culture and sport: Audi engages actively at its production locations around the globe to create a future worth living in.



But what impact does this farsighted commitment have in the long-term? You can find an overview of the commitment of the Four Rings at its international locations – and what it is doing there – at [audi.com](https://www.audi.com).



In the year under review, Audi set itself the goal of organizing an international volunteer day, which came to fruition in June the same year with the [Social Day](#). Around 1,000 employees at all five Audi production locations got involved for a good cause.

Fields of activity of the Audi commitment

All AUDI AG projects can be assigned to at least one of the three guiding principles of “Engage,” “Educate” and “Empower.” In turn, three fields of activity are relevant for implementing the projects in each case.

- **Corporate citizenship:** Bundles all activities at the AUDI AG production locations. Every production location has different needs, which is why corporate citizenship officers at each of the sites ensure that help and commitment go exactly where they are most urgently needed.
- **Global impact:** This field of activity relates to activities outside of the five AUDI AG production locations. Of particular note in the reporting year was the cooperation with the Social Impact Startup Academy ([SISTAC e.V.](#)). The academy organizes learning cooperation activities between employees of established companies and social startups to facilitate mutual learning and a positive social impact on both sides. As part of the cooperation, a number of AUDI AG employees have been assisting the African startup [eWAKA Mobility Limited](#) since the end of 2023, a company that offers last-mile electric transport of deliveries and people in Kenya and Rwanda. One of the goals in addition to enhancing the business model is to develop a B2B platform to help eWAKA make e-bike-based goods transport in the two target markets more efficient and therefore also enhance its positive contribution to climate-friendly transport solutions.

Betty Leibiger, doctoral student in chemistry at the TU Bergakademie Freiberg, is researching new ways of recovering raw materials through recycling in collaboration with the Audi Environmental Foundation.



- **Audi Environmental Foundation:** The [Audi Environmental Foundation](#) was established in 2009 to enable the company’s corporate citizenship to reach an even wider audience. The foundation demonstrates how effectively technology, environmental protection and social commitment complement each other. It does this by supporting research into new technologies and scientific methods to create a future worth living in and therefore paving the way for sustainable action. In the year under review, for example, the foundation collaborated with the TU Bergakademie Freiberg to carry out research into ways of [recovering technology metals](#) (such as gold, silver and indium) from waste. The metals are currently lost if the electrical components are disposed of improperly with household waste. The newly developed procedure aims to keep these valuable technology metals within the circular system. /

Audi sustainability key figures

Corporate citizenship

	Unit	2023	2022	2021
Contracts to workshops for people with disabilities, AUDI AG	EUR million	7.7 ✓	6.9	6.2
Employee donations ²	EUR	953,815 ✓	968,386	1,621,586
Expenditure on corporate citizenship ³	EUR million	46.8 ✓	50.5	16.4

² AUDI AG Christmas donation, “Last Cents” campaign and special donations.

³ The composition of the key figure was revised in 2022: included are expenses of AUDI AG in connection with donations, corporate sponsorship, own project initiatives and partnerships in a social context, research partnerships as well as membership contributions for initiatives and associations that focus on sustainability. Likewise included are social commitments by the international companies Audi Brussels, Audi Hungaria and Audi Mexico and by Bentley, Ducati and Lamborghini.

G

Governance

**Sustainable corporate
governance**
[Page 122](#)

New mobility concepts
[Page 125](#)

Compliance and integrity
[Page 127](#)

Responsible digitalization
[Page 131](#)



GRI 2-12, 2-13

Sustainable corporate governance

Ecological, social and economic sustainability have a decisive influence on the strategic alignment of Audi, with the ESG (Environmental, Social, Governance) criteria serving as an important basis for decisions.

Sustainable corporate governance is an integrative and holistic management approach in which companies take responsibility for the impact of their ecological, social and economic activity. This is especially important given that legal requirements are becoming ever stricter and new requirements are constantly being added. At the same time, companies are increasingly being judged by their stakeholders in terms of their commitment to ESG criteria. In particular, consumers are attaching greater importance to the sustainability activities of producers and manufacturers when deciding what products or services to buy. More and more consumers expect, for example, that the goods they buy have been produced sustainably – and thus implicitly that companies not only make promises about climate and environmental protection but actively promote these issues through their business decisions. Another important aspect is the appraisal of companies on the capital market: alongside economic factors, analysts and investors also consider ESG criteria to be important when making investment decisions.

For Audi, a consistent focus on ESG criteria is crucial to the company's future viability and offers the opportunity to position itself more strongly with respect to its customers and the competition, thereby tapping into additional market potential.

ESG management system

ESG criteria are an integral part of corporate and product decisions at Audi. A holistic, robust ESG management system allows us to track progress and manage the company on the basis of defined targets, indicators and key figures. Audi is constantly refining the system in terms of processes, methods, structures and robust data systems, while continuously reviewing the effectiveness of the measures taken and implementing new measures, adapting processes and allocating resources as required. The results of these continuous reviews are incorporated into the organization's projects and processes. In this way, Audi ensures that the measures taken not only have a positive impact in the



Sustainability in the Brand Group Progressive

Sustainability is also an important topic for the Bentley, Lamborghini and Ducati brands of the Brand Group Progressive and is firmly anchored in their strategic alignment.

- **Bentley** launched two important initiatives in the 2023 reporting year: the publication of the first Bentley Sustainability Report and the establishment of the Sustainability Council.
- With the presentation of the Lanzador,¹ **Lamborghini** has revealed a concrete vision of a future all-electric Lamborghini.
- **Ducati** commits to sustainability in many areas of the company – particularly in the development of its production, the design of its products and the organization of events.

Models illustrated, from left: Ducati Panigale V4 SP2, Ducati Multistrada V4 S, Lamborghini Huracán STO (fuel consumption (combined) in l/100 km: 13.9; CO₂ emissions (combined) in g/km: 331; CO₂ class: G), Bentley Flying Spur Hybrid (fuel consumption (weighted combined) in l/100 km: 3.3; electric power consumption (weighted combined) in kWh/100 km: 24.4; CO₂ emissions (weighted combined) in g/km: 75; CO₂ class (weighted combined): B; fuel consumption with empty battery (combined): 10.8 l/100 km; CO₂ class with empty battery: G), Audi RS e-tron GT (electric power consumption (combined) in kWh/100 km: 22.1–19.8, CO₂ emissions (combined) in g/km: 0, CO₂ class: A).

¹ Lamborghini Lanzador: the vehicle mentioned is a concept vehicle that is not available as a series-production vehicle. All possible uses of the technical systems and functions described represent only a possible concept and are dependent on the respective legal regulations in the relevant country.

short term, but also contribute to long-term sustainable development.

Transparency through ESG rating

Because Audi takes its ecological, social and economic responsibility seriously, the company participated in the internationally respected ESG rating by the independent rating agency ISS ESG² on a voluntary basis in the reporting year. This measure of its ESG progress creates transparency for stakeholders and allows them to draw comparisons with competitors. At the same time, the rating provides important information for the internal management of ESG issues by indicating the status quo, providing insights into what has already been achieved and highlighting areas where action still has to be taken.

The result of the 2023 ISS ESG rating – with 2022 as the reference year – shows that, compared with other companies in the automotive sector, Audi is among the best-rated manufacturers. ISS ESG rated the performance of AUDI AG significantly above the industry average in each case. For this average, the rating agency evaluated 48 listed companies from the automotive sector that are subject to ESG reporting requirements. Because AUDI AG underwent the ISS ESG rating on a voluntary basis, it is not among these 48 companies. On a scale from A+ (excellent performance) to D- (poor performance), AUDI AG achieved a rating of C+. Sixty percent of the overall ISS ESG rating is derived from results from Environmental (E) aspects, with the other 40 percent coming from Social (S) and Governance (G) aspects.³

Anchoring sustainability within the company

At Audi, the topic of sustainability is embedded into the organization through clear internal structures and defined responsibilities.

Sustainable corporate governance at Audi is based on statutory provisions and requirements as well as on clear, self-imposed guidelines and obligations, such as the Statement of Principles on Sustainability of the Audi Group, the Audi strategy and internal policies on sustainability management. For Audi, complying with ethical principles as well as statutory and regulatory requirements is a matter of course and the minimum it can do. Audi has set itself the goal of integrating sustainability effectively and efficiently into its management structures and decision-making processes. Among other things, it has made ESG and sustainability an integral part of the corporate strategy and corporate culture, implemented guidelines on sustainable investment and responsible capital allocation and taken sustainability into account in its remuneration systems.

The Board of Management is actively involved in strategy development, including the subsequent deduction and pursuit of goals, particularly in the area of sustainability. The Supervisory Board is informed about important decisions and approves key directional decisions as part of its responsibilities. Prior to strategy development, the legitimate interests of stakeholder groups are identified, intensively integrated into the decision-making processes and thus given due consideration.

Sustainable Development Goals

The following SDGs are at the focus of this company commitment:



Further information on Audi and the UN sustainability goals can be found on [page 134](#).

² The rating agency ISS ESG analyzed our performance in the fields important for the automotive sector: fleet fuel consumption and vehicle life cycle analyses, sustainability standards in the supply chain, alternative drive systems and mobility concepts as well as product safety and data protection.

³ Further information on the methodology of the ISS ESG rating is available at [ESG Rating](#).

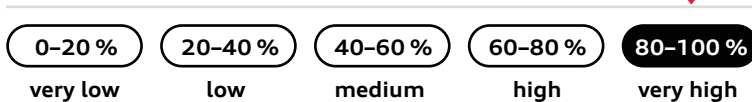
ISS ESG: AUDI AG rating results

Absolute rating



The sustainability performance of a company is rated using around 100 criteria that are chosen specifically for each industry.

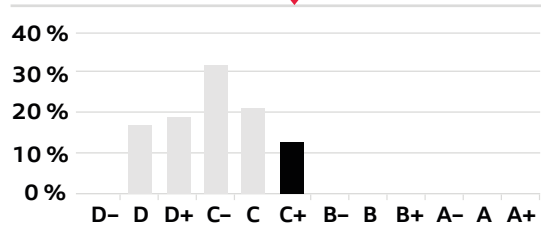
Transparency level



The transparency level indicates the degree of disclosure of a company with regard to the social and ecological performance indicators defined in the ESG rating.

Key Industry **AUDI AG**

Distribution ratings



48 companies from the industry*

* The 48 companies are listed companies from the automotive sector that are subject to ESG reporting. Because AUDI AG underwent the ISS ESG rating on a voluntary basis, it is not among these 48 companies.



Audi SQ8 Sportback e-tron (electric power consumption (combined) in kWh/100 km: 28.2–25.3; CO₂ emissions (combined) in g/km: 0; CO₂ class: A).

Furthermore, responsible and sustainable corporate governance is part of the corporate culture of the Audi Group. To ensure that the organization has the best possible impact on the environment, people and the economy, the Board of Management has created structures to incorporate effective measures into the corporate strategy and to integrate them into the business operations of the company. The Board of Management as a whole is responsible for ensuring that ESG aspects are reflected in the corporate strategy, which also includes delegation to and coordination with other members of management. Audi has defined a standard process in which responsible parties report to the Board of Management at specified intervals. This reporting involves the presentation of quantitative and qualitative information on the performance of programs and initiatives. /

Advertising and communication principles

Sustainable corporate governance at Audi also includes the area of marketing. In this context, Audi aspires to communicate with its various target groups – including customers, interest groups, employees and the public in general – with respect, integrity and honesty. In the year under review, one focus was on rolling out the Responsible Marketing Guideline, which further reinforces the global implementation of respectful communication by outlining the expectations AUDI AG has of its employees and business partners when providing advertising and communication services for the company. The principles and requirements set out in this guideline are consistent with the ethical standards and corporate values of AUDI AG. Further information can be found in the Advertising and Communication Principles of AUDI AG.

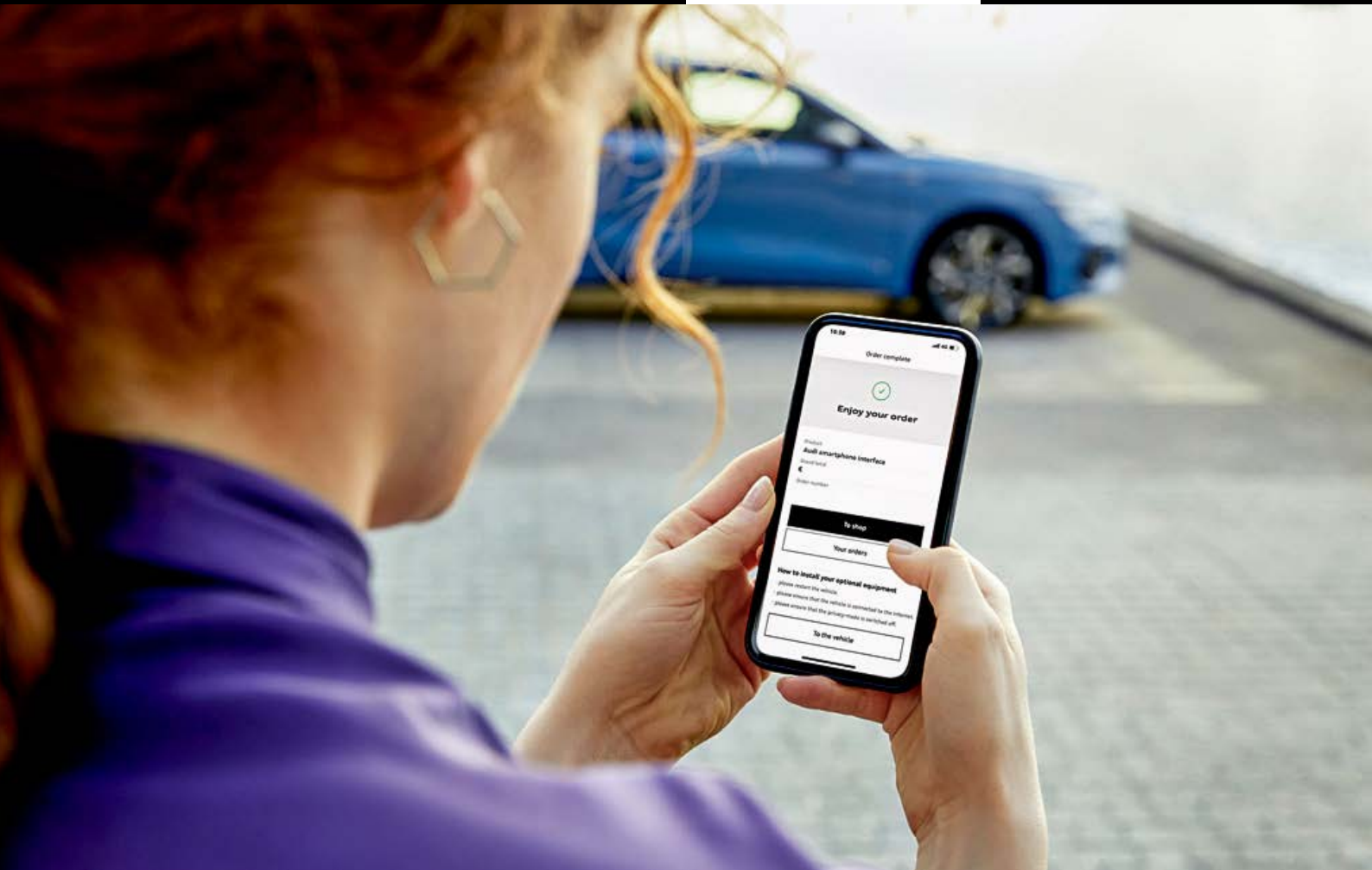
Audi sustainability key figures

Sustainable corporate governance

	Unit	2023	2022	2021
ISS rating ^{4, 5}	–	C+	–	–

⁴ Value is being reported for the first time in the 2023 reporting year.

⁵ Audi aspires to make a valuable contribution to society and to the environment, in addition to its economic performance. The goal is to minimize the impact on the environment and to influence society as positively as possible. To make this measurable, AUDI AG subjected itself to the internationally recognized ESG rating of the independent rating agency ISS ESG.



New mobility concepts

Audi is shaping new mobility concepts with innovative in-car technologies, flexible sharing offerings and digital services.

Ecological challenges, continually expanding urban areas and digitalization are changing the needs of users and their expectations of modern mobility. Governments, industry and organizations worldwide are consequently driving the transport transformation. The measures involved are varied and differ between regions. For example, the switch to electric mobility is intended to reduce the level of local CO₂ emissions. In addition, new mobility concepts are expected to help provide more people with access to motorized private transport. The 11th sustainability goal of the United Nations (SDG 11) states that all people should have access to safe, affordable and sustainable transport systems.

Shaping the future of mobility through innovation

The development of future-proof mobility business models is anchored in the corporate strategies of the

Sustainable Development Goals

The following SDGs are at the focus of this company commitment:



Further information on Audi and the UN sustainability goals can be found on [page 134](#).

Audi Group and the Volkswagen Group. In addition, the Group brands collaborate on establishing the strategies. In the coming years, the Volkswagen Group wants to combine all of its brands' mobility services on one platform. The aim is that automated driving together with new mobility concepts will enable the Group's transition to a leading provider of new mobility in the future. A vehicle fleet that covers the different services from car rental to car subscription through to ride pooling should ensure high availability, capacity utilization and profitability. Audi supports the synergistic approach within the Volkswagen Group and is planning to develop new business models based on an attractive mobility portfolio from the brand.

Tailored mobility for private and business customers

Audi has the different needs of customers firmly in its sights and is currently focusing on developing new

mobility concepts in two areas: vehicle on demand (VOD) and mobility on demand (MOD).

MOD focuses on getting the commuter where they want to go without driving there themselves, for example, in a taxi. In the long term, fully automated driving is to enable this type of new mobility concepts.

In contrast, VOD involves actually driving the vehicle. In this scenario, customers are given access to a vehicle for a limited period of time. Audi is already offering such services in certain regions with its Audi on demand rent and Audi on demand subscribe solutions and showing how Mobility as a Service (MaaS) works in practice. The special thing about this is that Audi on demand rent allows customers to find the perfect Audi for every occasion. They can choose the vehicle model, the interior equipment and the color to suit their needs.

Audi on demand rent and Audi on demand subscribe complement the classic leasing of vehicles by offering more flexible alternatives. With Audi on demand rent (available in Germany, rollout planned in other markets) customers can find the right Audi for a short-term rental of between one and 28 days. Audi on demand subscribe (available in Germany and France, rollout planned in other markets) offers customers the option to drive an Audi on a subscription basis and experience mobility without a long-term commitment: subscriptions for selected electric vehicles are available for three, six or 12 months. The monthly subscription rates include the car ownership costs, such as insurance, maintenance and wear.

Both services are offered in cooperation with the rental company Euromobil GmbH in collaboration with [Europcar Mobility Group](#). Europcar is one of the leading car rental firms with a worldwide fleet of around 256,000 vehicles and is closely linked to the Volkswagen Group. The company is also pivotal in the establishment of a new mobility platform in the Volkswagen Group. This new platform aims to cover a range of different mobility needs, from hourly rental offers through to multi-year leases. The Group is therefore unlocking a rapidly expanding source of income with an expected global market volume of roughly EUR 100 billion in 2030. The Audi vehicles play an integral role in gaining market share in the premium segment.

Trend scouting and innovations

Audi Business Innovation GmbH (Munich), Audi Denkwerkstatt (Berlin) and the Innovation Hubs (Israel and China) are teams that AUDI AG employs to continually analyze mobility trends and new technologies.

For example, [Audi Denkwerkstatt](#) brings together AUDI AG departments and external founders from all over the world. The goal is to jointly develop new customer offers. The Founder Innovation Lab, as it is known, primarily provides a framework for promoting ideas for tapping into new areas of business for Audi or for improving the customers' mobility experience by offering tangible added value in everyday life. A total of eight proof-of-concept projects were carried out at Audi Denkwerkstatt in 2023. One example is the collaboration with the startup Carré Mobility, which involved the further development of a Mobility-as-a-Service platform. The platform offers residents in certain residential complexes the possibility of using mobility offers, such as cargo bikes or car sharing. In 2023, an initial test project was successfully realized in this context with the Audi Q4 e-tron. /



Electrification and expansion of the local charging infrastructure

Audi is also promoting alternative and electric forms of mobility at its sites, for example with Audi bicycle leasing for employees, increased electrification of the company's own fleet of lease and company cars and expansion of the local charging infrastructure. Audi is pursuing the goal of consistently expanding the charging infrastructure at its sites by 2024 in order to enable company and employee vehicles to be charged as needed.

The company already operates more than 3,000 charging points at its German sites today. These include both internal charging, such as for research vehicles, as well as charging for employees and visitors. External charging points are offered additionally at the AUDI AG plant in Ingolstadt both in the company's parking lots and in the vicinity of the Audi Forum Ingolstadt. Audi commissioned 72 additional charging points for electric vehicles at the Neckarsulm site last year. The service is based on charging cubes that contain used lithium-ion batteries for energy storage. These second-life batteries come from dismantled Audi test vehicles.



GRI 205, 206, 2-16

Compliance and integrity



At Audi, compliance and integrity are an integral part of all business processes and decisions. Topics such as anti-corruption, human rights and fair competition are focal points in this respect.

Compliance in a legal sense means observance of legal provisions, requirements of regulatory authorities, internal company policies and voluntary commitments by the company, its bodies and employees. The risks that can arise as a result of infringements are accordingly varied and can damage a company from an economic, ecological and social perspective. Failure to comply with laws, for example, can lead to violation of human rights, while violation of environmental regulations can result in an increased concentration of CO₂ in the atmosphere – both can have legal consequences for companies.

The absence of specific rules can often cause dilemmas to arise, which can frequently make it more difficult to make decisions. To stand firm in these situations, regardless of economic or social pressure, requires integrity – in other words, responsible and

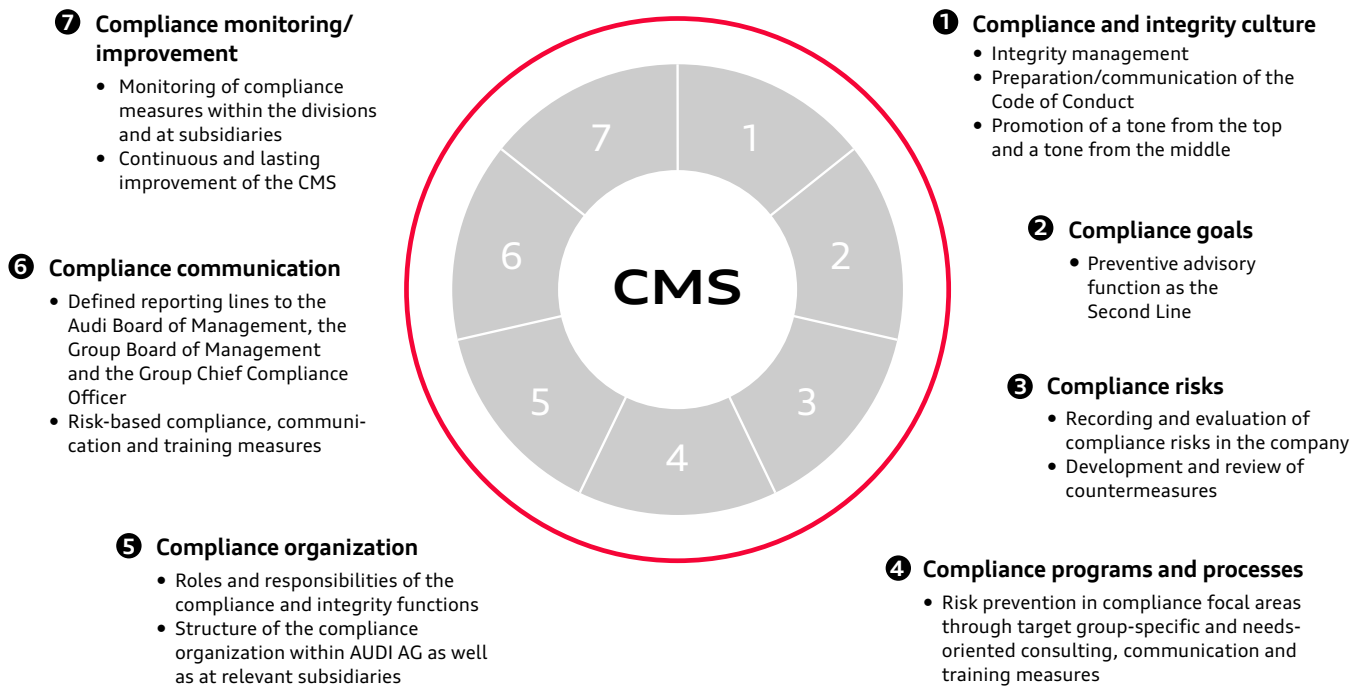
¹ Audi Q8 e-tron edition Dakar: electric power consumption (combined) in kWh/100 km: 25.1–24.7 (with summer tires, without roof basket); CO₂ emissions (combined) in g/km: 0; CO₂ class: A. Some details of the vehicle shown here may differ from the standard specification. Please refer to our configurator for an overview of available equipment.

entrepreneurial action geared toward values and principles that are recognized in society and agreed on within the company.

Compliance and integrity together are therefore an important foundation for companies and have a positive impact on the reputation of a brand, the confidence of customers and business partners, the well-being of employees and not least on sustained economic success.

Compliance and integrity for Audi mean combining entrepreneurial action with applicable rules and legislation as well as with social and company-specific values. Within the company, Audi specifies binding compliance regulations and also places clear demands on its business partners. Compliance and integrity are firmly anchored in the corporate strategy and in the business processes and are revised continually.

Compliance Management System



Together4Integrity

The Together4Integrity (T4I) integrity and compliance program of the Volkswagen Group raises awareness among employees and business partners in relation to integrity and compliance, risk management and corporate culture. In 2023, the Volkswagen Group handed over responsibility for managing the T4I program within the Audi brand group to AUDI AG. The program supports a total of 40 companies and more than 90,000 employees within the Audi Group in 21 countries worldwide. Some 27 workshops, referred to as T4I Perception Workshops, were conducted in 2023 with the aim of discussing the meaning of regulatory compliance and integrity for the long-term success of Audi.

Audi commits its employees and business partners to comply with the binding Audi Code of Conduct or the Volkswagen Code of Conduct for Business Partners. These documents set out the company’s duties of care and those of its business partners, among other things. They also include the commitment to equal opportunities and equality, to respecting human rights and to compliance with environmental protection and occupational health and safety. In addition, the Volkswagen Social Charter applies at Audi. This declaration on social rights, industrial relations and economic and human rights represents a further commitment to corporate responsibility.

In accordance with the provisions of stock corporation law, the Board of Management of AUDI AG established a Risk Management System (RMS) including a risk early warning system, an Internal Control System (ICS) with regular reporting to the Board of Management as well as internal and external monitoring mechanisms. Key management tools include the RMS and the quality management system (QMS), the Compliance Management System (CMS) and the Audi Corporate Regulations system. As the binding regulatory framework these ensure that statutory requirements, standards and corporate obligations are consistently implemented in company and brand group policies, processes and work instructions and that the highest bodies in the company are involved in reporting and decision-making processes.

Furthermore, regular and ad-hoc reporting by the Chief Compliance Officer to the Board of Management and Audit Committee of the Supervisory Board of AUDI AG, to the Group Chief Compliance Officer of the Volkswagen Group and, where needed, other management positions at Audi and Volkswagen ensures a continual flow and exchange of information. In terms of content, communication includes the quarterly risk reports, the Governance, Risk & Compliance annual report and reporting on the Whistleblower System. In 2023, AUDI AG received 547 reports of potential violations, of which 33 were of relevance in the context of the Supply Chain Due Diligence Act (LkSG). This represents a slight increase compared with the previous year when there were 461 reported violations. The majority of reports were made directly to the Audi Investigation Office and not anonymously. In 89 percent of all reported cases, the person submitting the complaint could be directly contacted, which once again confirms the high degree of trust placed in the Whistleblower System. A total of 12 cases were categorized as severe violations in 2023.

Areas of public focus in 2023: human rights and artificial intelligence

Two topics closely related to compliance and integrity were the focus of public debate in the reporting year: human rights and artificial intelligence. Audi has clear principles in relation to both topics.

The Supply Chain Due Diligence Act (LkSG), which came into force on January 1, 2023, sets out to bindingly enforce the UN Guiding Principles on Business and Human Rights within the company, in subsidiar-

Summary of human rights and environment-related risks according to section 2(2) and section 3 of the Supply Chain Due Diligence Act.

ies and in the supply chain. It requires companies to implement defined due diligence obligations. Certain human rights and environment-related protected assets are the focus of attention in this respect (see graphic).

Protection of human rights and the environment is a major priority for Audi. To ensure this protection, the Audi Group creates risk profiles for its own sites and companies as well as for its direct suppliers in terms of the potential impact on human rights and the environment. Operation of an effective Whistleblower System for all companies in the Audi brand group, including a grievance mechanism in the supply chain, represents a further important measure. Moreover, the Board of Management of AUDI AG appointed a Human Rights Officer for the Audi Group on January 1, 2023. During the period under review, Audi also established mandatory web-based training (WBT) for the workforce on the topic of human rights.

The updated Statement of Principle on Human Rights, which also covers the human rights strategy of the Audi Group, documents the commitment by AUDI AG to respect and observe human rights. In addition to this statement of principle, which was updated in 2023, the company intends to publish a report annually from 2024 to fulfill its due diligence obligations under the Supply Chain Due Diligence Act according to the requirements of the Federal Office for Economic Affairs and Export Control. In addition, it publishes a statement annually on the company's website in relation to the measures taken and management approaches for avoiding forms of modern slavery (Slavery and Human Trafficking Statement).

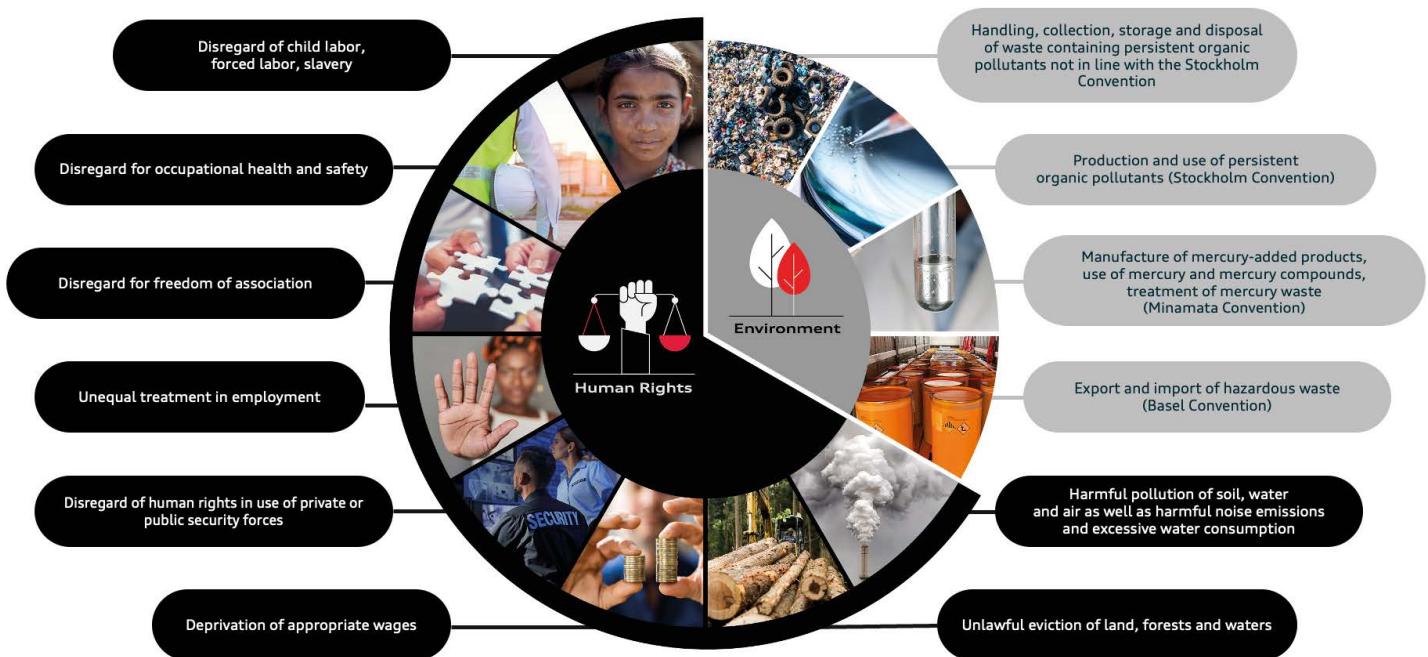


Illustration: C3 Visual Lab

The second topic that was the focus of public debate in 2023 related to artificial intelligence (AI). Use of this key technology offers major opportunities but also harbors risks. With the [Statement of Principle on Artificial Intelligence](#) at AUDI AG, the company undertakes to act responsibly in its dealings with AI. Respect, security and transparency are particularly important in this context. The statement also reflects how Audi is guided by the “Ethics Guidelines for Trustworthy AI” of the European Union and regards AI as the ability of machines to support and complement human abilities such as communicating, seeing, hearing, deciding and acting. Potential areas of application for AI exist along the entire value chain. For example, Audi uses AI to perform quality control of welding points in production or to support the creative process when developing new rim designs.

Strict measures against corruption

Internationally active companies like AUDI AG are continually exposed to corruption risks in their everyday business. Not only can the realization of such risks lead to significant financial losses, but also to reputation damage. Acting with integrity and engaging in fair competition are therefore a fundamental pillar of the long-term success of AUDI AG – beyond all country borders.

Corruption and bribery therefore have no place at Audi. The company has firmly embedded these principles in the [Audi Code of Conduct](#), which is binding for all employees, and in its guidelines on the avoidance of conflicts of interest and corruption. The Compliance unit within AUDI AG advises the specialist departments comprehensively on all corruption topics, supported digitally by the Audi guide tool.

In addition, training measures also constitute part of the preventive avoidance of corruption. All non-production employees as well as the Board of Management of AUDI AG successfully completed the specially designed web-based training (WBT) on anti-corruption and dealing with public officials in the period under review with a participation rate of 99.23 percent. A broad and continually evolving portfolio of target group-specific communication and training measures strengthens awareness in the Group of the significance of compliance and integrity as a success factor for responsible corporate governance. These measures include monthly internal and external communication formats on topics such as AI, ESG, human rights, governance, business ethics and ethical leadership.

Suspected cases of corruption are handled by the Audi Investigation Office in coordination with the Internal Audit department. Measures are systematically derived and implemented. A miscellaneous compliance violation in relation to corruption was identified in 2023, which led to personnel consequences. In the year under review, a total of 56 national and international participations were supported in the area of anti-corruption in the course of consultancy inquiries, the implementation of policies and the execution of training programs. Fundamentally, all those entities where AUDI AG holds

Sustainable Development Goals

The following SDGs are at the focus of this company commitment:



Further information on Audi and the UN sustainability goals can be found on [page 134](#).



Daniel Patnaik,
Human Rights
Officer for the
Audi Group

More information:
Audi publishes its understanding and voluntary commitments in relation to compliance and integrity at [audi.com](#).

a majority interest or has management responsibility are included in the process. The proper implementation of measures is verified as part of on-site inspections and through external audits. Furthermore, the Automated Compliance Risk Analysis (ACRA) is used within AUDI AG to identify division-specific compliance risks.

Clear rules for fair competition

Fair and free competition is the cornerstone of a functioning market economy. This is a main reason why compliance with antitrust law requirements is paramount for AUDI AG and therefore firmly enshrined in the Audi Compliance Management System. Through its [Code of Conduct](#) and internal company regulations, the company obliges its employees to comply with the requirements, including specific guidelines on antitrust law. Moreover, the topic of antitrust law is covered by web-based training and live training events. In addition, specialist legal advisors are available to employees to help them to recognize situations that are critical for antitrust law and to behave in a legally compliant manner. Any cases of actual and suspected violations of antitrust law are isolated cases. The total number of cases is not reported for confidentiality reasons. /

The Audi Human Rights Officer

Daniel Patnaik is Human Rights Officer for the Audi Group. In this independent role, he is the first point of contact for all human rights concerns on the part of the authorities, policymakers and society. One of his key tasks is to monitor the appropriateness and effectiveness of risk management for ensuring compliance with the due diligence obligations arising from the Supply Chain Due Diligence Act and to perform all control measures in accordance with the risk. In this respect, he performs the tasks provided for in section 4(3) of the Supply Chain Due Diligence Act and reports in his role directly to the Chairman of the Board of Management of AUDI AG.

In the interview on the Audi website, he addresses challenges, demands and his personal motivation.



Link to interview
[audi.com](#).



GRI 418-1

Responsible digitalization

Audi is driving digitalization forward in a systematic and responsible manner – in the vehicle and the customer experience as well as in production, logistics and other company processes.

Digitalization refers to the increasing use of digital, connected and automated technologies. It is a challenge with innumerable opportunities but also risks, is already influencing the everyday lives of billions of people and affects all of the links in the value chain.

In the area of production and logistics, for example, digitalization can lead to more interconnected and efficient processes. Increasing digitalization in the context of automotive mobility not only enables new services and useful functions, it also makes mobility smarter and more personal. Many customers are keen for digital services and functions to be tailored to their personal needs – this is already an important factor in their purchasing decisions today. Furthermore, digitalization can help lower the risk of accidents, for example through assisted, partially automated and, in the future, fully automated driving. Throughout the value chain, data is the driver of modern mobility and business processes and a delicate asset that requires responsible handling.

Obligations and guidelines for data protection and data security

Audi always strives for the highest possible quality standards – and the digital era is no exception. It is part of the corporate responsibility of AUDI AG to handle data with care, and this is anchored in its corporate policies and the [Audi Code of Conduct](#). All of these documents focus on data protection and data security.

Audi complies fully with applicable laws on personal data, data protection and personal rights to privacy. To this end, the Brand Group Progressive has put binding measures in place, such as maintaining a directory of procedures, establishing internal reporting processes in the event of data protection violations, guaranteeing the rights of data subjects and establishing an appropriate risk management system. These measures are continuously being developed further.

Legal certainty is a decisive factor: especially when handling personal data, the company fulfills all legal requirements in terms of transparency, self-determination and data economy.¹



In interview

Peter Gladbach, Data Protection Officer at AUDI AG, talks in an [interview](#) about data as a driver of modern mobility.



You will find further information on data protection and data security on the [Audi website](#) and on the Audi portal [Data Subject Rights](#).

As in the previous year, there were no substantiated complaints concerning breaches of customer privacy at AUDI AG in 2023.

Whether customer, vehicle or company data: Audi also attaches great importance to meeting high quality standards in the area of information security. The company therefore continually enhances its security systems and maintains a high level of security awareness to prevent attacks on the IT infrastructure as far as possible, to identify such attacks in good time and to limit their consequences to the greatest possible extent. In doing so, Audi complies fully with legal requirements.

¹ Transparency means that Audi informs its customers in a suitable manner regarding the use of their personal data. This includes, in particular, which data is collected and processed, what purposes underly use of the data and whether the data is transferred to third parties. Transparency also includes informing customers what personal data about them is held by Audi. Naturally, personal data is subject to data secrecy. Audi collects, stores, transfers and uses personal data solely as permitted by legal provisions. Should the use of personal data go beyond contract processing requirements or other legally permitted reasons, consent for the specific purpose is obtained from the customer. As a matter of principle, personal data is only used for the specific purposes for which it was originally recorded and for the purpose or wish defined by the customer. Audi also applies the principle of data minimization: as far as possible, the company uses anonymized or pseudonymized data, unless the collection, processing and use of personal data are necessary in pursuit of a legitimate interest.

Furthermore, Audi is bound by international information security standards – for example, the [ISO/IEC 27000 series](#), with the help of which Audi has implemented an effective Information Security Management System (ISMS). The ISMS is designed to ensure information security within the organization as well as the supply chain.

AUDI AG operates an ISMS for all business divisions and all sites in order to have effective and transparent management and control mechanisms for information security in place on a permanent basis. Additionally, an ISMS has also been established at all sites of the Brand Group Progressive.

An equally essential aspect for Audi is to protect its vehicles against cybersecurity threats. AUDI AG has

implemented an Automotive Security Management System (ASMS) and thus complies with all applicable regulations. The aim of the ASMS is to minimize cybersecurity risks to vehicles throughout their life cycle and to provide secure and traceable software updates. The ASMS is divided into the Cybersecurity Management System (CSMS) and the Software Update Management System (SUMS).

Artificial intelligence

Audi aspires to shape tomorrow's progressive premium mobility. The defining aspect of this work centers on the holistic mobility experience. To be able to continue offering future-proof products and services, the company's entire value chain will need to be transformed. Artificial intelligence (AI) can be helpful in the development, production and distribution of our products and services, as well as for the business processes and workflows of specialist functions. To support employees in their day-to-day work with AI, Audi issued a [Statement of Principle on the responsible use of AI](#) during the reporting year. The three guiding principles it contains – "Respect," "Security" and "Transparency" – are aligned with the European Union's "Ethics Guidelines for Trustworthy AI." They have been incorporated into business practice through internal regulations and effective management systems.

In the area of production and logistics, Audi is focusing on digitalized production lines and believes there is great potential in using AI in production. With the "Automotive Initiative 2025" (AI25), for example, the company is demonstrating how digitalization can be implemented holistically. Established by Audi, the initiative aims to establish a competence network for digital factory transformation and innovation. The Audi Neckarsulm and Böllinger Höfe sites serve as a real-life laboratory for digital transformation. They are testing cloud technology applications in production and rolling them out for series-production use. For example, [Edge Cloud 4 Production](#), a solution for IT-based factory automation, has been used in series production since July 2023. In addition, the sites are responding to the increased importance of AI. For example, AI is used to optimize the [quality inspections of spot welds in car body construction](#). And further AI applications have already been implemented in other areas of the company (see box).

Digitalization of services and functions in the vehicle

The ongoing digitalization of services and functions in the vehicle not only opens up the possibility of new service offerings, but also enables mobility to become smarter and more personal. The connected models of the Audi brand offer customers a wide range of [digital services](#) that can provide greater convenience. One example from the reporting year is an update in March 2023, which has enabled new functions for the Audi [Q4 e-tron](#). For the first time, software updates are possible via an over-the-air interface. Audi is also continuously expanding its [Audi connect](#) services in all of its models. /

Sustainable Development Goals

The following SDGs are at the focus of this company commitment:



Further information on Audi and the UN sustainability goals can be found on [page 134](#).

Audi is harnessing AI in other areas of the company:

AI in design: with [FeGAN](#), Audi is using software that was developed in-house to provide designers with new sources of inspiration for wheel rim designs.



AI as a risk radar: a smart early warning system analyzes publicly accessible sources in more than 50 languages for sustainability risks in the supply chain.

AI developed in-house supports the recognition of various electronic components on a printed circuit board. The transparency gained helps Audi Procurement secure the supply of semiconductors and is part of the company's semiconductor strategy.

An aerial photograph of a winding asphalt road on a grassy hillside. Three red cars are visible on the road, driving in a clockwise direction. The road curves sharply to the left and then back to the right. The surrounding landscape is green and hilly.

Appendix

Page 134

**Sustainable Development
Goals (SDGs) of the United Nations**

Page 135

Consumption and emission figures

Page 137

Auditor's report

Page 139

GRI content index

Sustainable Development Goals (SDG) of the United Nations

Audi links its sustainability activities to the Sustainable Development Goals of the United Nations. In doing so, it places the spotlight on the five goals where the biggest difference can be made.

17

SDGs

at a glance

All Agenda 2030 goals can only be achieved if nobody is left behind:



At the 2015 United Nations (UN) General Assembly, 193 states adopted Agenda 2030, which lays out 17 goals – the “Sustainable Development Goals” (SDGs).

SDGs combine the social, environmental and economic dimensions of sustainable development. The underlying rationale is that social progress is not possible in the long run if the limits of the planet are not respected. In this context, Agenda 2030 explicitly states that the focus should be on the weakest and most vulnerable so as to leave no one behind.

Agenda 2030 stands for a global understanding of prosperity that extends beyond the constricting concept of per capita income. At issue is reshaping economies toward more sustainable development, for example through responsible consumption and production patterns and clean as well as affordable energy. For instance, it is becoming clear that climate policy, sustainable development and the eradication of poverty are inseparably connected. The SDGs provide an essential compass for the entire international community.

Audi aligns its activities with the Sustainable Development Goals. Internal workshops were organized to determine which five sustainability goals the company can influence the most (see below). For this purpose, the topics and results of the Audi materiality analysis were compared with the SDGs. Of course, Audi endeavors to make a comprehensive contribution. The company therefore also works toward SDGs other than the five central ones listed below, and the Audi Report contains examples of this for each material topic.

Audi supports the UN Global Compact

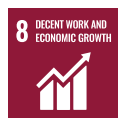
Audi is a participant of the United Nations Global Compact (UN GC), the world’s largest initiative for sustainable corporate governance.

This membership in one of the most active platforms for dialogue among industry, civil society and politics is an important pillar of stakeholder management.

Audi reports on its progress with regard to the implementation of the 10 principles of the Global Compact and its activities to promote sustainable development as part of its annual Communication on Progress, which is available on the website of the UN Global Compact.

[AUDI AG | UN Global Compact](#)

WE SUPPORT



Audi is committed to long-term, wide-scale economic growth, full and productive employment and humane work for everyone.



Audi is working on a robust infrastructure, promoting sustainable industrialization and supporting innovations.



Audi meets the challenges of urbanization with intelligent, sustainable and urban mobility concepts.



With production as environmentally friendly as possible, Audi also fosters sustainable consumption. Resource and energy efficiency are two key elements in this context.



Audi produces and develops products with the goal of enabling climate-friendly individual mobility.

Consumption and emission figures

All data apply to features
of the German market.
As of: March 12, 2024

Models	Fuel consumption, combined (l/100 km)	CO ₂ emissions, combined (g/km)	CO ₂ class
	WLTP specification	WLTP specification	
Audi A1 allstreet	6.2-5.7	142-130	E-D
Audi A1 Sportback	5.8-5.3	132-120	D
Audi Q2	6.5-5.1	148-129	E-D
Audi A3 Sedan	9.4-4.1	214-108	G-C
Audi A3 Sportback	9.5-4.2	216-111	G-C
Audi Q3	10.1-5.0	228-132	G-D
Audi Q3 Sportback	10.1-5.1	229-133	G-D
Audi A4 allroad quattro	8.1-5.7	194-150	G-E
Audi A4 Avant	10.1-4.7	229-124	G-D
Audi A4 Sedan	7.8-4.6	190-120	G-D
Audi A5 Cabriolet	9.4-5.0	213-132	G-D
Audi A5 Coupé	9.8-4.7	223-122	G-D
Audi A5 Sportback	10.0-4.7	226-123	G-D
Audi Q5	9.1-5.6	208-146	G-E
Audi Q5 Sportback	9.1-5.6	207-147	G-E
Audi A6 allroad quattro	9.1-5.8	207-152	G-E
Audi A6 Avant	12.7-5.3	289-138	G-E
Audi A6 Sedan	8.8-5.1	200-133	G-D
Audi A7 Sportback	12.6-5.3	285-138	G-E
Audi Q7 SUV	12.7-7.8	290-204	G
Audi A8	12.3-7.0	278-183	G
Audi Q8	13.6-13.2	308-300	G
Audi Q8 SUV	12.8-8.0	291-210	G
Audi R8 Coupé	13.1-12.5	297-284	G
Audi R8 Spyder	13.9-13.4	316-305	G
Bentley Bentayga	22.1	296	G
Bentley Continental GT	23.3-20.6	311-275	G
Bentley Continental GTC	22.6-20.0	320-284	G
Bentley Flying Spur	22.2-18.8	340-288	G
Lamborghini Huracán	14.9-13.9	338-328	G
Lamborghini Urus	14.1	320	G

Consumption and emission figures

Models	Fuel consumption weighted, combined (l/100 km)	Electric power consumption weighted, combined (kWh/100 km)	CO ₂ emissions weighted, combined (g/km)	CO ₂ class weighted, combined	Fuel consumption with empty battery, combined (l/100 km)	CO ₂ class with empty battery
Plug-in hybrid vehicles	WLTP specification	WLTP specification	WLTP specification	WLTP specification	WLTP specification	
Audi A3 Sportback TFSI e	1.4–1.1	15.8–14.4	31–24	B	6.6–5.9	E–D
Audi Q3 TFSI e	1.7–1.3	18.0–16.7	39–30	B	7.3–6.5	F–E
Audi Q3 Sportback TFSI e	1.7–1.4	17.9–16.8	38–31	B	7.2–6.6	F–E
Audi Q5 TFSI e	1.8–1.5	23.3–21.9	42–35	B	8.7–8.0	G
Audi Q5 Sportback TFSI e	1.9–1.6	23.4–22.1	42–35	B	8.8–8.1	G
Audi A6 Avant TFSI e	1.7–1.4	21.5–20.1	37–31	B	8.3–7.8	G
Audi A6 Sedan TFSI e	1.6–1.1	21.1–18.7	36–24	B	8.2–7.1	G–F
Audi A7 Sportback TFSI e	1.6–1.1	21.2–18.9	36–25	B	8.2–7.2	G–F
Audi A8 TFSI e	2.2–1.7	23.8–21.9	49–39	B	9.5–8.7	G
Bentley Bentayga Hybrid	3.0	26.1	68	B	11.1	G
Bentley Flying Spur Hybrid	3.3	24.4	75	B	10.8	G
Lamborghini Revuelto	11.9	10.1	276	G	17.8	G

Models	Electric power consumption, combined (kWh/100 km)	CO ₂ emissions, combined (g/km)	CO ₂ class
Fully electric vehicles	WLTP specification	WLTP specification	
Audi Q4 e-tron	19.5–16.2 kWh	0.0	A
Audi Q4 Sportback e-tron	18.9–15.6 kWh	0.0	A
Audi Q6 e-tron	19.4–17.0 kWh	0.0	A
Audi Q8 e-tron	29.0–20.1 kWh	0.0	A
Audi Q8 e-tron Sportback	28.2–19.5 kWh	0.0	A
Audi e-tron GT quattro	21.6–19.6 kWh	0.0	A
Audi RS e-tron GT	22.1–19.8 kWh	0.0	A

GRI 2-5

Auditor's report

Independent auditor's report on a limited assurance engagement. The assurance engagement performed by EY relates exclusively to the German version of the combined annual and sustainability report of AUDI AG. The following text is a translation of the original German independent assurance report.

To AUDI Aktiengesellschaft, Ingolstadt

We have performed a limited assurance engagement on selected sustainability key figures for the year 2023 in the "Audi Report | Combined annual and sustainability report" of the AUDI Aktiengesellschaft, Ingolstadt, (hereinafter the "Company"), which have been marked with the symbol "✓" in the report for the period from 1 January to 31 December 2023 (hereinafter the "report"). In addition, the information on CO₂-savings in logistics for the period from 1 January to 31 December 2022 was subject to our assurance engagement.

Our engagement exclusively refers to the disclosures marked with the "✓" symbol in the German PDF-version of the report. Not subject to our assurance engagement are other references to disclosures made outside the report as well as further prior-year disclosures.

Responsibilities of the executive directors

The executive directors of the Company are responsible for the preparation of the report in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (hereafter "GRI criteria") as well as the selection of the criteria to be assessed.

These responsibilities of the Company's executive directors include the selection and application of appropriate methods for the preparation of the report and making assumptions and estimates about individual non-financial disclosures that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a report that is free from material misstatement, whether due to fraud (manipulation of the report) or error.

Independence and quality assurance of the auditor's firm

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements – in particular the BS WP/vBP

["Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer": Professional Charter for German Public Accountants/German Sworn Auditors]) in the exercise of their Profession and the IDW Standard on Quality Management issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QS 1) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

Responsibilities of the auditor

Our responsibility is to express a conclusion with limited assurance on the key figures and disclosures that are marked with the symbol "✓" in the report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the selected key figures and disclosures that are marked with the symbol "✓" in the report of the Company are not prepared, in all material respects, in accordance with the GRI criteria. Not subject to our assurance engagement are other references to disclosures made outside the report and further prior-year disclosures.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the auditor.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the sustainability organization and sustainability management,
- Inquiries of the executive directors and relevant employees involved in the preparation of the report about the preparation

process, about the internal controls related to this process as well as disclosures in the report,

- Inquiries of employees of the Company's headquarters as well as the employees responsible for the data capture and consolidation as well as the preparation of the report in order to assess the sustainability reporting system, the data capture and compilation methods as well as internal controls to the extent relevant for the limited assurance engagement on the selected key figures that are marked with the symbol "✓" in the report,
- Identification and assessment of risks of material misstatement regarding the selected key figures,
- Inspection of the relevant documentation of the systems and processes for compiling, aggregating and validating data, on which the selected key figures that are marked with the symbol "✓" are based in the reporting period,
- Inquiries and inspection of documents relating to the collection and reporting of the selected key figures that are marked with the symbol "✓" in the report,
- Analytical measures at group level and on the level of selected sites regarding the quality of the selected key figures that are marked with the symbol "✓" in the report,
- Conducting site visits to evaluate the processes for collecting, aggregating, and validating the data as well as the reliability of the reported data at group level
- AUDI AG (Ingolstadt, Germany)
- AUDI Brussels S.A./N.V. (Brussels, Belgium),
- Critical review of the draft report to assess plausibility and consistency,
- Evaluation of the presentation of the selected key figures that are marked with the symbol "✓" in the report.

Assurance conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected key figures and disclosures that are marked with the symbol "✓" in the report from 1 January to 31 December 2023 and the information on CO₂-savings in logistics for the period from 1 January to 31 December 2022 have not been prepared in all material aspects, in accordance with the GRI criteria.

We do not express an assurance conclusion on the other references to disclosures made outside the report and further prior-year disclosures in the report.

Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the report

is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

General Engagement Terms and Liability

The enclosed "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated 1 January 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (www.de.ey.com/general-engagement-terms). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

We make express reference to the fact that we will not update the report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.
Stuttgart, 11 March 2024

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Jan Hinderer
Wirtschaftsprüfer
[German Public Auditor]

Hans-Georg Welz
Wirtschaftsprüfer
[German Public Auditor]



GRI index

The Audi Group reported on the period from January 1, 2023 to December 31, 2023 in accordance with the GRI Standards. The information in this report was chosen on the basis of the enhanced materiality analysis of 2022.

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The German version of the Audi Report was used for this service.

Universal Standards	
GRI 1	Foundation 2021

GRI 2: General Disclosures 2021	Disclosure	Page	Comments/omission
1. The organization and its reporting practices			
Disclosure 2-1	Organizational profile	5	
Disclosure 2-2	Entities included in the organization's sustainability reporting	2	
Disclosure 2-3	Reporting period, frequency and contact point	2, 154	
Disclosure 2-4	Restatements of information		There were no restatements of information in the year under review.
Disclosure 2-5	External assurance	137	
2. Activities and workers			
Disclosure 2-6	Activities, value chain and other business relationships	5	
Disclosure 2-7	Employees	113	<p>2-7 b iv-v) As of December 31, 2023, 47,077 people (of which 41,515 men and 5,562 women) were employed full-time at AUDI AG, and 4,657 people (of which 1,493 men and 3,164 women) were employed part-time (both figures excluding apprentices, excluding leave on partial retirement phase).</p> <p>Information unavailable/incomplete: 2-7 b i-ii) Information by region and gender is not available. 2-7 b iv-v) Information by region is not available. These figures are not relevant for control purposes and are therefore not collected. 2-7 b iii) Employees without guaranteed working hours do not play a role at Audi, so no figures are collected.</p>
Disclosure 2-8	Workers who are not employees		Workers who are not employees only play a subordinate role at Audi. Key figures relating to workers who are not employees are therefore not relevant for control purposes and are not available.

**GRI 2:
General
Disclosures
2021**

	Disclosure	Page	Comments/omission
3. Governance			
Disclosure 2-9	Governance structure and composition		Company Management audi.com Methods and Practices of the Board of Management and Supervisory Board audi.com
Disclosure 2-10	Nomination and selection of the highest governance body		Methods and Practices of the Board of Management and Supervisory Board audi.com
Disclosure 2-11	Chair of the highest governance body		The Chairman of the Supervisory Board of AUDI AG is a Member of the Board of Management of Volkswagen AG. He does not hold a management position at AUDI AG.
Disclosure 2-12	Role of the highest governance body in overseeing the management of impacts	122	
Disclosure 2-13	Delegation of responsibility for managing impacts	122	
Disclosure 2-14	Role of the highest governance body in sustainability reporting		The Audi Board of Management approves and bears overall responsibility for the Audi Report.
Disclosure 2-15	Conflicts of interest		Methods and Practices of the Board of Management and Supervisory Board audi.com
Disclosure 2-16	Communication of critical concerns	127	
Disclosure 2-17	Collective knowledge of the highest governance body		Methods and Practices of the Board of Management and Supervisory Board audi.com
Disclosure 2-18	Evaluation of the performance of the highest governance body		Remuneration system audi.com
Disclosure 2-19	Remuneration policies		Remuneration system audi.com
Disclosure 2-20	Process to determine remuneration		Remuneration system audi.com
Disclosure 2-21	Annual total compensation ratio		Confidentiality constraints: For reasons of confidentiality, this information cannot be published.

**GRI 2:
General
Disclosures
2021**

	Disclosure	Page	Comments/omission
4. Strategy, policies and practices			
Disclosure 2-22	Statement on sustainable development strategy	2, 9	
Disclosure 2-23	Policy commitments	127	Compliance & Integrity audi.com
Disclosure 2-24	Embedding policy commitments	127	Compliance & Integrity audi.com For all important corporate decisions, statements from Compliance & Integrity as well as from other experts – for example from the Sustainability, Corporate Strategy and Legal Service departments – are a fixed component of the submissions to the Board of Management.
Disclosure 2-25	Process to remediate negative impacts	127	Compliance & Integrity audi.com
Disclosure 2-26	Mechanisms for seeking advice and raising concerns	127	Compliance & Integrity audi.com
Disclosure 2-27	Compliance with laws and regulations		Confidentiality constraints: Any known cases of actual and suspected compliance violations are isolated cases without a systemic cause. The total number of cases is not reported for confidentiality reasons.
Disclosure 2-28	Membership associations	115	Further information is available under Stakeholder Management audi.com
5. Stakeholder engagement			
Disclosure 2-29	Approach to stakeholder engagement	63, 115	Materiality Analysis audi.com
Disclosure 2-30	Collective bargaining agreements		The proportion of AUDI AG employees to whom collective bargaining agreements apply is 99.87 percent. The working and employment conditions of employees of AUDI AG who are not subject to collective bargaining agreements are determined based on the collective bargaining agreements that apply to other employees.

GRI 3: Material Topics 2021	Disclosure	Page	Comments/omission
Disclosure 3-1	Process to determine material topics	63	Materiality Analysis audi.com
Disclosure 3-2	List of material topics	64	Material topics for Audi are: emissions and energy along the value chain; alternative drive technologies and vehicle emissions; vehicle safety; fair working conditions and modern working forms; sustainable corporate governance; circular economy and sustainable materials; responsibility in the supply chain; economic stability; occupational health and safety; new mobility concepts; compliance and integrity; nature conservation and biodiversity; corporate culture; integration and diversity; responsible digitalization; stakeholder focus and long-term customer relationships; corporate citizenship.

Topic-specific Disclosures	Disclosure	Page	Comments/omission
Environmental			
Emissions and energy along the value chain			
GRI 3: Material Topics 2021			
Disclosure 3-3	Management of material topics	66	
GRI 302: Energy 2016			
GRI 302-1	Energy consumption within the organization	69, 73	302-1 f) The process of collecting key figures including definition of scope is anchored in the Volkswagen standard 98000 (see Environmental Management at Audi audi.com) and does not provide for extrapolation at overall site level. 302-1 g) The process of selecting relevant emissions and the emission factors used are anchored in Volkswagen standard 98000, as is the entire key figure collection process (see Environmental Management at Audi audi.com). Generally, Audi uses the real emission factors of the energy suppliers. If this is not possible, calculations are made on the basis of the VDA's standard factors.
GRI 302-2	Energy consumption outside of the organization		Information unavailable/incomplete: The information is not currently available and we are working toward making it available in the coming reporting periods.
GRI 302-3	Energy intensity	69, 72	
GRI 302-4	Reduction of energy consumption	69, 72	
GRI 302-5	Reductions in energy requirements of products and services	69	Information unavailable/incomplete: The information for the key figures from 302-5 b) and c) is not currently available and we are working toward making it available in the coming reporting periods.

Topic-specific Disclosures	Disclosure	Page	Comments/omission
Environmental			
Emissions and energy along the value chain			
GRI 305: Emissions 2016			
GRI 305-1	Direct (Scope 1) GHG emissions	74	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	74	
GRI 305-4	GHG emissions intensity	74	Information unavailable/incomplete: Some of the information is not currently available and we are working toward making it available in the coming reporting periods.
GRI 305-5	Reduction of GHG emissions	74	Information unavailable/incomplete: Some of the information is not currently available and we are working toward making it available in the coming reporting periods.
GRI 305-6	Emissions of ozone-depleting substances (ODS)		Information unavailable/incomplete: The information is not currently available and we are working toward making it available in the coming reporting periods.
GRI 305-7	Nitrogen oxides (Nox), sulfur oxides (SOx) and other significant air emissions	74	Information unavailable/incomplete: Some of the information is not currently available and we are working toward making it available in the coming reporting periods.
Alternative drive technologies and vehicle emissions			
GRI 3: Material Topics 2021			
Disclosure 3-3	Management of material topics	76	
GRI 305: Emissions 2016			
GRI 305-3	Other indirect (Scope 3) GHG emissions		Information unavailable/incomplete: The information is not currently available and we are working toward making it available in the coming reporting periods.
GRI 305-4	GHG emissions intensity	74	Information unavailable/incomplete: Some of the information is not currently available and we are working toward making it available in the coming reporting periods.
GRI 305-5	Reduction of GHG emissions	74	Information unavailable/incomplete: Some of the information is not currently available and we are working toward making it available in the coming reporting periods.
GRI 305-6	Emissions of ozone-depleting substances (ODS)		Information unavailable/incomplete: The information is not currently available and we are working toward making it available in the coming reporting periods.
GRI 305-7	Nitrogen oxides (Nox), sulfur oxides (SOx) and other significant air emissions	74	Information unavailable/incomplete: Some of the information is not currently available and we are working toward making it available in the coming reporting periods.

Topic-specific Disclosures	Disclosure	Page	Comments/omission
Environmental			
Circular economy and sustainable materials			
GRI 3: Material Topics 2021			
Disclosure 3-3	Management of material topics	79	
GRI 301: Materials 2016			
GRI 301-1	Materials used by weight or volume	81	The materials used are calculated based on the analysis of selected models. The process is currently being revised. No further information for 2023 is available. It is currently not possible to break down the total weight into renewable and non-renewable materials. Use of renewable materials is to be continuously expanded in the future.
GRI 301-2	Recycled input materials used		Information unavailable/incomplete: The percentage of recycled input materials is currently not calculated for all models in the product portfolio. Audi plans to continuously increase the proportion of recycled input materials. Selected pilot projects, for example MaterialLoop, analyze the feasibility for potential use in series production.
GRI 301-3	Reclaimed products and their packaging materials		Information unavailable/incomplete: Information is currently not available in the required level of detail.
GRI 306: Waste 2020			
GRI 306-1	Waste generation and significant waste-related impacts	80, 84	The Mission:Zero environmental program comprises a number of measures to reduce and avoid waste. Notable examples include plastic recycling in Neckarsulm and the reduction of logistics packaging. Any waste that remains unavoidable is disposed of properly in strict compliance with the legal requirements applicable at the site in question. The disposal method of the waste is documented. Waste data is recorded in the ABIS system at German sites and in similar systems at international sites, and is reported to the relevant authorities. The waste is classified into different categories and reported to the Group in accordance with the definition of waste indicators set out in the Volkswagen standard 98000. All waste is processed by specialist waste management companies in order to reduce the impact of the waste generated at Audi. These specialist companies are audited and assessed by employees of the Audi environmental protection departments. Audi is not aware of any significant negative waste-related impacts during the reporting period.
GRI 306-2	Management of significant waste-related impacts	80, 84	
GRI 306-3	Waste generated	85	
GRI 306-4	Waste diverted from disposal	84	
GRI 306-5	Waste directed to disposal	85	

Topic-specific Disclosures	Disclosure	Page	Comments/omission
Environmental			
Nature conservation and biodiversity			
GRI 3: Material Topics 2021			
Disclosure 3-3	Management of material topics	87	
GRI 303: Water and Effluents 2018			
GRI 303-1	Interactions with water as a shared resource	87, 90	<p>Water is indispensable in automotive production, for example in the paint shop or when testing for leaks. The water is either sourced externally or obtained by the company itself – in the form of rain water, surface water or ground water. After it has been used within the company, the resulting waste water is properly discharged, usually indirectly via a municipal waste water disposal company. All legal requirements regarding wastewater loads are complied with; these are based on national and local legislation at the locations where Audi produces. Audi is not aware of any negative impacts due to the discharge of wastewater. Any such impacts would be identified in the course of discussions with stakeholders, authorities, etc.</p> <p>AUDI AG has set itself the goal of drastically reducing its fresh water consumption and halving its ecologically weighted water consumption per car produced by 2035 compared with 2019. Ecological weighting takes into account the use of rain water and local water stress. Wherever possible, Audi already uses recycled water that has been treated and reused several times in the cycle. Our vision is to have closed water cycles at all our production sites as well as production processes that are free of drinking water</p>
GRI 303-2	Management of water discharge-related impacts	87, 90	
GRI 303-3	Water withdrawal	90	Information unavailable/incomplete: 303-3 a) iii. Seawater is not collected and is therefore not listed separately.
GRI 303-4	Water discharge	91	<p>303-4 c): All production sites are weighted according to the water stress present in the region. Necessary water management measures are derived from the assessment.</p> <p>303-4 d): As with the entire process for collecting key figures, the process for identifying the relevant wastewater load and wastewater limits is anchored in the Volkswagen standard 98000 (Environmental Management at Audi audi.com). Owing to the size of the Group, Audi sites are subject to different legislation. Some incidents are dealt with at a local level. There is no Group data available on incidents at present for this reason.</p>

Topic-specific Disclosures	Disclosure	Page	Comments/omission
Environmental			
GRI 303-5	Water consumption	90	Information unavailable/incomplete: 303-5 b) & c) The information is not currently available and we are working toward making it available in the coming reporting periods.
GRI 304: Biodiversity 2016			
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	91	
GRI 304-2	Significant impacts of activities, products and services on biodiversity		The business activities of Audi require the construction and use of production facilities that have an impact on local biodiversity. However, Audi endeavors to minimize this impact by implementing various biodiversity measures that go beyond the legal requirements and by preferring brown-field over green-field projects. Environmental pollution with a serious impact on biodiversity is not to be expected, since the noise, odor, vibration and pollutant levels are no longer significant beyond the plants' boundaries. While impacts in terms of the introduction of invasive species, pests and pathogens, loss of biodiversity and habitat conversion or changes to ecological processes that go beyond natural variations are not known, they are also estimated to be low.
Social			
Vehicle safety			
GRI 3: Material Topics 2021			
Disclosure 3-3	Management of material topics	99	
GRI 416: Customer Health and Safety 2016			
GRI 416-1	Assessment of the health and safety impacts of product and service categories	99	
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	99	

Topic-specific Disclosures	Disclosure	Page	Comments/omission
Social			
Fair working conditions and modern working forms			
GRI 3: Material Topics 2021			
Disclosure 3-3	Management of material topics	95	
GRI 401: Employment 2016			
GRI 401-1	New employee hires and employee turnover	113	The key figures are currently not calculated by age group, gender and region. These are not relevant for control purposes.
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	95	
GRI 401-3	Parental leave	95, 98	In general, all employees of AUDI AG are entitled to parental leave in accordance with the legal regulations. The key figures 401-3 c-e are not relevant for control purposes and are therefore not collected.
GRI 402: Labor/Management Relations 2016			
GRI 402-1	Minimum notice periods regarding operational changes	95	
GRI 404: Training and Education 2016			
GRI 404-1	Average hours of training per year per employee	98	No evaluation of the key figure by gender is available, because this is not relevant for control purposes.
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	95	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	95	

Topic-specific Disclosures	Disclosure	Page	Comments/omission
Social			
Occupational health and safety			
GRI 3: Material Topics 2021			
Disclosure 3-3	Management of material topics	107	
GRI 403: Occupational Health and Safety 2018			
GRI 403-1	Occupational health and safety management system	107	
GRI 403-2	Hazard identification, risk assessment and incident investigation	107	
GRI 403-3	Occupational health services	107	
GRI 403-4	Worker participation, consultation and communication on occupational health and safety	107	
GRI 403-5	Worker training on occupational health and safety	107	
GRI 403-6	Promotion of worker health	107	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	107	
GRI 403-8	Workers covered by an occupational health and safety management system	107	
GRI 403-9	Work-related injuries	109	Workplace accidents involving temporary workers or employees of external companies are not included in the reported accident frequency figure for reasons of confidentiality and data protection. All injuries sustained at any of the Audi Group's vehicle-producing companies are documented and analyzed in accordance with country-specific requirements. Similarly, all hazards that employees face at the companies are systematically assessed and documented as required by country-specific regulations. Details are not published for confidentiality reasons.
GRI 403-10	Work-related ill health		Legal prohibitions: For reasons of data privacy, we cannot publish any key figures related to work-related ill health.
Corporate culture, inclusion and diversity			
GRI 3: Material Topics 2021			
Disclosure 3-3	Management of material topics	110	

Topic-specific Disclosures	Disclosure	Page	Comments/omission
Social			
GRI 405: Diversity and Equal Opportunity 2016			
GRI 405-1	Diversity of governance bodies and employees	114	
GRI 405-2	Ratio of basic salary and remuneration of women to men		Through collective bargaining agreements involving the unions and management, AUDI AG undertakes to ensure that part-time and full-time employees receive equitable and fair pay; the activity alone determines remuneration.
Responsibility in the supply chain			
GRI 3: Material Topics 2021			
Disclosure 3-3	Management of material topics	103	
GRI 204: Procurement Practices 2016			
GRI 204-1	Proportion of spending on local suppliers		Audi is an internationally operating company and maintained production facilities in 13 different countries around the world during the reporting period. Services and products are procured on the basis of a global supplier base, with a focus on resource-optimized procurement. The term “major operations” is used to refer to sites in Europe and North America; associated companies in China are not included in this analysis. The term “local” refers to the entire region in which the respective operation is located. Under these assumptions, the volume of products and services procured locally by major operations accounted for 65.3 percent of the total Audi procurement volume in the year under review. Of that figure, Europe accounted for 55.7 percent (Germany: 36.4 percent) and North America for 9.6 percent.
GRI 308: Supplier Environmental Assessment 2016			
GRI 308-1	New suppliers that were screened using environmental criteria	103	
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	103	
GRI 414: Supplier Social Assessment 2016			
GRI 414-1	New suppliers that were screened using social criteria	103	
GRI 414-2	Negative social impacts in the supply chain and actions taken	103	

Corporate citizenship

GRI 3: Material Topics 2021

Disclosure 3-3	Management of material topics	118	
----------------	-------------------------------	-----	--

Stakeholder focus and long-term customer relationships

GRI 3: Material Topics 2021

Disclosure 3-3	Management of material topics	115	
----------------	-------------------------------	-----	--

Topic-specific Disclosures

Disclosure	Page	Comments/omission
------------	------	-------------------

Governance**Responsible digitalization**

GRI 3: Material Topics 2021

Disclosure 3-3	Management of material topics	131	
----------------	-------------------------------	-----	--

GRI 418: Customer Privacy 2016

GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	131	
-----------	----------------------------------------------------------------------------------------------	-----	--

Compliance and integrity

GRI 3: Material Topics 2021

Disclosure 3-3	Management of material topics	127	
----------------	-------------------------------	-----	--

GRI 205: Anti-corruption 2016

GRI 205-1	Operations assessed for risks related to corruption	127	
-----------	-----------------------------------------------------	-----	--

GRI 205-2	Communication and training about anti-corruption policies and procedures	127	It would not make sense to break down the key figures by region for the information on the governance body, as it is located in Germany. No breakdown by employee category and by region for the other criteria has been carried out, because this is not relevant for control purposes.
-----------	--------------------------------------------------------------------------	-----	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

GRI 205-3	Confirmed incidents of corruption and actions taken	127	
-----------	-----------------------------------------------------	-----	--

GRI 206: Anti-competitive Behavior 2016

GRI 206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices		Confidentiality constraints: Cases of actual and suspected violations of anti-trust law are isolated cases. The total number of cases is not reported for confidentiality reasons.
-----------	--------------------------------------------------------------------------------	--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Topic-specific Disclosures	Disclosure	Page	Comments/omission
Governance			
Sustainable corporate governance			
GRI 3: Material Topics 2021			
Disclosure 3-3	Management of material topics	122	
GRI 207: Tax 2019			
GRI 207-1	Approach to tax		<p>As a Group with international operations, Audi is aware of its social responsibility to comply with tax regulations (tax compliance) and regards it as its duty to be a responsible and reliable taxpayer (tax governance). It is of the utmost importance for the company to duly fulfill its tax obligations worldwide and minimize tax risks while safeguarding its shareholders' interests.</p> <p>AUDI AG therefore regards tax governance and tax compliance as important tasks and integrates them comprehensively into its risk management processes and systems. In order to deal with tax risks in a responsible manner, an internal Tax Compliance Management System has been introduced throughout the Group.</p> <p>Transactions between Group companies are carried out in accordance with the arm's length principle so as to comply with the applicable OECD guidelines for multinational companies. Inappropriate legal arrangements are to be avoided; this applies in particular to aggressive tax planning. Further information on the company's approach to tax (based on GRI 207: Tax 2019) is available at audi.com</p>
GRI 207-2	Tax governance, control and risk management		audi.com
GRI 207-3	Stakeholder engagement and management concerns related to tax		audi.com
GRI 207-4	Country-by-country reporting reporting tax data		audi.com
New mobility concepts			
GRI 3: Material Topics 2021			
Disclosure 3-3	Management of material topics	125	

Finance

Economic stability

GRI 3: Material Topics 2021

Disclosure 3-3	Management of material topics	33
----------------	-------------------------------	----

GRI 201: Economic Performance 2016

GRI 201-1	Direct economic value generated and distributed	33	
GRI 201-2	Financial implications and other risks and opportunities due to climate change	60	
GRI 201-4	Financial assistance received from government		Fact Pack



Read online how AUDI AG lives sustainability in practice, background information on the Group strategy and further details about products and services in the **Audi Report 2023** at [audi.com](https://www.audi.com).



Publication details

AUDI AG
Financial Communication/
Analytics, Investor Relations
I/FU-5

Auto-Union-Straße 1
85045 Ingolstadt
Germany

email:
ir@audi.de
[audi.com/investor-relations](https://www.audi.com/investor-relations)

LinkedIn:
[linkedin.com/company/audi-ag](https://www.linkedin.com/company/audi-ag)

Concept & layout:
C3 Creative Code & Content GmbH Berlin