



Audi

Corporate Responsibility Report 2014

We live 
responsibility

www.audi.com/cr-report

I Production locations

1 Ingolstadt, Germany (AUDI AG)^A **2** Neckarsulm, Germany (AUDI AG, quattro GmbH)^A **3** Brussels, Belgium (AUDI BRUSSELS S.A./N.V.)^A
4 Győr, Hungary (AUDI HUNGARIA MOTOR Kft.)^A **5** Sant'Agata Bolognese, Italy (Automobili Lamborghini S.p.A.)^L **6** Bologna, Italy (Ducati Motor Holding S.p.A.)^D
7 San José Chiapa, Mexico (AUDI MÉXICO S.A. de C.V., starting 2016)^A **8** Bratislava, Slovakia (VOLKSWAGEN SLOVAKIA, a.s.)^A **9** Martorell, Spain (SEAT, S.A.)^A
10 Kaluga, Russia (OOO VOLKSWAGEN Group Rus)^A **11** Aurangabad, India (ŠKODA AUTO INDIA PVT, LTD.)^A **12** Changchun, China (FAW-Volkswagen Automotive Company, Ltd.)^A **13** Foshan, China (FAW-Volkswagen Automotive Company, Ltd.)^A **14** Amphur Pluakdaeng, Thailand (Ducati Motor Thailand Co., Ltd.)^D
15 Jakarta, Indonesia (Pt. Garuda Mataram Motor)^A **16** Manaus, Brazil (DAFRA da Amazônia Indústria e Comércio de Motocicletas Ltda.)^D
17 São José dos Pinhais, Brazil (Volkswagen do Brasil Ltda., starting 2015)^A

^A Audi production locations ^L Lamborghini production locations ^D Ducati production locations



In addition to AUDI AG, locations 1 to 7 include fully owned subsidiaries and provide the basis for this report.



» worldwide

About this report



» www.audi.com/cr-report

This print edition of the Audi Corporate Responsibility Report 2014 is an abridged version. Topics for which more details are available on the report website (www.audi.com/cr-report) are marked in the texts with a # symbol. These can be accessed by entering the corresponding quicklink in the navigation bar of the online report.

In publishing the Audi Corporate Responsibility Report 2014, we are presenting our work in the area of corporate responsibility (CR) in detail to external and internal stakeholders and to the interested public for the second time, following the 2012 report.

This printed report is an abridged version of the Audi Corporate Responsibility Report 2014. The complete report can be viewed online in German and English at www.audi.com/cr-report. The printed report is also available in German and English, and can be ordered online. **#001 Order form**

Report period and content

The Audi Corporate Responsibility Report 2014 covers the period from January 1, 2013 to December 31, 2014. Supplementary information on significant activities that took place before and after the reporting period, through to the editorial deadline in March 2015, are also included. All information refers to AUDI AG as well as to fully owned subsidiaries (see the graphic on page 1). If the report refers to individual companies, sites or brands only, this is noted accordingly in the text.

The report content has been selected according to the principle of materiality. Since 2012, in cooperation with internal and external representatives of AUDI AG interests, trend analyses and stakeholder dialogues have been conducted to identify and evaluate material topics. The results are reflected in the materiality matrices of the report.

In addition, the data section contains important key figures that were reported for the period 2012 through 2014 and are, as a rule, collected using specialist data management systems in the various business divisions. The report conforms with the G4 Sustainability Reporting Guidelines reporting of the Global Reporting Initiative (GRI). It was prepared in accordance with the “core” scope as specified by GRI G4 Guidelines and provided by that organization with the GRI Materiality Disclosures Service, which confirms that the General Standard Disclosures G4-17 to G4-27 are listed in the report. An independent audit was also conducted by the auditing firm PricewaterhouseCoopers (see page 64).

#002 Audit report

UN Global Compact

In February 2012, AUDI AG joined the UN Global Compact as a sign of its willingness to accept corporate responsibility. Our current Communication on Progress regarding the ten principles and 21 criteria in the areas of Human Rights, Labor, Environment and Anti-Corruption is integrated into this report (see page 62).

Reporting cycle

A fully revised version of the Audi Corporate Responsibility Report is published every two years. The next report will be published in the first half of 2017. The main key figures for 2015 will be revised in the first half of 2016.

Contact

Readers with questions or comments are invited to contact Prof. Dr.-Ing. Peter F. Tropschuh, Head of Corporate Responsibility at AUDI AG, by email at cr@audi.de.



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The fuel consumption and emission figures of the models named in the report are on page 61.



Foreword by the Board of Management

Dear Readers,

This is a time in which we are experiencing and shaping major upheavals in our industry: For the urban centers of this world in particular, new concepts of individual mobility are being created. City dwellers have to manage their lives with less and less space, hope for clean air and want to help to protect our planet's climate. For 130 years, the idea of automotive mobility has been based on the combustion engine, whose emissions are considered among the causes of global climate change, however. We have come to understand that we must drastically change something. And we are acting on that conviction.

Our goal is to reduce, to the best of our abilities, the emissions that we generate with our products and processes. More efficiency is the order of the day. Innovative drive trains, fuels of the future, energy-saving production processes and resource-conserving logistics are just the beginning. We also see the digital revolution as an opportunity: If big cities are connected, they could direct traffic flows in an efficient, resource-saving manner, making harmonious use of local public transportation and individual mobility possible. Fewer traffic accidents and greater efficiency – that is what we are hoping to achieve with a new key technology, piloted driving. With a driverless run at up to 240 km/h on the Hockenheimring racetrack and a drive covering 900 kilometers from California to Nevada, we have shown how safe and powerful such connected systems can be. This example demonstrates just how intelligent mobility can become by means of connected data. Even more important are some general parameters: Data protection, data security and other legal principles raise the question, for example, of who will cover liabilities related to piloted driving. Our dialogue with key stakeholders concerning this topic showed in late 2014 that there are still aspects that need to be clarified.

A company can develop sustainably only if economic, ecological and social interests are assigned equal importance. This is why the sustainability of products and processes is anchored as a corporate goal in our strategy. And we regularly confer with our stakeholders to determine if the issues we consider essential to this strategy are also important to them – and vice versa. At the end of 2014, the most recent analysis showed that fuel consumption and emissions, the future of mobility, economic stability and corporate culture are the main fields of action – both for us and our stakeholders.

We take the interactions between the Company, society and the environment very seriously. These include voluntary commitments in the areas of human resources policies and environmental concerns. One important signal is that we are clearly committed to human rights. Since 2012, AUDI AG has been a member in the Global Compact of the United Nations, and we uphold the ten principles of this organization, which range from protecting workers' rights to environmental protection, and from human rights to the fight against corruption.

We want to help preserve this world as a place where future generations will enjoy a good quality of life, and we are always aware of this, with every decision and every action. With this report we are documenting how we are moving closer to this goal every day, in addition to providing the concrete facts and figures that make our actions transparent.

We hope you will continue to join us in maintaining an open and trusting dialogue focused on long-term, sustainable operations and the mobility of tomorrow.

May 2015

The Board of Management of AUDI AG

Facing page, left to right:

Prof. h. c. Thomas Sigi
Human Resources
Axel Strotbek
Finance and Organization
Prof. Dr.-Ing. Ulrich Hackenberg
Technical Development
Prof. Rupert Stadler
Chairman of the Board
of Management
Luca de Meo
Marketing and Sales
Dr. Bernd Martens
Procurement
Prof. Dr.-Ing. Hubert Walth
Production

Prof. Rupert Stadler

Luca de Meo

Prof. Dr.-Ing. Ulrich Hackenberg

Dr. Bernd Martens

Prof. h. c. Thomas Sigi

Axel Strotbek

Prof. Dr.-Ing. Hubert Walth



About Audi

A detailed description of the Company's economic development is provided in the Audi 2014 Annual Report.

» www.audi.com/ar2014

The Audi Group, comprising the brands Audi and Lamborghini, is one of the internationally leading carmakers in the premium and supercar segment. Since 2012, the product range has also featured motorcycles built by the traditional Italian brand Ducati. In 2014, a total of 1,741,129 Audi models were delivered to customers, 10.5 percent more than in the previous year. In the past fiscal year, the Lamborghini brand delivered 2,530 vehicles to customers, and Ducati sold 45,117 motorcycles.

Volkswagen AG is the major shareholder of AUDI AG and controls approximately 99.55 percent of the share capital. The Audi Group has its headquarters in Ingolstadt, and the second German production and development site is in Neckarsulm. In total, the Audi Group had production operations at 15 locations in 12 countries in 2014, employing 77,247 men and women worldwide (see graphic on page 1).

I Economic development

The Company improved its revenue in 2014 compared with the previous year by 7.8 percent to EUR 53,787 million. The Audi Group was able to post an operating profit of EUR 5,150 million and an operating return on sales of 9.6 percent. Expenses increased as a result of high upfront expenditures for pioneering technologies and new products as well as the expansion of the international production network.

I Acting responsibly

We firmly believe qualitative growth can be achieved only by acting responsibly. The field of action "We live responsibility" is consequently anchored in the Audi strategy as one of four pillars. This action is carried out on the basis of five core themes: Operations, Product, Environment, Employees and Society.

1,741,129

Audi models
delivered in 2014



Prof. Rupert Stadler, Chairman of the Board of Management of AUDI AG, on the challenges facing the automotive industry



“We are investing in the future”

Audi has developed very successfully in recent years. What makes you confident that this will continue in the future?

Success doesn't come easily. If you want to operate successfully and sustainably, you need solid, responsible corporate planning. That is why we never lose sight of the diverse challenges on the global markets. But at the same time we enjoy the benefits of our brand's powerful appeal and an attractive product portfolio. We are perceiving a worldwide upward trend for premium products and will also continue to invest heavily in the future – in the years 2015 to 2019 alone those investments will amount to EUR 24 billion, and 70 percent of that is earmarked for new models and technologies.

This year we will start producing in Brazil, and in 2016 we will start production at our new plant in Mexico. With these steps we are reinforcing our path to internationalization and covering all regions in which we are expecting disproportionate growth with local plants.

A decisive factor will be how well we anticipate the challenges that the mobility of tomorrow will pose. Success will definitely elude anyone who fails to recognize these signs of the times.

You are addressing the challenges of the future. Where do you see them emerging in the years and decades ahead?

First of all is the need to determine what footprint our generation and the generations to come want to leave behind on this planet. We all have to learn how to economize as efficiently as possible with scarce resources, for example. This is why we, as automakers, are making a supreme effort to contribute what we can – with alternative drives and fuels, innovative material concepts, environmentally sound logistics and a new, comprehensive process concept. All that culminates in the vision of carbon-neutral mobility and a company with fully eco-efficient operations.

Challenge number two is internationalization: Any company looking to continue its growth has to be present on all sales markets. In addition to

expansion of the dealer organization, I have already mentioned the growing production network. For this we need international suppliers and employees.

The third formidable challenge is resulting from digitalization and connectivity. The digital revolution is changing every dimension of how we live, including individual mobility. Despite all the possible risks associated with measures for data protection and data security, we see opportunities in this field above all. Connectivity is making driving safer, more comfortable and more efficient. Piloted driving and parking is our current decade's key technology.

And the fourth challenge is the increasing population density of our cities. How the car and the city converge upon each other is playing a crucial role, especially for urban mobility.

In addition, we recognize that the world of work is clearly undergoing a transformation. On the one hand, we need entirely new competences that no one imagined would have a place in the automotive industry just a few years ago, and then there is the younger generation, which expects us to offer more flexible ways of working. They want us to support creative approaches to work and make it easier for them to balance their careers with their family life.

Audi has been championing the cause of “Sustainability of products and processes.” What's behind this?

Our strategic corporate goal “Sustainability of products and processes” points the way to how we want to put our sense of responsibility into practice in our everyday work. In concrete terms, this means interlinking social, ecological and economic benefits in all core processes. We act in a future-oriented way to safeguard the competitiveness of this company in every respect for the long term. Absolute transparency concerning what we do and how we do it is something I consider indispensable. This report is one dimension of our transparency.

#003 Full interview with Prof. Rupert Stadler



Audi

Vorsprung durch Technik

In dialogue for the future

The past two years have seen us refine our corporate responsibility strategy and step up the dialogue with our stakeholders. We are also gradually integrating our international companies. This includes not only the Audi production locations in Brussels, Győr and San José Chiapa (from 2016), but also the other Audi Group brands.

I Managing responsibility

The corporate goal of “Sustainability of products and processes” points the way for our CR work. It means reconciling social, ecological and economic benefits in all core processes, being mindful of the future in our actions, and thus securing the long-term competitiveness of the Company.

The individual divisions of AUDI AG derive their stance on sustainability, along with the goals for their specific areas, from the corporate goal and integrate these into their various processes. The focus on reducing CO₂ emissions from our products and in production results from this strategic objective. In the period under review, we also operationalized the sustainability goal in respect of employees and society, for example in the new Audi leadership principles or in the principles for corporate citizenship at the locations. The goals for the coming years and the measures through which the individual divisions will be pursuing them are summarized in our CR program on page 14.

#101 Context analysis; risk management

#004 Complete CR program

I Our compass

In 2014, we submitted our second Declaration of Conformity with the German Sustainability Code. In addition, we are committed internationally to the principles of the United Nations Global Compact, the Universal Declaration of Human Rights, the principles of the International Labour Organization (ILO), the principles of the Organisation for Economic Co-operation and Development (OECD), the Rio Declaration on Environment and Development, and the UN Convention against Corruption.

Alongside generally valid principles, we look to the internal guidelines of our Group parent Volkswagen, such as the “Declaration on Social Rights and Industrial Relations at Volkswagen” (Volkswagen Social Charter), the “Volkswagen Charter on Labor Relations,” the “Charter on Temporary Work of the Volkswagen Group” and the “Training Charter of the Volkswagen Group.” **#102** Download

»» The corporate responsibility strategy

For Audi, corporate responsibility means considering the economic, ecological and social consequences of every decision. CR is therefore anchored in the Audi strategy as one of four fields of action under the heading “We live responsibility.” In addition, the corporate goal of “Sustainability of products and processes” forms the basis of the Audi strategy. It is implemented in practice under five core themes: Operations, Product, Environment, Employees and Society. Goals, measures and levels of goal attainment are regularly defined for each of these core themes.

At Audi, we refer internally to established guidelines such as the Code of Conduct, the compliance guideline of the Board of Management and numerous other guidelines and company agreements that serve as signposts for the employees and management. **#103** Guidelines

I What we promote

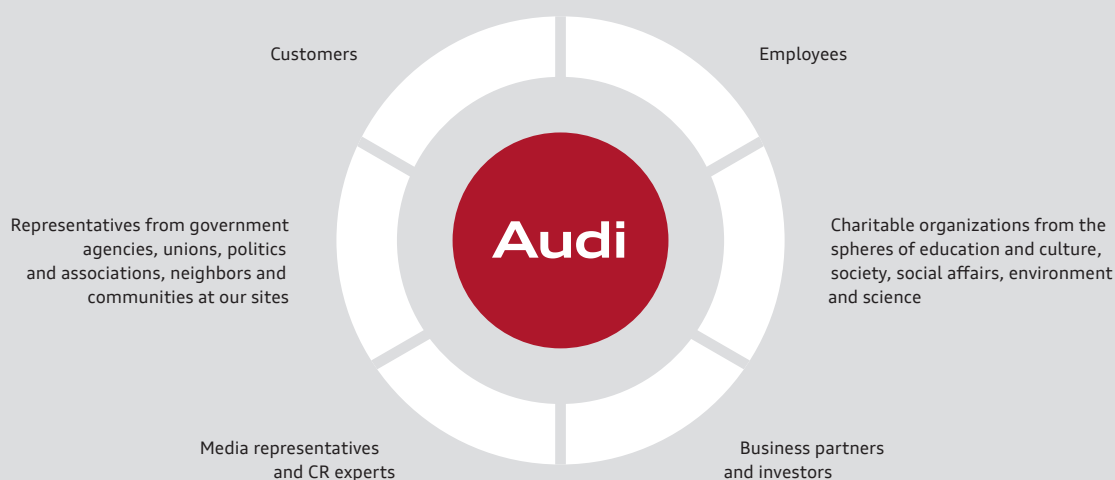
We view involvement in charitable causes as an integral part of corporate responsibility for AUDI AG. Against this backdrop, the full Board of Management approved the “Support Guidelines for Corporate Citizenship” at the end of 2013. Audi attaches particular importance in this respect to the topics of education, technology and disaster relief. Together with the relevant managers at the locations, we also drew up “Global principles for corporate citizenship” and approved these in August 2014. They serve as a guide for the Audi Group locations and are an aid to selecting targeted regional development measures. **#104** Social responsibility

I Providing impetus

The Corporate Responsibility department advises the international companies on questions concerning sustainability issues. It assists the colleagues locally with the development of their own CR strategies which, in keeping with the Audi model, are based on the triad of economic, ecological and social responsibility. **#105** CR strategy of Audi Hungaria and Lamborghini

I Involvement pays off

Ratings are another indication that our efforts are having an effect. In 2014, Audi took first place in the Sustainability Image Score. This consumer survey was conducted by the Serviceplan agency in partnership with the market researchers Facit Research, the University of Vienna and the St. Gallen University of Applied Sciences as a means of gauging the sustainability image of companies in Germany. According to the researchers, “Vorsprung durch Technik” is increasingly equated with green or efficient technology. In the subject area of social matters, Audi achieved top marks as the most popular employer and as a company that creates and safeguards jobs. Consumers also appreciate our broad-based promotion of young talents and our corporate citizenship in all countries where we have production locations. **#106** Sources



Our principal stakeholders

I Established and well connected

The Corporate Responsibility department is directly subordinate to the Chairman of the Board of Management and reports to the full Board of Management. Over and above the direction of the CR strategy, its responsibilities include agreeing the topics and structures with the VW Group and also with the Audi locations and brands, stakeholder management, communication on sustainability matters and participation in sustainability ratings. The Corporate Responsibility department also leads the Corporate Responsibility working group, which was set up in 2011. This group comprises representatives of all divisions and of the Works Council. The working group's mission is to drive forward strategic topics in the corporate responsibility area and to bring together CR activities in the Group.

#107 International exchange on CR and sustainability

I Board resolutions

In March and September 2014, the full Board of Management of AUDI AG passed two resolutions on the further development of the sustainability strategy, based on papers submitted by the CR working group: The first seeks to raise employee awareness of the topic of sustainability and to promote the substantive change process through specific projects and measures. The aim of the resolution is to pay even greater consideration to legislative

requirements, customer expectations, the impact of internationalization and the associated global competition, and also to the Group's own policies for the strategy process. In a second resolution, the Board of Management of AUDI AG defined the term "ultra" as a leitmotif for pioneering sustainability issues. "ultra" thus stands for the claim to link our brand essence of "Vorsprung durch Technik" closely to sustainability and groups together concrete sustainability activities.

» Managing stakeholder dialogues

If we know the interests and needs of our stakeholders, we can align our business decisions more closely with their expectations. Audi stakeholder management therefore serves us as a guide for evolving the CR strategy. Past experience has shown that our stakeholders' input and expertise provide a vital impetus for our work.

The period under review saw us refine and internationalize the stakeholder management system introduced in 2012. It is based on the AccountAbility 1000 Stakeholder Engagement Standard (AA1000AS) and its principles of inclusiveness, materiality and responsiveness.



During the Audi Stakeholder Forum 2014, experts discussed mobility concepts for the future.

I Selected dialogue formats

At Audi we have tailored a variety of dialogue formats to the stakeholder groups. The main instruments of dialogue are:

- ▶ Stakeholder conferences
- ▶ Stakeholder surveys (online, individual surveys and interviews)
- ▶ “Forum Responsibility” social media platform for employees
- ▶ Series of talks and discussions
- ▶ Neighborhood dialogues
- ▶ Initiatives and working groups within the industry and involving political representatives

AUDI AG holds the Audi Stakeholder Forum every two years. For the forum’s headline topic in 2014, we chose the digitalization and connectivity of vehicles as a key megatrend for Audi. Audi is regarded as a pioneer of piloted driving, which involves a whole array of aspects that are of relevance for sustainability: increasing road safety, optimizing traffic flows in conjunction with reducing CO₂ emissions and the more efficient use of urban infrastructure. But the topic of connectivity is also closely tied up with the public debate surrounding the issue of data security. In October 2014, we held a discussion in Berlin with around 120 representatives of industry, science, non-governmental organizations (NGOs) and politics about vehicle connectivity and its implications for the future shape of mobility.

The detailed findings of the Berlin Stakeholder Forum are available for downloading at www.audi.com/cr. Together with the conclusions of other dialogue formats, they are incorporated into our sustainability strategy and form an important basis for future corporate decisions.

#108 Audi Stakeholder Forum 2014

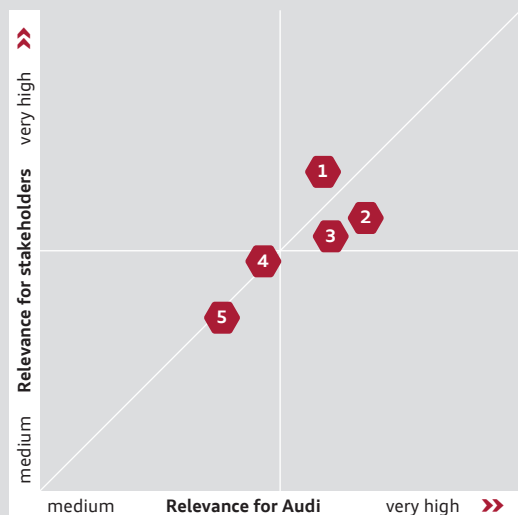
The Audi Stakeholder Forums will be further developed in 2015. There are plans to adopt the dialogue formats at the international locations, and to discuss regional topics in greater depth there. The next large-scale Audi Stakeholder Forum along these lines, in 2016, will again pick up on a global megatrend and examine it from a variety of perspectives.

I Engaging with bright minds

In 2013, we launched a new dialogue format for our workforce at the Ingolstadt and Neckarsulm locations. The “Responsibility Perspective” series of lectures offers employees the opportunity to share ideas with representatives from NGOs, academics and politicians on the subject of sustainability. The discussions hone a critical look at Audi. They sensitize our colleagues to the issues of the future, social developments and the opportunities and challenges that these present to our Company.

#109 Dialogue partners

Capturing the essentials



1 Product 2 Operations 3 Employees 4 Environment 5 Society

The findings of our dialogues with the various stakeholder groups are fed into our materiality analysis. Building on the stakeholder survey conducted in summer 2012, we systematically gathered data on the relevance of various topics among our stakeholders over the course of 2013 and 2014. At the start of 2013, 1,500 employees at the Ingolstadt, Neckarsulm, Brussels and Győr locations were asked to rate the importance of sustainability topics at Audi and the Company's performance in tackling them.

In August 2014, we also interviewed Audi management representatives in Belgium, Germany, Hungary, Italy and Mexico using standardized questionnaires in order to compare their views with the findings already fed into the materiality matrix. To enable us to zoom in further on the relevance of sustainability topics as perceived externally, we conducted the project "Materiality analysis of international sustainability aspects for AUDI AG" in cooperation with the Fresenius University of Applied Sciences (Munich) in 2014. The goal was to find out to what extent the sustainability aspects defined by the Global Reporting Initiative are considered relevant for Audi in various countries.

We mapped the results of the materiality process in a matrix. This vividly expresses the relevance for Audi (on the x-axis) and its stakeholders (on the y-axis) in relation to each other. The individual chapters of the report consider the key CR topics for Audi according to the core topics Operations, Product, Environment, Employees and Society, and map each of them in a separate matrix. **#110 Full materiality matrix**

I The voice of the employees

We make the results of these discussion sessions along with other CR topics available to all employees on our online information platform "Forum Responsibility." Our employees can also initiate their own discussion in the "What moves me" section. We counted over 66,000 page impressions in 2014.

In 2013, the Works Council used the World Café dialogue concept for the first time to discuss topics such as "professional and private" in a relaxed atmosphere and gather findings for Audi's future work. The Works Council refers to the findings of these interactive events in discussions with employees and managers, in works meetings and at the "Works Council in Dialogue" event.

“ Responsibility means that companies address the consequences of their actions and products, while at the same time taking positive action for the benefit of society. In doing so, they bear responsibility for their products and employees, as well as for the regions around their locations. ”

Dr. Gerd Leipold, Executive Director of Greenpeace International 2001–2009

■ 2013
 ■ 2014
 □ pending

[illegible][illegible]

I Environment

Goal	Measure	Date	Degree of completion
Reduce waste for disposal, freshwater consumption, CO ₂ and VOC emissions as well as overall energy consumption at the production sites by 25 % per reference unit (base year 2010); within the scope of energy supply, a reduction target of 40 % per reference unit by 2020 (base year 2010) is in effect for the German sites for CO ₂	Detailed planning and implementation of site-specific packages of measures for attainment of Group-wide reduction targets	2018	
Expand and develop measures for reducing freshwater consumption at national and international sites	Realization of water recycling through use of a membrane bioreactor at the Ingolstadt site; reduction target for freshwater requirements: 40 %	2016	
	Continuous investment in projects with the long-term goal of wastewater-free production in Mexico	2016	

I Employees

Goal	Measure	Date	Degree of completion
Promote employee qualification and training	Continuing dual study programs in cooperation with universities	Continuous development	
Adapt training to future technologies	Introducing new apprenticeship vocations and programs	Continuous development	
Improve compatibility of working life and family	Introducing and implementing measures to support employees in caring for family members	2015	
Company-wide coverage with management systems for occupational safety and health protection	Further development of an ergonomic evaluation system, in particular in the indirect area	2015	

I Society

Goal	Measure	Date	Degree of completion
Develop and expand measures for shaping urban mobility of the future	Utilizing the results of research from the Audi Urban Future Award 2014 for the Company and entering into development partnerships with cities (Urban Future Partnerships)	2015	
Early support for children and young people in the areas of mathematics, information technology, natural sciences and technology (MINT)	Holding of five events by the MINTmacher initiative in cooperation with schools and daycare centers in the Ingolstadt region	2016	



Aligning our actions with our values

In order to achieve long-term success in global competition, a company must generate profits. This is the only way it can invest in the future and offer secure jobs. The Audi Group regards one of its key tasks as conducting its business transactions in a responsible and value-oriented manner.

■ Success through responsibility

On the way to becoming the leading premium brand, it is essential to identify the challenges of the future early on and find solutions to them. These solutions must unite economic success with both social and ecological aspects – this combination is an integral component of the Audi self-perception.

We take responsibility for our actions, not just by complying with rules but by seeking to anchor sustainability of products and processes along our entire value chain. In the area of operations, Audi has committed itself to upholding a variety of standards and norms, including the following:

- ▶ German Corporate Governance Code
- ▶ Standard for risk management and internal control systems from the Committee of Sponsoring Organizations of the Treadway Commission
- ▶ UN Convention against Corruption

Implementation of these and other standards is the responsibility of the Governance, Risk & Compliance area as well as the managers in the business divisions and companies.

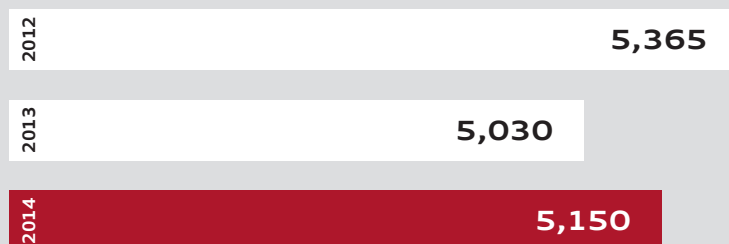
I Stable earnings performance

Long-term stable earnings performance is a reflection of a company's earnings power. However, growth must be accompanied by profitability in order to satisfy the Audi brand's premium standards. Qualitative growth is therefore a key focus of a responsible and value-oriented corporate management approach. This can only be achieved by means of efficient structures and processes, targeted investment management and continuous cost optimizations. Our high level of self-financing gives us extensive scope to invest and act. We regard it as especially important to always finance investments from self-generated cash flow. Our Company's high earnings power is also reflected in our key return ratios.

9.6 %

operating return on sales in 2014

Development of operating profit
(in EUR million)



Of equal importance to the Company's economic success is constructive teamwork between employees and Group management. The cooperation between these two partners has been documented in a participation agreement that formulates the in-house participation rights. For the employees' elected representatives, location and job security are corporate goals of equal importance to profitability. They regard these as fundamental requirements for remaining at the top of the premium segment in the long term as a globally operating company.

I Measuring and managing

In a challenging market environment, the Audi brand set another record in 2014 by delivering more than 1.74 million vehicles to customers. Revenue thus grew by 7.8 percent to EUR 53,787 million. Operating profit reached EUR 5,150 million, while the operating return on sales was 9.6 percent.

In order to achieve its ambitious strategic goals, the Audi Group relies on a variety of different control parameters. Alongside important financial key figures, the Audi Group management system also contains non-financial performance indicators. The key performance indicators in the management system are derived from our strategic goals. Within the scope of our value-oriented corporate management approach, the following key performance indicators serve as the basis for management of the Audi Group:

- ▶ Deliveries to customers
- ▶ Revenue
- ▶ Operating profit
- ▶ Operating return on sales
- ▶ Return on investment
- ▶ Net cash flow
- ▶ Ratio of investments in property, plant and equipment

Additional information on the key performance indicators as well as on net worth, financial position and financial performance is available in the Combined Management Report of the Audi Group and AUDI AG in the 2014 Annual Report (www.audi.com/ar2014).

In addition, Audi is continually further refining its management tools for sustainable operations. Sustainability requirements have been included in supplier contracts since 2014. Before submitting a bid, suppliers must actively confirm their compliance with the "Volkswagen Group requirements regarding sustainability in its relationships with business partners."

Key topics

Building on the stakeholder survey conducted in 2012, we systematically surveyed the relevance of various topics related to operations in 2013 and 2014 as well. Especially great importance is still accorded to the aspects of “economic stability” and “customer orientation.” All in all, the relevance of topics related to responsible operations is predominantly assessed as high to very high by external stakeholders and Company representatives alike.

- 1 Economic stability 2 Customer orientation 3 Corporate governance and compliance
4 Environmental and social standards in the supply chain 5 Transparency and reporting
6 Stakeholder integration



» Compliance and risk management

AUDI AG largely fulfills the recommendations of the German Corporate Governance Code in the version dated June 24, 2014. This code contains the statutory regulations for management and control of German listed companies as well as nationally and internationally recognized standards for responsible corporate management. The Board of Management and Supervisory Board of AUDI AG have studied the contents of the German Corporate Governance Code in detail and made appropriate resolutions. In November 2014, the committees published an updated version of the joint declaration of conformity on the website www.audi.com/cgk-declaration.

I Acting lawfully

Ensuring that all corporate decisions are made in accordance with the relevant laws, internal rules and voluntary commitments is of fundamental importance to the long-term success of Audi. Audi has therefore developed a preventive approach to compliance, the aim of which is to exclude the possibility of potential breaches of the rules in advance. The Group-wide Code of Conduct provides the basis for this approach.

I Supporting and advising

The Governance, Risk & Compliance area manages compliance activities throughout the Group. This area is led by the Chief Compliance Officer, who reports directly to the Chairman of the Board of Management. He is supported by 27 compliance officers working at the subsidiaries of AUDI AG. A further 16 risk compliance coordinators work in the individual divisions of AUDI AG, acting as multipliers.

#201 Compliance management system

I Informing and communicating

Training forms a central component of Audi's preventive approach to compliance. New employees are informed about compliance and the Audi Code of Conduct at events. In order to implement the available training seminars on the compliance focus topics as appropriately as possible for the target groups, Audi has established the Compliance Academy to hold training seminars on the topics of anti-corruption, antitrust law, money laundering and outsourcing. The new learning management solution, the Audi Learning Portal, will facilitate organization and execution of training seminars from 2015 onward. This should ensure that the latest information on statutory and internal rules is provided in compliance risk areas. #202 Communication campaign

“ The most important activity a company can perform today in the area of sustainability is to carefully analyze its value chain in order to identify its own potential social and environmental risks. ”

Prof. Dr. Guido Palazzo, Université de Lausanne



Sharpening risk awareness:
Audi sensitizes its employees.

I Risk management

Ensuring that risks and opportunities are handled responsibly and constructively is a high priority in the Audi Group. The goal of risk management is to identify potential risks early on, minimize them and initiate measures to actively counter them. It also enables rapid response to changes in the environment of a premium automobile manufacturer.

Audi regularly uses standardized risk assessment tools to identify and prioritize risks of key relevance to its business activity. Causes and impacts on the Audi Group are examined in risk analyses and improvement potential in risk management is made transparent.

We approach complex risk management topics through risk modeling that takes into account the chain of cause and effect. A cross-divisional strategy project has been launched in order to further refine our strategic risk and opportunity management. External influences and developments of high relevance to our business model are identified early on and analyzed holistically. Using this early strategic planning system, we can identify the megatrends and key factors of relevance to our business model and recognize the associated strategic risks or opportunities.

I Clear responsibilities

The tasks and organization of risk management as well as the annual control process for assessment of risks are anchored in a Board Directive. In addition, we hone the risk awareness of our risk officers and encourage the sustainable development of a positive risk culture in the Audi Group. The risk management system relies on a consistent role model with decentralized responsibility and management of risks by the business divisions and individual departments as well as centralized coordination and authority to issue directives by central risk management and the compliance functionality.

Further central organizational tasks of Governance, Risk & Compliance include ongoing development of risk management tools, training courses and interactive training programs as well as advising the operating units. The effectiveness of the system is continuously monitored by Internal Audit and in some areas by external auditors as well. Risk management is based on the internationally recognized standard defined by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

203 Integration concept; audit committee

» Supplier relationships

The aim of AUDI AG's procurement policy is to select suppliers who meet the Company's quality requirements in all areas and help us live up to our brand pledge of "Vorsprung durch Technik." In order to make optimum use of synergy potential, Audi chooses suitable business partners in cooperation with the Volkswagen Group. The entire VW Group's procurement management has been based on the concept of "sustainability in supplier relationships" since 2006.

It rests on four pillars.

- ▶ VW Group sustainability requirements:
Before submitting a bid, suppliers must actively confirm that they satisfy the "Volkswagen Group requirements regarding sustainability in its relationships with business partners" (Code of Conduct for business partners).
- ▶ Integration of sustainability requirements in the supplier agreement
- ▶ Early warning system for identification and minimization of risks across the value chain
- ▶ Monitoring and development of suppliers

#102 Download

Among other things, the Group – and with it Audi – expects suppliers to implement an environmental management system, to avoid damage to human health and the environment during production, to guarantee their employees freedom of association, to refuse to tolerate discrimination, to ban child and forced labor as well as to meet national statutory guidelines and minimum standards in regard to working times and remuneration. Furthermore, Audi expects suppliers to ensure that their own suppliers act sustainably as well.

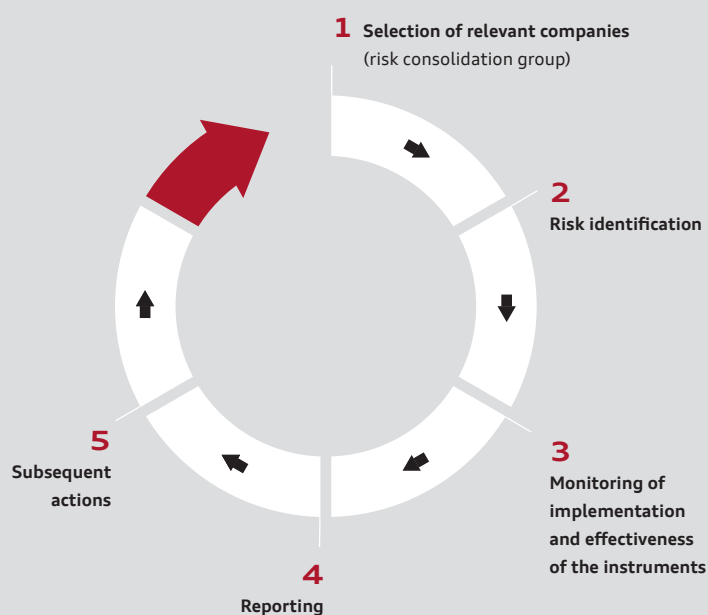
The Group-wide concept is being continuously further developed: In addition to the previously valid environmental and social standards, agreements concluded since 2014 also contain auditing rights as well as a right to extraordinary termination in the case of violations. Stronger emphasis has been placed on topics such as anti-corruption, money laundering, import and export controls, and competition law. **#204** Ad hoc teams; Aluminium Stewardship Initiative

» Experiencing the brand

We accord top priority to our customers' wishes. For this reason, we do everything within our power to make both our products and our services as convincing as possible. We ensure high quality across the entire production process, address our customers' concerns at Board level, make it possible to experience the Audi brand firsthand, offer mobility services for companies and train our dealers.

Audi's quality standards are firmly anchored in its corporate culture. All employees across the entire production chain and in all business divisions do their part. Quality assurance employees bring all of their experience to bear as early as the concept development stage, providing support for the product creation process from development all the way through to the start of series production. During production, quality assurance is part of the quality control loop, thereby facilitating a constant quality standard in series production. In addition, the quality assurance team conducts regular discussions with Audi dealers and service partners. We use our customers' suggestions and experiences in order to continuously improve our products. This quality work is the foundation for numerous awards and top places in competitions. **#106** Sources

Risk management
and compliance
control process in
the Audi Group





Audi City stores:
All model versions can be
experienced digitally.

I Virtual showrooms

One worldwide trend is the increasing demand for individualized and personalized products and services. Audi is responding to this with its Audi City store concept. Following the successful launch in London in July 2012, Audi opened additional Audi City stores in Beijing in January 2013 and in Berlin in February 2014. State-of-the-art media technology at Audi City stores enables visitors to virtually explore the variations and equipment packages on Audi models even before making a purchase. The virtual showrooms have also become meeting places where customers and fans of the brand gather to exchange thoughts and ideas or to take part in cultural events. **#205** Audi Kundentisch; Training Center

I Protecting customer data

The increasing connectivity of cars with their environment and with each other necessitates the gathering and processing of large quantities of data in real time. This data is used to make vehicles safer and more comfortable, to protect road users and enhance the efficiency of traffic flows. On the other hand, however, it also poses the danger of manipulation and inappropriate use. Audi therefore regards conscientious use of data as an integral part of its corporate responsibility. The focus is on transparency, self-determination and data security.

#206 Data security

I Service for businesses

Audi shared fleet is a mobility service individually tailored to the car pool of businesses. Employees of these businesses have the option of driving vehicles from the Audi shared fleet at attractive rates in their private time, such as in the evening and on week-ends. Businesses can thus optimize utilization of their fleet and keep vehicle downtime to a minimum.

Shared use is coordinated via an online booking portal. Each employee receives a personal membership card that gives them keyless access to all vehicles. Audi handles refueling, cleaning and servicing of the cars in the fleet to guarantee that ready-to-drive cars are available at all times. In addition to the classic leasing model, the pay-per-use service provides customers with a flexible billing model in which they pay only for actual usage time. Customers can tailor their fleet to consist of any desired combination of vehicles from the Audi model and technology range.

I High customer satisfaction

Our customers' satisfaction with our products and services is clearly evidenced by a variety of awards and prizes for customer satisfaction:

- ▶ Among German automakers, Audi ranks at the very top of the confidence index compiled by the German business magazine "WirtschaftsWoche" (September 2014). The jurors attribute this top-place finish to Audi's high product quality and the low number of recalls.
- ▶ At the Auto Mobil International (AMI) in Leipzig in May 2014, Audi received the Autohandel award from the German car magazine "Automobilwoche" – both for best consulting at dealerships as well as in the category of financial services. A mystery shopping study evaluated sales consultations at some 800 dealerships representing a total of 16 automotive brands.
- ▶ Audi is the Germans' favorite car brand. This was confirmed by the "YouGov BrandIndex Top Performer 2013" brand ranking. Audi came in eighth place in the overall evaluation of all sectors. The results are based on approximately 320,000 interviews conducted online by the market research and consulting agency YouGov between June and December 2013.

#207 Customer satisfaction **#106** Sources

» Co-determination at Audi

As a fair social partner, cooperation between Company management and the Works Council plays a key role for Audi. Worldwide, all Audi sites and subsidiaries have employees' elected representatives who safeguard the interests of the employees. All employees' elected representatives at the European sites of the Volkswagen Group are organized in the European Group Works Council (EKBR). Together with the other international works councils, they form the Global Group Works Council (WKBR) of Volkswagen. In order to improve international cooperation among all European sites and subsidiaries, the employees' elected representatives and the Company management of AUDI AG founded the Audi Europe Committee in October 2013. The networking body discusses important future topics, such as demographic change.

The General Works Council of AUDI AG has 14 committees and commissions that address topics such as competence development, demographics and occupational safety/health protection. During the reporting period, new committees were added. These include the committee on international personnel assignment for ensuring fair framework conditions across national borders. Another new specialist body is the Industry 4.0 committee, dedicated to harnessing technological progress to improve working conditions for employees and to using increasing digitalization, for example to provide them with more flexible working time models and other benefits.

I Works Council elections

Following the elections in early March 2014, 55 employees now represent their colleagues' interests at the Ingolstadt site, four more than before. In Neckarsulm, two more employees' elected representatives were added, bringing the total to 41. The IG Metall trade union provides 49 of these representatives in Ingolstadt and 33 in Neckarsulm. 26,691 employees in Ingolstadt voted in the election, more than ever before. **#208 Employee representatives**

I Responsibilities and rights

In the interest of the employees, the employees' elected representatives monitor compliance with valid laws and guidelines, collective bargaining agreements and Company agreements. The German Works Constitution Act gives the Works Council the right to co-determination and participation in social, HR and economic affairs. In addition to job security, the Works Council at Audi seeks to maintain the Company's profitability and ensure its readiness for the future. For instance, flexible time accounts can be used to secure jobs when economic conditions are difficult. To this end, the Works Council and Company management work together closely to coordinate optimum production procedures.

#209 Works Council initiatives

Company and Works Council get together to find the course for the future.





Thinking mobility further

Our corporate responsibility is evident above all in our vehicles. Today and for the foreseeable future, the automobile is one of the central means of transportation for individual mobility throughout the world. This situation harbors opportunities, but also challenges and conflicting goals that Audi is striving to solve in the interest of its stakeholders.

I Driven by responsibility

We are working on the mobility of the future in keeping with our brand claim “Vorsprung durch Technik.” We want to bring efficiency and performance as well as connectivity and individuality into harmony. Our products should delight our customers, protect the environment and offer a high level of safety. Our vision is to make carbon-neutral mobility possible.



The “ultra” emblem identifies the most efficient model in a model series.

We already published our product and efficiency goals in our first CR Report in 2012, and have specified them in greater detail in this report. First, we satisfy the stringent statutory requirements for the average fuel consumption of the Audi new vehicle fleet. Second, we offer our customers a diverse range of vehicles that combine ultimate product quality with low consumption and emission values. We assign the attribute “ultra” to the most efficient model in each model series.

One task that has been a constant at Audi for many decades now is the resolution of the conflict between increased comfort and safety requirements on the one hand, and reducing the weight of our vehicles to achieve lower fuel consumption on the other. To further reduce the weight of new models across the entire product portfolio, we use an intelligent multimaterial mix and integrate our functions and systems into innovative vehicle architectures.

Effect of efficiency measures on CO₂ reduction:

50 %

Optimization of combustion engines

30 %

Alternative drive concepts

20 %

Weight savings on total vehicle

I Meeting CO₂ requirements

The EU has set ambitious goals for regulating CO₂. Three primary measures will enable Audi to reduce the average consumption of its new vehicle fleet by 2020:

1. Roughly 50 percent of the desired CO₂ reduction can be achieved by optimizing the combustion engines. Audi would like to further increase the efficiency of its engines, further develop the technologies for reducing fuel consumption and make drivetrains more efficient by means of engine rightsizing.
2. Alternative drive concepts, such as hybrid, plug-in hybrid and gas-powered vehicles, save an additional 30 percent.
3. The remaining 20 percent needed to meet the goal can come from reductions in total vehicle weight – for instance, by means of Audi lightweight construction with an intelligent multimaterial mix.

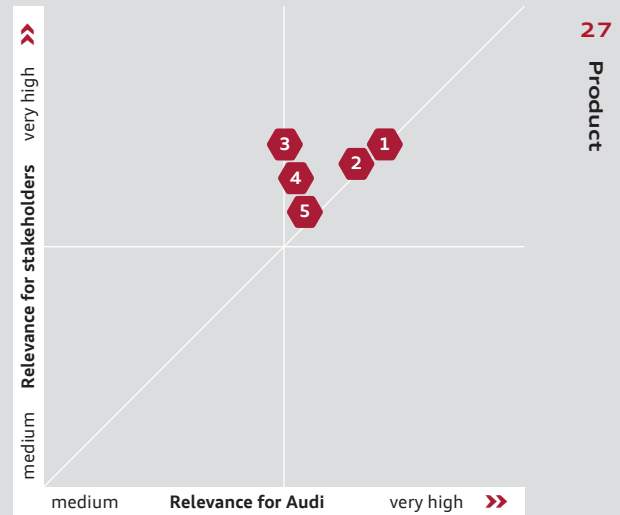
» Holistic assessment

A very important element of our product policy is that our vehicles are designed to be as environmentally compatible as possible. We consider the negative impacts of our products on people and the environment, and endeavor to minimize these. A key tool here is the life cycle assessment certified by TÜV NORD according to ISO 14044, with which we analyze the environmental impact of a vehicle model. The life cycle assessments (LCA) are available to dealers and customers at market launch.

Key topics

As in 2012, we asked external stakeholder groups and corporate representatives in 2013 and 2014 to assess the relevance of key topics in the area of product responsibility. The result: All five of the aspects named continue to be considered very important. The greatest relevance was attributed to the topics “fuel consumption and emissions,” “innovation and increased efficiency” and “vehicle safety.”

1 Fuel consumption and emissions 2 Innovation and increased efficiency 3 Vehicle safety
4 Alternative drive technologies 5 Resource conservation and life cycle assessment



80 %

of a conventional vehicle's total emissions occur during the usage phase.

Audi casts a very wide net with the life cycle assessments. Emissions that occur during the extraction of the raw materials, the manufacture of the components and the production of an automobile are considered. Decisions made during the development phase of a vehicle affect its emissions during the usage phase, which Audi assumes to cover 200,000 kilometers. Here the Company not only considers the emissions of the vehicle itself, but also the emissions that occur during the production of the fuels used. Furthermore, energy is used to recycle the components at the end of a vehicle's life.

I The most important levers

Since 80 percent of a conventional vehicle's total emissions occur during the usage phase, we at Audi are working hard to make all of our drive systems more efficient. We achieve this by rightsizing our TDI and TFSI engines, and by means of the modular efficiency platform. At the same time, we are equipping our models with alternative drive systems and are contributing to the development of alternative fuels that require no biomass.

I Resolving paradoxes

The life cycle assessment of the Audi TT Coupé 2.0 TFSI quattro S tronic (2015 model year) proves that the automotive industry can resolve the paradox between greater output and less pollution. Compared with its predecessor, the new model with 169 kW yields nine percent more output while also saving around 5.5 metric tons of greenhouse gases over the entire life cycle, which corresponds to an 11 percent reduction. The Audi TT Coupé owes this positive life cycle assessment to lightweight construction technology, among other factors.

301 Life cycle assessment and impact categories

“ Even leaving government regulations aside, expectations for low-emission or zero-emission cars will increase. ”

Walter Hirche, President of the German UNESCO Commission 2002 - 2014

» Increasing efficiency

Audi has managed to continuously reduce the CO₂ emissions of its fleet over the last few years. At the end of 2014, 205 models had CO₂ emissions of not more than 140 grams per kilometer, with 94 models below 120 grams per kilometer. 15 of these models posted top values of less than 100 grams per kilometer.

I Intelligent platform principle

Audi groups together its diverse technologies for reducing fuel consumption in the modular efficiency platform. We take two different approaches here: First, we optimize the conventional individual components of our vehicles, such as the engine and transmission. Second, we improve the energy flows in the vehicle, such as by using thermal waste energy in the thermal management system so that the transmission reaches its operating temperature more quickly. Another example is the conversion of mechanical waste energy during braking into electrical energy by means of recuperation.

I Improving economy

With the TDI and TFSI engines, Audi has achieved key milestones for increasing the efficiency of combustion engines. We are now taking this a step further with cylinder on demand (COD) technology. The innovative cylinder deactivation system reduces fuel consumption during moderate driving by as much as 20 percent. The technology was available in 19 Audi models in 2014. In January 2014, the U.S. online magazine "Digital Trends" named the V8 4.0 TFSI engine "Engine of the Year," citing the innovative cylinder deactivation system, among other things.

#302 Operating principle of COD #106 Sources

Up to 325 kg

is the amount by which the new Audi Q7 is lighter than its predecessor.

I Reducing weight

Lightweight construction is a fundamental element of the modular efficiency platform. In keeping with the principle "the right amount of the right material in the right place for optimal function," our engineers are continuously refining and advancing multimaterial lightweight technology. Examples include various fiber-reinforced polymers based on carbon, basalt or linen for such things as car roof structures. At the same time, metallic material and process technologies for steels, aluminum and magnesium for body concepts are being optimized. Audi has been using the Audi Space Frame (ASF) in its bodies since 1994, at first with only aluminum as the material and today with various materials in a multimaterial mix.

With the new Audi Q7 3.0 TDI, the engineers were able to reduce the curb weight by up to 325 kilograms compared with the previous model to 1,995 kilograms. Alone the body with bolt-on parts is 95 kilograms lighter thanks to its multimaterial construction. **#303 Audi Space Frame on Audi TT; aerodynamics; LED technology; driving style as an environmental factor**

I Audi ultra models

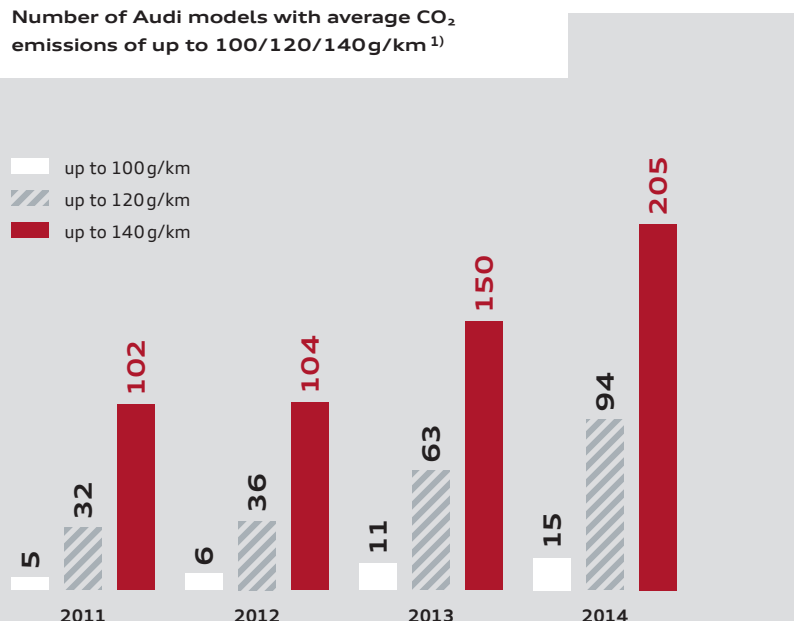
The most efficient model in a model series is indicated by the term Audi ultra. This stands for sustainable mobility and full everyday practicality. At the end of 2014, Audi offered a total of 36 ultra models in the A1, A3, Q3, A4, A5, A6, A7 and TT model series. Of these models, 25 are equipped with TDI engines.

In the standardized New European Driving Cycle (NEDC), the ultra models have a combined fuel consumption of between 3.2 and 4.9 liters per 100 kilometers and emit 85 to 137 grams of CO₂ per kilometer – without compromising driving dynamics or comfort. The diesel vehicles are powered by a new 2.0 liter TDI with combined CO₂ emissions between 104 and 119 grams per kilometer. The new Audi A7 ultra is equipped with a 3.0 TDI engine with 160 kW (218 hp) and CO₂ emissions of 122 grams per kilometer on average.

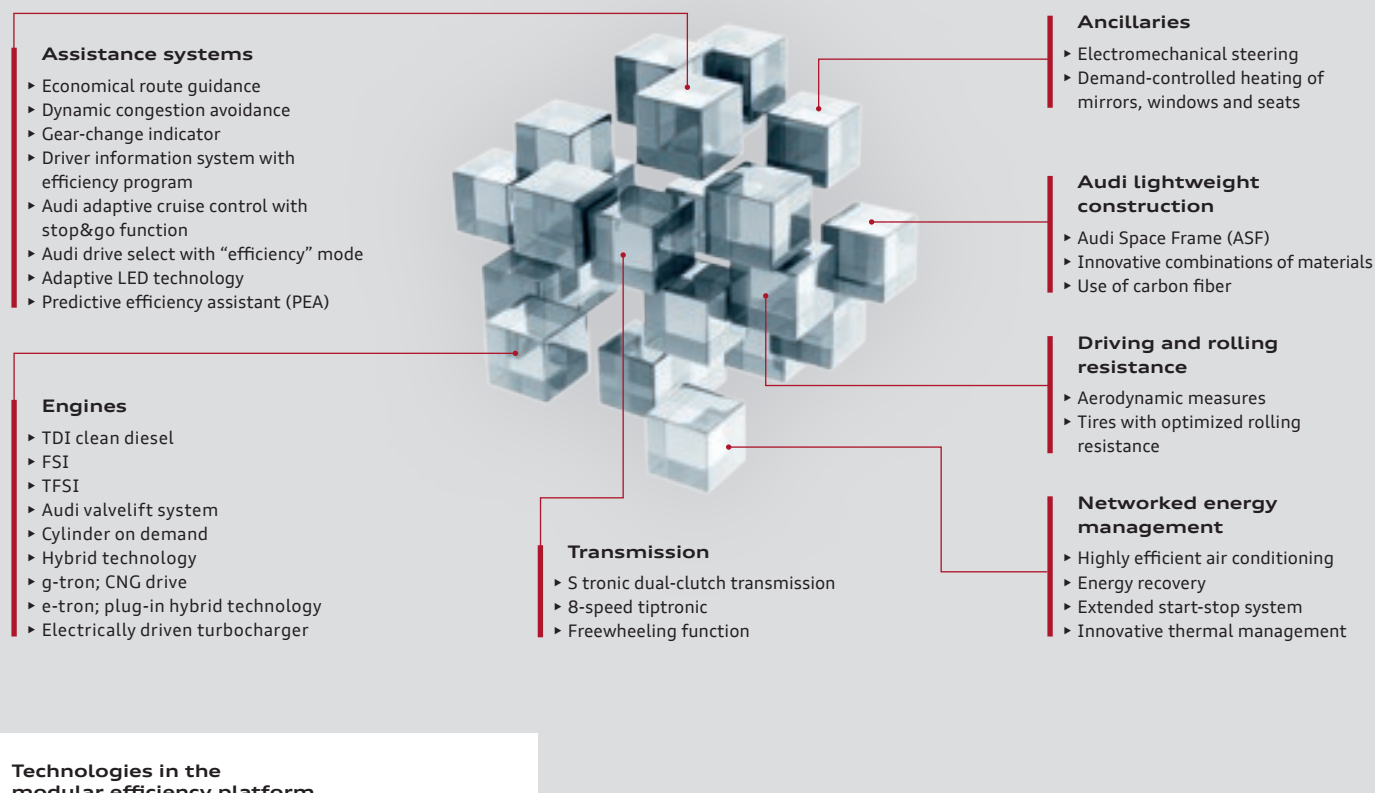
» Alternative drive systems

In addition to the further development of conventional drive systems, Audi is researching new possibilities for environmentally compatible drive systems on the road to carbon-neutral mobility. The focus here is on electricity and natural gas, as well as hydrogen fuel cells.

Number of Audi models with average CO₂ emissions of up to 100/120/140g/km¹⁾



¹⁾ All data apply to features of the German market (year-end position 2014).



35 g CO₂
is the average amount
emitted by the Audi A3
e-tron per kilometer.

The hybrid models from Audi offer a combination of electric motor and combustion engine. The plug-in hybrid drive system, whose battery can also be charged via a power outlet, is a promising route to the future of electric mobility.

In fall 2014, Audi launched the A3 Sportback e-tron, a plug-in hybrid of the latest generation with a total range of 940 kilometers. A 1.4 TFSI engine with an output of 110 kW (150 hp) and a 75 kW electric motor drive the A3 Sportback e-tron. According to the NEDC standard for plug-in hybrid vehicles, it emits 35 grams of CO₂ per kilometer on average, which corresponds to a consumption rate of 1.5 liters per 100 kilometers.

Audi is further expanding its e-tron portfolio. For example, the Company presented its Q7 e-tron in Geneva at the beginning of 2015. Additional e-tron models are to follow in the medium term, including the Audi R8 e-tron, the Q5 e-tron and the A6L e-tron, which is being built in China in collaboration with FAW Volkswagen. **#304 Electric mobility; charging systems**

Climate-neutral driving

Natural gas-powered drive systems are another step toward sustainable mobility. Cars can even drive with virtually zero CO₂ emissions by utilizing Audi e-gas, the synthetic methane gas produced from

renewable energy sources. In late 2013, Audi introduced the A3 Sportback g-tron, which sets standards with respect to gas drive technology.

#305 Audi A3 Sportback g-tron

Audi considers fuel cell technology to be another alternative source of drive power. In October 2014, the Company presented the Audi A7 Sportback h-tron quattro at the Los Angeles Auto Show. The technology platform is powered by hydrogen, which is converted in a fuel cell into electricity for the electric motor, combined with a hybrid battery and an additional electric motor in the rear. Only water vapor is emitted by the tailpipe. If the hydrogen is obtained from renewable energy sources, the car even allows virtually climate-neutral operation.

#306 Audi A7 Sportback h-tron quattro

» Helping the energy transition

Audi considers the environmental impact of mobility holistically within the life cycle assessment (LCA). Audi develops and produces fuels that require no biomass, do not compete with food production and offer substantially higher volume potential than conventional biofuels – so-called Audi e-fuels. The primary pillars of this strategy are the Audi e-gas project and the development of Audi e-diesel, e-gasoline and e-ethanol.



The Audi A7 piloted driving concept on the way from Silicon Valley to Las Vegas.

I Audi e-gas

In June 2013, Audi commissioned a power-to-gas facility in the north German town of Werlte, thus becoming the first automobile manufacturer to develop a chain of sustainable energy sources. The plant has been in normal operation since late 2014.

#307 Audi e-gas production

The e-gas plant only operates when there is too much electricity from renewable sources in the grid. According to current estimates, the plant will be in operation roughly half the year and will produce around 1,000 metric tons of Audi e-gas. The gas binds 2,800 metric tons of CO₂, or roughly the amount absorbed each year by a forest of 220,000 beech trees. Around 1,500 Audi A3 Sportback g-tron cars can be driven 15,000 carbon-neutral kilometers each year on the e-gas from Werlte, since the CO₂ emitted from the exhaust system had been bound previously during the production of the e-gas.

The sales concept for Audi e-gas is not restricted to producing e-gas and feeding it into the gas supply network, however. Rather customers can order a supply of Audi e-gas when purchasing their car. To fill up with e-gas, customers only need to show their Audi e-gas refueling card when paying. The card is used to centrally record the amount of gas consumed. This exact amount of e-gas is then fed into the distribution network at Werlte.

#308 International recognition

I Fuels of tomorrow

We are working together with our partners to develop additional renewable fuels. Since late 2012,

we have operated a research facility in Hobbs, New Mexico, in collaboration with the American company Joule. Joule is specialized in the production of liquid fuels with the help of microorganisms. The cyanobacteria used are small single-celled organisms that carry out photosynthesis and require primarily CO₂, water and sunlight to live. Rather than producing new cells via photosynthesis, these specially optimized micro-organisms produce either hydrocarbons (diesel replacement) or ethanol (gasoline replacement).

In early 2014, Audi took the next step in the development of renewable fuels and entered into a strategic partnership with Global Bioenergies. Audi and the French biotechnology company are working together to develop Audi e-gasoline under the notably high standards of the Audi e-fuels strategy.

Audi is also moving forward with the production of synthetic diesel. In November 2014, sunfire joined Audi in Dresden to launch a power-to-liquid plant for producing diesel fuel from water, carbon dioxide and green electricity. **#309 Audi e-diesel**

I Audi e-fuels pass the test

We thoroughly tested mixture preparation and the combustion behavior of the liquid Audi e-fuels in our laboratory in Ingolstadt. The results: Fewer pollutants are produced during the combustion of Audi e-fuels than during the combustion of fossil fuels. The pure, synthetic fuels contain no olefins or aromatics. As a result, they ensure more effective mixture preparation, cleaner combustion and lower emissions.

≈ 1,000

metric tons of e-gas are produced by Audi each year.

» Safety and comfort

The safety and comfort of its cars is a fundamental element of the Audi product policy. Audi combines research into the causes of accidents, active and passive safety systems and the further development and refinement of driver assistance systems to achieve a high level of safety for drivers, passengers and other road users.

I Driver assistance systems

Driver assistance systems include Audi pre sense (a warning system for greater safety in acute hazard situations), the automatic distance control system adaptive cruise control with stop & go function and the night vision assistant which detects people and animals on the road using a remote infrared camera. The assistance systems support drivers and reduce their workload, but always leave them in charge of the vehicle. **#310** Driver assistance systems

#311 Audi connect; Car-to-X

I Piloted driving

Today's driver assistance and safety systems are the foundation for piloted driving, which Audi hopes to bring to the streets before the end of the decade, depending on the legal parameters. In the future, electronic systems are to take over the steering of the car in certain situations and thus make driving more ecological, convenient and, above all, safer. Drivers, meanwhile, will always be able to decide for themselves whether they want to drive or use piloted driving mode. One of the upcoming features is piloted parking, which was already presented in 2013 at the International Consumer Electronics Show in Las Vegas, USA. With the help of this system, an Audi can park autonomously. Another important step is piloted driving in traffic jams, which relieves the driver in slow-moving traffic.

#312 Advantages of piloted driving

Piloted driving is one of the most important megatrends in the automotive industry and has the potential to be a game-changer. Piloted driving has already demonstrated what it is capable of in a real-world test conducted on the racetrack. At the season finale of the German Touring Car Masters (DTM) series on October 19, 2014, the Audi RS 7 piloted driving concept circled the track at Hockenheim without a driver in slightly over two minutes. In January 2015, the Audi A7 piloted driving concept completed a 900 kilometer piloted trip in the USA – from Silicon Valley to Las Vegas. **#313** Legal prerequisites

I Vehicle safety

Audi is investing continuously in measures that improve passive safety. Besides improvements to pedestrian protection, the Company is developing such things as particularly strong, yet light body components and continuously improving restraint systems. Audi also wants to help improve road safety in general. The Audi Accident Research Unit (AARU) therefore investigates accidents involving Audi models. The results of this research flow directly into the development of new vehicles.

#314 Audi Accident Research Unit

A variety of consumer protection organizations throughout the world also test the vehicle safety of Audi models. The "New Car Assessment Programs" (NCAP), for example, test the active and passive safety systems of automobiles. Audi regularly scores top marks here, as the 2014 results in the USA (5 stars in the US NCAP for A3 and A6), in Europe (5 stars in the Euro NCAP for the A3 Sportback e-tron) and in Korea (top score of "Excellent" for the A6 in the Korean NCAP) exemplarily demonstrate. **#315** Awards for safety **#106** Sources

I Airbag jacket at Ducati

Compared with automobile drivers, motorcycle riders have a much greater risk of injury in accidents. Ducati is therefore working on intelligent protection systems. Audi tested the Ducati Multistrada D-Air, which includes airbags in the jackets for the rider and passenger, for the first time in April 2014. The first system of its kind in the world, it uses sensors to detect accident scenarios and reacts within 45 milliseconds. The Ducati Multistrada D-Air reduces the forces acting on the body in the event of an accident by 72 percent compared with a conventional back protector, significantly reducing the risk of injury. The TÜV SÜD-certified system has been on the market since May 2014.

900km

is the length of the piloted trip completed by the Audi A7 piloted driving concept in January 2015.







03 Environment

Conserving resources

How can a carmaker make its economic goals compatible with its ecological ones? Is it possible to make automotive mobility compatible with the environment? What exactly does sustainable behavior mean? As a premium brand, Audi faces competing demands.

I Expanding environmental protection

Audi's goal is to ensure individual mobility. At the same time, as an international group of companies we confront the challenges of protecting the environment and climate around the world. We are working systematically to reduce greenhouse gases, prevent noise, conserve water, use energy more efficiently and to expand the proportion of renewable energies.

Based on clear principles and management systems, Audi is instituting numerous measures to make products and production facilities environmentally compatible and to conserve natural resources. In doing so, Audi is maintaining an overview of all process steps from the development and production of vehicles to their use and, ultimately, their disposal.

I Clear guidelines

AUDI AG acts on the basis of the following central environmental policy guidelines:

- ▶ We offer premium automobiles that need to meet customers' varying requirements. These include efficiency, safety, quality and comfort as well as the improved environmental compatibility of the products.
- ▶ We rely on research and development to pave the way to ecologically efficient processes and concepts and thus to boost our competitiveness.
- ▶ We want to proactively reduce harmful effects on the environment in all of our activities. Our primary focus is on careful and efficient use of resources and energy as well as on plant safety. Audi of course complies with environmental regulations.
- ▶ We have established an environmental management system in order to continuously improve our cars and our production sites.
- ▶ We attach importance to clear responsibilities: The Board of Management of AUDI AG is responsible for adhering to environmental policy and for the viability of our environmental management system.
- ▶ We conduct open dialogue about our ecological responsibility – with customers, dealers and the public. Moreover, we inform, motivate and

qualify our employees regarding environmental issues in order to foster their sense of responsibility.

- ▶ We take action across the Group: Our guidelines are binding for all AUDI AG sites. In addition, we have defined in writing primary fields of action related to specific sites.

I Central fields of action

In accordance with the principles of its environmental policy, Audi concentrates on three important fields of action: protecting the climate, conserving resources and protecting health. The primary goal is to reduce energy consumption and thus the associated greenhouse gas emissions as well as to efficiently use valuable resources such as water. Audi closes material loops where possible in order to reduce waste. By using innovative methods, Audi can almost completely avoid the use of harmful substances in production.

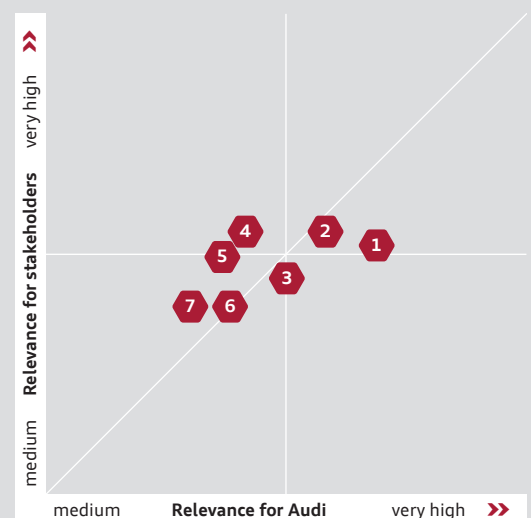
»» Ambitious goals

Environmental management makes an important contribution to the implementation of Audi's environmental and energy policy, and to the responsible use of the resources employed. Together with suppliers, service providers, dealers and recycling companies, Audi is working to continuously improve the environmental compatibility of its cars and production sites. In the process, Audi considers the entire life cycle of its products: the CO₂ emissions generated by a vehicle's operation, as well as raw materials extraction, the production and assembly of component parts, the flow of energy in production facilities and recycling. Audi has set ambitious goals for itself. For instance, the Group is striving for a

Key topics

The materiality analysis for the core topic of the environment shows: Stakeholders and company representatives consider all aspects to be important. "Energy management" and "disposal and recycling concepts for materials," among others, have a very high importance.

1 Energy management 2 Disposal and recycling concepts for materials 3 Water management 4 Procurement and efficient use of materials 5 More eco-friendly logistics concepts 6 Noise immissions 7 Conservation and promotion of biodiversity



	Ingolstadt/Germany AUDI AG DIN EN ISO 14001 DIN EN ISO 50001
	Neckarsulm/Germany AUDI AG, quattro GmbH DIN EN ISO 50001
	Brussels/Belgium AUDI BRUSSELS S.A./N.V. DIN EN ISO 50001
	Győr/Hungary AUDI HUNGARIA MOTOR Kft. DIN EN ISO 14001 DIN EN ISO 50001
	Sant'Agata Bolognese/Italy Automobili Lamborghini S.p.A. DIN EN ISO 14001 DIN EN ISO 50001

**Audi Group locations with
EMAS accreditation**

The environmental declarations for the individual locations are each available in the local language on the respective companies' websites.

25 percent improvement per vehicle produced in the key environment metrics for CO₂ emissions, energy, freshwater, waste disposal and organic solvents (VOC) over the period of 2010 through 2018.

I Well organized

The responsibilities for environmental protection are clearly defined: Overall responsibility lies with the Board of Management of AUDI AG. The Member of the Board for Production is responsible for implementing the environmental policy. The Environmental Protection department, which specifies the environmental activities within the Audi Group, reports to this Board member. The environmental protection coordinating committee develops recommendations for strategic environmental issues. The following members belong to this committee: the environmental management representatives from AUDI AG as well as its subsidiaries AUDI HUNGARIA MOTOR Kft., AUDI BRUSSELS S.A./N.V., Automobili Lamborghini Holding S.p.A. and Ducati Motor Holding S.p.A. The duties of the cross-divisional ecology steering committee include implementing assignments from the coordinating committee.

Responsibility for company environmental protection at the sites lies with the respective local environmental protection representatives. The goal is to ensure and continuously improve the environmental compatibility of the activities at each Audi site. Accordingly, the plant Environmental Protection department is active in all environmentally relevant decisions and activities at the sites.

I EMAS – a high standard worldwide

All of Audi's European automotive plants are certified in accordance with the European Union's Eco-Management and Audit Scheme (EMAS), which far exceeds standard requirements. All EMAS sites publish an annual environmental statement that includes specific goals for improving local environmental protection. The plants in Ingolstadt, Győr in Hungary and Sant'Agata Bolognese in Italy are additionally certified according to DIN EN ISO 14001, the international standard for environmental management. They also comply with DIN EN ISO 50001, as do the environmental management systems of the sites in Neckarsulm in Germany and Brussels in Belgium. This standard contains especially strict specifications for continually and systematically reducing energy consumption.

As a company with international operations, it is important to Audi to establish uniform standards worldwide for environmental protection. The vehicle environmental standard, the directive on environmental protection passed by the Board of Management and the environmental and human compatibility performance specification apply to all sites worldwide. These standards and regulations are integrated into environmental management. Audi checks compliance with the standards using random audits.

In environmental statements published each year, Audi documents the implementation status of measures and projects at the respective sites. For example, there are around 40 individual measures in the 2014 environmental statement for the Ingolstadt plant alone: from avoiding waste and preventing water pollution to reducing CO₂ emissions. **#401 Environmental statement as an app**

“ With regard to freight transport, something has to be done about the ever-increasing volume of transit traffic by actively promoting regional business and transportation cycles as well as sustainable logistics. ”

Prof. Dr. Hubert Weiger, Chairman of the Bund für Umwelt und Naturschutz Deutschland e.V. (BUND)

I Creating awareness

40 %

less CO₂ is the goal that Audi has set for its Ingolstadt and Neckarsulm sites by 2020 compared with 2010.

Successful environmental management also includes dialogue and sharing knowledge. Audi therefore places a high priority on involving and informing employees comprehensively. Specially trained employees regularly pass their knowledge on to colleagues, motivate them to practice environmentally conscious conduct and explain the latest developments. Protecting the environment and using resources efficiently also are a fixed component of training and advancement. Audi sensitizes its employees to avoiding waste and explains how heat recovery functions, for example. Once a year, the Audi Group organizes a training day for all apprentices on a specific environmental topic.

#402 Dialogue with stakeholders

» Reducing environmental impact

In working toward carbon-neutral mobility, Audi is focusing on efficiency at all of its sites, from production to the finished product. After all, a car's life cycle assessment begins long before its first mile is driven.

Our actions are concentrated on

- ▶ acquiring energy from renewable sources, such as by means of photovoltaic systems on the roofs of Audi plants,
- ▶ using energy efficiently, for example on the basis of the trigeneration plant,
- ▶ reducing energy use through measures such as efficient logistics and production facilities.

The Böllinger Höfe site is equipped with particularly energy-saving LED technology.



Our goal is to reduce our specific location-based and company-related CO₂ emissions by 25 percent by 2018 compared with the figure for 2010. And we will be taking things even further at the sites in Ingolstadt and Neckarsulm, where the emission of carbon dioxide related to energy supply should decline by as much as 40 percent by 2020 in comparison with 2010. The plant in Ingolstadt is already 70 percent carbon-neutral and is thus setting new benchmarks in terms of conserving energy and resources in the production process.

I Reducing the footprint

Audi is pursuing the long-term vision of an entirely carbon-neutral automotive manufacturing process. Starting in Ingolstadt, we want to transfer this concept successively to other sites. Aside from ongoing process optimizations, we are therefore concentrating above all on energy-saving measures. The goal is to design energy-efficient plants and buildings as well as sustainable logistics operations.

During the reporting period, Audi put other conditions in place for long-term climate-neutral mobility. For example, the Company was the first premium manufacturer to have its corporate carbon footprint certified to the globally recognized ISO 14064 standard. In this way, Audi has made transparent the main causes of emissions along the entire value chain and thereby identified the potential for further reducing greenhouse gases over the entire life cycle of an automobile.

I Efficient worldwide

Overall, Audi is increasingly incorporating its international production sites in efforts to achieve the ambitious goals for energy use and emissions. For example, Győr in Hungary: In the state-of-the-art paint shop here, dry separation with air recirculation helps cut energy usage by up to 50 percent. Solvent emissions have actually been reduced by over 70 percent.

The Lamborghini brand is also working to reduce energy consumption. In September 2013, for instance, a new logistics center was opened that fulfills the stringent requirements of Italy's energy class "A." In general, Lamborghini has set itself the goal of operating a completely carbon-neutral plant in 2015. This will be achieved on the one hand by using district heating, which is produced by a biogas plant and supplies hot water, while a trigeneration plant will be employed to generate electricity, to heat and to cool.



At the Ingolstadt site, the harmonization of robot movements has led to additional energy savings.

Area of the photovoltaic system at the Audi Brussels plant:

37,000 m²

I Many paths, one goal

The region's largest photovoltaic system is spread across the rooftops of the Audi Brussels plant, covering an area of 37,000 square meters. The system produces more than 3,000 megawatt hours of electricity annually, which is equivalent to the consumption of 660 four-person households. In-house electricity production and the additional purchase of green electricity saves 15,000 metric tons of CO₂ emissions annually. In addition, an in-house combined heat and power plant for sustainable energy supply was put into operation at the end of 2014. **#403 Environmental protection at Ducati**

I Intelligent shutdown

Between 2013 and 2014, an even more energy-efficient setup was introduced for the Ingolstadt body shop. The basic idea: Even the most efficient production plant needs some recovery time now and then. In these cases, the machines should not only go into stand-by mode, but shut down completely. An intelligent shutdown concept at Audi significantly reduces energy consumption during short or long downtimes. In addition, the Company began using new robots in 2015 that are even more energy efficient. These are equipped with control technology that allows the machines to shut off even during

short breaks. The same measure is being employed at the Neckarsulm site: "PROFIenergy" will reduce energy use in the body shop for the new Audi A4 by up to nine percent. In Ingolstadt, a project to harmonize robot movements is leading to additional energy savings. **#404 Green electricity in Ingolstadt; zero-energy parking garage**

I Step by step toward the goal

Sustainable projects are also consistently being implemented at the Neckarsulm location, including at the Böllinger Höfe site. Starting with the selection of building materials, attention is given to choosing those that have long useful life spans and that are suitable for recycling. The site is illuminated with LED technology that cuts energy use by up to 75 percent in comparison with conventional lighting. LED technology is also used in the new body shop halls in the north of the plant. Aside from this, Audi also wants to optimize the energy use of resistance spot welding tongs in the body shop at Neckarsulm. The primary goal is to reduce the weight of robot-controlled tools such as the welding tongs. If the weight of the tongs is lower, less mass must be moved. This enables the use of smaller robots with lower energy consumption.

#405 Resources management

In all phases of the life of a car, from production to use and recycling, we consider potential for closing substance and material cycles (cradle-to-cradle). Metal scrap created during production in the press shop, for instance, is fed into an automatic sorting process in order to separate steel and aluminum scrap from each other. These can then be used again with the goal of conserving resources.

I CO₂ as a raw material

In the utilization phase we consider not only operation of the car, but also the production of the fuels. Audi is therefore working on filtering CO₂ emissions produced by vehicles from the ambient air and using this gas for the production of synthetic fuels. The company Climeworks has developed such a method. 80 percent of the CO₂ molecules that flow through the system at the Zurich-based company can be filtered out of the air with a cellulose granule substrate. All remaining air particles can pass through the material unhindered. Once the filter material is completely loaded, the CO₂ is dissolved and purified by briefly heating it. Audi is participating in this project, which could be another step on the way to carbon-neutral mobility, and in doing so is pursuing a special interest: The carbon dioxide removed from the atmosphere by the process is suitable as a raw material for many industrial applications, such as the manufacture of plastics or the generation of Audi e-gas and other e-fuels.

I Taking recycling further

Audi uses natural resources responsibly and therefore wants to close material cycles with the help of recycling. Lightweight materials such as aluminum or composites are used selectively in the cars. While these reduce vehicle emissions due to their low weight, producing them is relatively energy intensive. However, if the materials are sorted homogeneously, they can be recovered and reused more easily – thus reducing energy requirements.

Sorting aluminum homogeneously is hampered by the use of various wrought and cast alloys. To manufacture new, high-quality materials for body manufacturing from aluminum scrap fractions, Audi has initiated the Aluminum End-of-Life (Aleol) project. The goal is to develop a recycling process chain that can be used for, among other things, testing the effectiveness of the latest sorting technologies. Insights gained in the process are being used for future efficient recycling methods in the development of new alloys and thus in the manufacture of components for production. **#406 CFRP recycling**

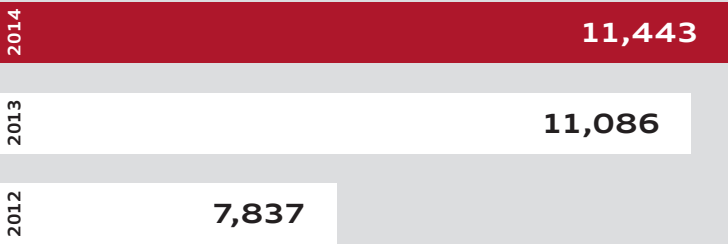
» Eco-friendly logistics

Group-wide, more than 60 percent of all delivered cars are transported by freight train. For models from Ingolstadt and Neckarsulm, this figure is already more than 70 percent; roughly half of these are transported in trains that are powered by renewably generated electricity.

I Carbon-neutral transport

In 2010, Audi became the first company to employ the carbon-neutral rail transport service Eco Plus from the provider DB Schenker – so-called “green trains.” For the service, which is offered for transports within Germany, Deutsche Bahn additionally purchases electricity from renewable sources. The required amount of electricity is determined in advance by the logistics provider, depending on the route and the goods to be transported. TÜV has audited the carbon-neutrality of Eco Plus and confirms that 100 percent of the “green” energy supplied is used to transport automobiles for Audi. **#407 Truck logistics**

CO₂ reductions in logistics (in t)
by transporting cars produced in Ingolstadt and Neckarsulm
in green trains to the port of loading in Emden





Audi is also committed to sustainability in logistics with the CO₂-free train.

Since 2010, the green trains have been traveling between Ingolstadt and the loading port in Emden. As a result, the Company reduced CO₂ emissions by a total of 7,517 metric tons in 2014 alone. Since 2012, the green trains have also been traveling the route between Neckarsulm and Emden. Audi was able to save a total of 3,926 metric tons in CO₂ emissions here in 2014. **#408 Hybrid locomotives**

» Environmental commitment

The non-profit organization Audi Environmental Foundation is an important part of Audi's commitment to environmental issues. The foundation, launched in 2009, finances projects through donations as well as from interest earned on the investment of equity capital. AUDI AG has endowed the foundation with five million euros.

I Oak forest as a CO₂ reservoir

Since 2009, the Audi Environmental Foundation has been financing the scientific study of the international Oak Forest research project. This large-scale and long-term study is designed to last 100 years. The project is directed by the Chair for Forest Yield Science at the Technical University of Munich. The researchers are exploring the optimum conditions for the growth of trees and for the development of biodiversity.

Forests decontaminate the atmosphere by absorbing CO₂ from the air and storing the carbon in their biomass. Oak trees, with their high storage capacity, contribute significantly to this. A one-hectare forest of 110-year-old oaks stores the equivalent of almost 490 metric tons of carbon dioxide. They are also especially robust when it comes to the changing demands of the future climate.

In 2008, the participants in the project set up the first trial site near the corporate headquarters in Ingolstadt and planted around 36,000 English oaks. Thousands of trees have been added in the meantime, including at Neckarsulm and the international sites Győr in Hungary and Sant'Agata Bolognese in Italy. Researchers planted 10,000 oak seedlings in a new trial site near the Belgian site in Brussels in early 2012. Further trees were added at a new trial site in the highlands of Mexico in September 2014. Numerous partners are participating in the Oak Forest project. Around 100,000 trees have now been planted. **#409 SRM Award; biodiversity**

I Environmental pact in Bavaria

In the interest of sustainable development, Audi relies on cooperation between state government and industry. In 1995, the first Environmental Pact of Bavaria was concluded by the Free State of Bavaria and representatives from Bavarian industry. The voluntary agreement applies for five years at a time. Audi was one of the first companies to enter into the agreement, in which it agrees to conserve resources, use environmentally compatible technologies and achieve environmentally viable economic growth. In addition, members of the Environmental Pact have established working forums in which important topics relating to environmental protection are discussed with the goal of advising policy-makers. Audi is represented in various roundtable discussions on topics including "Integrated product policy and resource efficiency" and "Management systems."



The foundation of our success

In order to achieve the strategic corporate goal of “Audi – the premium brand,” Audi needs highly motivated young people. With the aim of being an attractive employer worldwide, the Company together with the Works Council supports its employees in their professional and personal development.

I Employees as a success factor

The strategy of the Human Resources division is based on the corporate strategy and consistently places its emphasis on the employees. Their skills, their commitment and their ideas are key success factors in a tough competitive environment like the automotive industry.

In our international company, working in interdisciplinary and intercultural teams is commonplace, which is why we systematically strengthen the competences of our employees and managers.

The human resources strategy focuses on the following points:

Strengthening competences: We endeavor to attract the best talents worldwide. At the same time, we suggest goal-oriented development paths to our employees and support them in developing the competences they will need in the future. We help our managers to establish a timely succession plan.

Making work attractive and flexible: We promote and maintain our employees' personal performance. With future-oriented work models we meet the needs of our workforce at different stages of life. We recognize performance and commitment and reward it appropriately. At the same time, we aim to provide job security.

Promoting responsibility: We practice responsible leadership and our working relationships are based on trust. Fair partnerships are extremely important to us. We take our social responsibility seriously and act accordingly.

Ensuring future viability: We prepare in good time for changing social and economic conditions and set trends as an employer. Our training and advancement opportunities equip us for new technological developments and strengthen our innovative power. We promote the physical and mental well-being of our employees with innovative occupational health management programs. We are open to change and shape it together.

2,421
apprentices world-
wide in the Audi Group
in 2014

» This is what we offer our employees

- ✓ Job security
- ✓ Interesting tasks
- ✓ Individual personal development
- ✓ Targeted further training courses
- ✓ Performance-based pay
- ✓ Attractive social benefits
- ✓ An innovative working environment

I Becoming a global player

As a company that is successful in the face of global competition and one that intends to remain so in the future, Audi is continuing to expand its business on a worldwide scale. In order to understand people and markets, we provide training to improve employees' intercultural skills for example, offer language courses and support a constant exchange between employees in the domestic market and abroad. With regard to apprenticeships, we are also pushing forward with internationalization. Apprentices at locations in Hungary, Mexico and Belgium are now on courses based on the successful German "dual education system," i.e. training at a company and a state-run vocational college.

» Top ratings

The Audi brand's commitment to quality applies worldwide. To deliver on this pledge, we need the best employees worldwide. As part of the Audi strategy, our goal is to be an attractive employer worldwide. A number of awards and top places in various rankings prove that we have been successful.

Audi took first place among the target group of engineers in the Young Professional Barometer 2014 conducted by consulting firm Universum. The survey asked young professionals with a maximum of eight years' professional experience to state their preferred employers and career plans. Young economists also voted Audi into first place. In the target group that is becoming more and more important in this digital world, namely computer scientists, Audi took second place. Among natural scientists, Audi moved up an impressive 14 places and for the first time finished in the top 20.

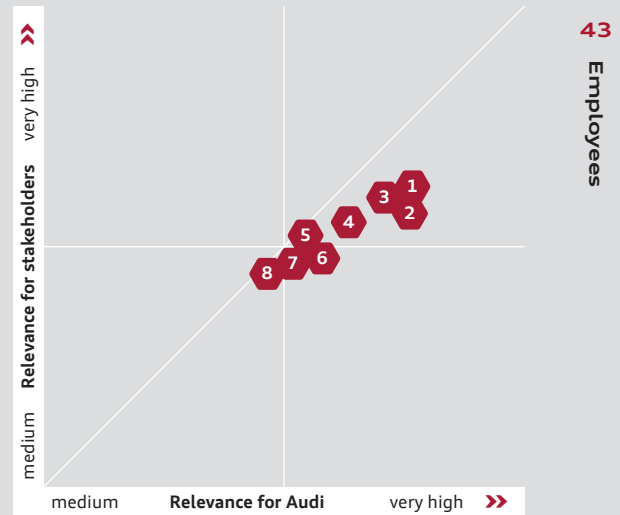
In the 2014 employer rankings conducted by consulting firm Universum, Audi took first place among students. For prospective economists and engineers, Audi is once again the most attractive employer in Germany. Among future computer scientists too, car manufacturers are increasingly gaining in popularity; they voted Audi into fourth place.

In the attractiveness survey "Best employer 2014" conducted by news magazine FOCUS and career network XING, Audi was named overall winner and also clinched top place in the "Automobile/major corporations" category. The poll was carried out among 19,000 employees from 2,000 businesses in 22 different industries. **#501** International awards; employee feedback **#106** Sources

Key topics

Since 2012, Audi has continuously developed the materiality analysis and has evaluated employee issues too. The aspect “occupational health and safety” increased compared with 2012. The subjects of “corporate culture” and “training and advancement” continue to be especially relevant.

1 Corporate culture 2 Occupational health and safety 3 Training and advancement
4 Remuneration models/appreciative employer 5 Compatibility of work and family/
private life 6 Social benefits 7 Participation and co-determination 8 Equal opportunities/
promotion of diversity



» Promoting and developing

Non-specialist development focuses on enhancing social and independent learning competences. As part of its corporate responsibility strategy, Audi also provides training for its employees on sustainability issues.

I Combining theory and practice

Audi is currently training people in 22 professions based on the dual system. At the same time, the Company believes it is vital to develop vocational training on an ongoing basis and adapt it to new challenges. Prospective automotive mechatronics technicians, for instance, learn how to work with high-voltage technology. In addition, Audi has developed the job description for body and vehicle construction technicians to focus more strongly on lightweight design and has also extensively modernized the training plan for office management staff.

While they are qualifying as an (automotive) mechatronics technician, electronics technician or tool mechanic, Audi offers apprentices the opportunity to obtain the entrance qualification for a university of applied sciences. As part of the internationalization process, Audi gives its apprentices and those at

other Group companies the chance to work for three months at a location in another European country. In 2014, 33 young people made use of this opportunity.

At the end of 2014, the Audi Group employed 2,647 apprentices worldwide (average of 2,421 for the year), 178 of whom took part in a “dual vocational training course with university of applied sciences entrance qualification.” At the German locations in Ingolstadt and Neckarsulm, a total of 766 young people began their apprenticeship at AUDI AG in 2014. **#502 Future engineers**

I Dual education worldwide

The success of the dual education system in Germany has prompted Audi to introduce this model at a number of international sites, taking into account the prevailing conditions in the country concerned.

In 2012, the pilot project for dual vocational education based on the German system was launched at the Audi location in Brussels. After two years and 600 hours of instruction at the Brussels plant, 11 apprentices successfully passed their qualifying examination. **#503 Further career development programs**

“ Employees in particular often know exactly where potential risks lurk when conducting day-to-day business. Companies are well advised to make this internal knowledge accessible and to put it to use. ”

Prof. Dr. Nick Lin-Hi, University of Mannheim



A recipe for success:
the dual education system

In October 2014, the new training center in San José Chiapa was opened. Each year, 80 apprentices at Audi México will complete a dual education course based on the German model. There are five vocations to choose from: mechatronics technician, automotive mechatronics technician, tool mechanic, bodyshop technician and production technician. In the future, the 20,000 square-meter building will be the site of over 1,500 training courses a year for employees and apprentices. The aim is to provide them with expert training based on the Audi Production System and prepare them for the start of production of the new Audi Q5.

In October 2014, the first year of dual education started at Ducati and Lamborghini in Italy – 41 young Italians are learning the vocations of CNC machinist, motorcycle mechatronics technician or automotive mechatronics technician. Based on the German model, they study and work for two years under the dual system. In addition to job-related content, other specialist teaching is planned such as classes in technical English. At the end of the program, the apprentices can obtain a university entrance qualification.

1,500

courses a year at
the Training Center
in Mexico

I Promoting responsibility

In order to further promote our apprentices' independence and sense of responsibility, the issue of sustainability has been expanded in the vocational training courses. In group sessions, the apprentices tackle the key topics of ecology, economy and society. In doing so, they learn how to integrate environmentally and socially acceptable aspects into their daily working life and develop their own ideas in discussions with others. **#504** "Never again" project; entry qualifications; Trainee Program

I Further developing knowledge

Alongside training, the development of specialist and non-specialist competences is very important at Audi. In 2014, in more than 35 fields of study, the Company provided off-the-job competence training for the future in around 10,000 courses and 135,000 participant days, and enhanced the acquired skills on the job. The emphasis was on the key technologies of lightweight construction, connectivity and electrification as well as on internationalization, a strategic area of action. In Production, the priority was to train employees for the new Audi A4 and the Audi Q7 in accordance with the product development process. As part of the expansion of the international production network, Audi focused on the sites in Győr (Hungary) and San José Chiapa (Mexico). In Győr, the Company successfully completed staff training for the Audi A3 Sedan. **#505** Training soft skills

» Healthy and efficient

Audi designs workplaces according to modern, ergonomic and occupational health and safety standards – at the locations in Ingolstadt and Neckarsulm as well as at the plants in Belgium, Italy, Mexico and Hungary.

Healthy and age-appropriate workplaces not only guarantee the performance capacity of our employees, they also make a significant contribution towards their safety. Audi has therefore established ergonomics as a binding standard and defined this as a strategic goal in Technical Development, along with quality, costs and investment.

#506 Ergonomics strategy

I The principle of safety

The aim of our integrated occupational safety measures is not only to protect our employees from work-related risks but also to enhance their health and performance capabilities. Occupational safety is therefore included at an early stage of the planning process; a procedural instruction to this effect has been in place since 1996. For all day-to-day operations, the Company and Works Council have developed measures to prevent accidents and damage to health as well as to ensure that processes, equipment and vehicle components are designed to be safe. In order to guarantee the high level of occupational safety at Audi at all times, we regularly train our specialists and managers.

With the prevention award introduced throughout the Group in 2013, Audi recognizes employees' exceptional commitment to safety at work, good workplace design and health protection. The award replaces the industrial safety award, established 30 years ago, and is additionally presented in the categories processes/work organization, ergonomics, knowledge transfer/training, health promotion and integration. **#507 Sensitization of employees; accident frequency**

I Risk avoidance

The Health Care, Human Resources and Industrial Safety departments as well as managers in all business divisions and the Works Council work together to preserve and promote the health, quality of life and performance capability of employees.

One component of health management is the Audi Check-up. Since 2006, all employees have been able to use the individualized prevention program during working hours. Modern medical equipment and medical consultations help to detect and reduce health risks at an early stage. Around 90 percent of our employees already take part in the program.

#508 Attendance rate; health programs

70,000

Audi Check-ups have been carried out since 2006.

New robots improve ergonomics in assembly.



I Mental health

At Audi, the proportion of diagnosed cases of incapacity to work attributable to mental health problems is in the low single-digit range and is therefore below the average figure for psychological illnesses recorded by statutory health insurance providers. An early detection system has been integrated into the Audi Check-up. At the Ingolstadt site, we offer psychosocial counseling in the Occupational Health department and social support from the Works Council as well as seminars for HR officers, company doctors and managers. They are intended to help staff to recognize and deal with any psychological problems employees may have. Audi Akademie offers various seminars in this field for managers and affected employees.

I High international standards

In order to guarantee working conditions to a high standard at all locations, we implement the occupational safety and health management measures worldwide, taking local standards into account. We support the mobility and performance capability of employees on international assignments and implement the Audi Check-up prevention program at international Audi locations. In cooperation with the Mexican government, we have also optimized the rescue chain and medical care at the construction site for our new plant in San José Chiapa, Mexico. **#509 International health management**

» Creative and effective

Based on the Company's long-standing suggestions scheme, the Audi Ideas Program (AIP) was established in 1994. To mark the 20th anniversary in 2014, the Company revealed its impressive track record: In two decades, a total of 838,070 suggestions for improvement were submitted. Thanks to the 420,585 proposals that were put into practice, AUDI AG has been able to achieve cost savings amounting to around 780 million euros since the program's inception. Ideas that are implemented are rewarded with bonus payments of up to 70,000 euros – depending on the savings potential.

#510 Audi Ideas Program Award

I Sustainably inventive

In 2013, as part of the Audi Ideas Program, the “sustainability action weeks” were held for the first time throughout the Company. The spectrum of events and projects ranged from presentations and idea workshops through to driving efficiency training. In addition, employees were asked to submit their suggestions for improvement on the following key issues: responsible business practice, product and employee responsibility, environmental protection and resource conservation as well as social responsibility. The result: A total of around 170 ideas were put forward – by more than 300 individuals from all business divisions. We are continuously developing the content of our ideas program. In 2014, the main focus was on the subjects of health and environmental protection as well as sustainability.

511 Procedure for Audi Ideas Program

I Ideas without limits

The concept of the Audi Ideas Program has proved its value. The employees at the Brussels and Győr sites are also developing their improvement suggestions, inspired by the successful approach taken at the German locations. In Győr, the “Ötletbörze” ideas program is already celebrating its tenth anniversary. In 2014, 7,500 suggestions for improvement achieved savings of around 15 million euros.

After the completion of a training program for all departmental heads and group spokespersons, the Audi Ideas Program was introduced in Brussels at the end of 2012. Since then, more than 250 ideas have been put into practice. These measures have enabled Audi Brussels to achieve savings of around two million euros.

» Supporting families

With the “Audi Spielraum” program, the Company offers a range of child care solutions tailored to the individual requirements of our employees. These include places at daycare centers, short-term care, for example when the kindergarten is closed or when a work appointment comes up unexpectedly, as well as child care arrangements during vacations. In addition, there is an individual advisory and placement service for finding child-minders, au pairs and babysitters. We always work with experienced partners in every case. Parents can therefore be sure that their children are well looked after by pedagogical specialists. Our aim is to steadily expand the “Audi Spielraum” program.

512 Child care arrangements, national and international

513 Facts and figures on parental leave

I Caring for relatives

To Audi, reconciling the demands of professional and private life also means helping employees to look after family members in need of care at home. Employees can take up to ten days’ leave at short notice to look after relatives who need urgent care. Another option is “Audi caregiver leave,” under which employees can take up to three years’ leave. This goes clearly beyond the statutory entitlement, which amounted to merely six months up to 2015 and has now been extended to two years. If needed, employees can extend caregiver leave by a further four years. In this case, they leave the Company and receive a reemployment guarantee for an equivalent job. Alternatively, a so-called sabbatical can be used for caregiver leave. The employees then work on the basis of a temporary part-time contract, comprising a working phase and a leave of absence, which they can use as required.

Our employees also receive help with care issues through a range of advisory services. For example, the Audi Occupational Health department and the Works Council’s social support service set up contact with home care providers or specialist organizations. In addition, the Works Council social support service advises every employee individually and provides help in difficult situations. Furthermore, interdisciplinary working groups that address the subject of work and care have been set up at the Ingolstadt and Neckarsulm locations.

Average period of parental leave in 2014 (in months)

Men

2

Women

23

15 million
euros saved in Győr
in 2014 through ideas
from employees



"My day at Audi": child care when schools are closed

I Alternative work time models

To make it easier for our employees to combine work and family life, Audi places particular importance on providing even more flexible working conditions for its workforce. For example, employees can request a sabbatical or work at home on the basis of a telecommuting agreement. In order to extend the telecommuting program, Audi has put in place the technical requirements and regulated the process in the new IT works agreement.

Part-time employees who work on a shift system have the option of choosing a particular shift, in other words working only early or only late shifts, for example.

26.9 %

female apprentices at
AUDI AG in 2014

» Equal opportunities for all

Equal opportunities, equal rights, fairness as well as mutual acceptance and tolerance shape Audi's corporate culture. We value our employees' differences and diverse qualities. We reject discrimination of any kind and recruit our employees solely on the basis of their qualifications – regardless of gender, ethnic origin, disability, age, sexual identity, religion or beliefs. The guidelines for equal opportunities and equal rights at AUDI AG were established in 2007. Our self-perception and the Audi Code of Conduct – both drawn up in 2011 – are worded to this effect.

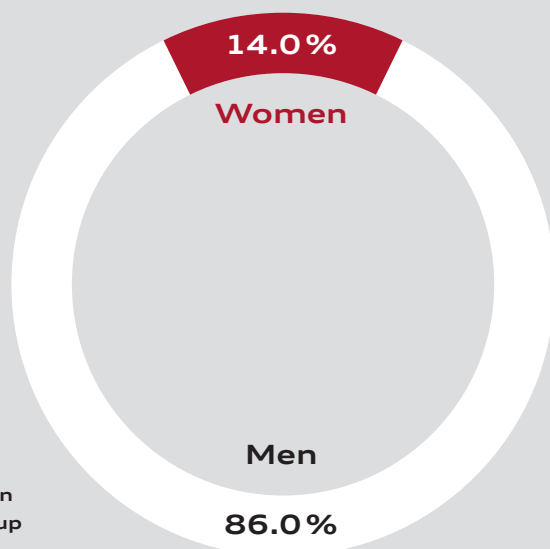
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I Promoting women

In 2011, we set ourselves the task of permanently increasing the proportion of women at the various levels of the Company: from apprentices all the way up to top management. In 2014, AUDI AG newly recruited a total of 1,451 academic graduates. 20.5 percent of them were women. The proportion of females in management increased from 7.3 percent in 2012 and 8.0 percent in 2013 to 8.3 percent in 2014.

When hiring female academic graduates, we look at the proportion of women studying each subject. For example, ten percent of mechanical engineering graduates are women. Consequently, the proportion of women we endeavor to recruit from this area of study is ten percent. Averaged out across all courses of study that are relevant to us, the proportion of women we want to attract to our Company is around 30 percent. As our future managers are largely selected from our own ranks, the proportion of women at the various management levels will gradually increase and filter through to top management.

Before they choose a training course or degree subject, we want to inspire girls and young women to take up technical and scientific careers. For example, with events such as the annual "Girls' Day," the "Female Researchers Camp" and the "Girls for Technology Camp." The proportion of female apprentices at AUDI AG rose from 23.7 percent in 2012 to 26.9 percent in 2014.



Percentage of
women and men
in the Audi Group
in 2014

I Learning from each other

Under the title “Sie und Audi,” the Company offers programs aimed at supporting Audi’s female employees on their personal career path. Through various measures, women are encouraged to recognize and develop their strengths with a view to possibly taking up management positions in the future. The “Mentoring Management” program was developed for this purpose and was launched in July 2014, with 12 participants from Ingolstadt and Neckarsulm. Designed as a collaborative project with a mentor from management, the participants work through various program points in a period of ten months, focusing on themselves and the image of women in leadership roles. Regular, intensive discussions with the mentor form the basis of this collaborative personnel development measure.

I Integration pays off

For Audi, the expertise and motivation of all employees is valuable, whether or not they have any health issues. Comprehensive integration management, special training measures and workplace design ensure equal career prospects for people with disabilities. **#514 Integration management**

Time for discussion:
The exchange between
employees produces
new ideas.



» Fair and performance-based

AUDI AG concludes permanent employment contracts based on the current version of the collective agreement of the metalworking industry and guarantees job security through to 2018 in a works agreement. The number of employees in the Audi Group rose by around 15 percent from 2012 to 2014, to 77,247 employees.

In 2007, AUDI AG introduced the remuneration framework agreement (ERA), which provides a standard pay structure for all employees. The monthly salary is made up of the following components:

- ▶ a basic salary, based on the requirements of the job,
- ▶ performance-based pay that reflects personal performance and
- ▶ an Audi component beyond the general pay scale.

#515 Temporary work

I Sharing in success

Every year, our employees receive a share of the Company’s profits based on defined target values – return on sales, quality and attendance rate. This is made up of a base amount, a bonus according to length of service and a variable share based on targets achieved. In addition, we also offer an Audi profit share (AEB). **#516 Profit-sharing**

#517 Sustainably mobile

I Well provided for in retirement

Our employees work hard for Audi, for several decades in many cases. We take responsibility for them – even when their active working life is over. AUDI AG supports its workforce with a company pension scheme that is based on a direct commitment. In addition, employees have the opportunity to top up their pension by way of deferred compensation. Since 2001, funds for retirement benefits have been invested in the capital markets through the pension fund administered on a fiduciary basis by Volkswagen Pension Trust e. V.

In July 2011, management and employee representatives agreed on a revised partial retirement program at AUDI AG and concluded the respective company agreement. The flexible arrangement gives employees the opportunity to shape the transition from working life to retirement and the choice between various work models during partial retirement.



Peter Mosch, Chairman of the General Works Council of AUDI AG, on corporate responsibility and a modern working environment

“More flexibility and modern work concepts, yes – but fair and structured!”

Corporate responsibility teaches us that social and ecological responsibility and business success don't have to be mutually exclusive. Audi's commitment to its employees is also helping to make the Group financially stronger. So why is there really a need for a Works Council?

Without a Works Council there is no co-determination in the Company. And no co-determination, no success. It's as simple as that. The fact is that if the employees are satisfied, and their interests are represented, the result is high-quality products. That's the simple little equation of the corporate strategy. In addition, our Works Council activities enable us to know where the colleagues would like to see change. And we discuss those points openly with the Company.

And what needs to be improved today?

Right at the top of the agenda is appreciation of the colleagues. This is why we are striving for an improved corporate culture and new leadership principles. In the meantime there are working groups made up of Company representatives and Works Council members that are continuing to fine-tune these topics.

Following the Works Council elections in March 2014, the employee representatives at Audi moved forward with renewed vigor and set up specialist committees and commissions. What new topics were added?

Aside from the existing committees and commissions – like those for remuneration structures and personnel and competence development – we are focusing more closely on the topic of “teamwork” in a newly established commission. We also are responding to the ongoing digitalization of production. In the future, the “Industry 4.0” committee is going to stand behind the use of new technological

possibilities for making working life easier and designing more flexible conditions of employment. As Works Council members, we pay particular attention to making sure that people will still control the systems and machines in the future, and not vice versa.

What can the employee representatives contribute to ensuring that the modernization of work will be a success story?

A lot. Back in 2013 we were already tackling the important issues of tomorrow, and bringing the workforce on board by means of open platforms, our “World Cafés.” This made it clear to everyone that the modern working environment at Audi rests on several pillars. On compatibility of work and private life, on exemplary leadership, and on trust and appreciation. To continuously build upon these pillars, we are working together with Human Resources and discussing, for example, new approaches to structuring work hours. Here we are studying how we can better take into account the needs of people in different life phases, while also trying to bring the term “mobile working” to life.

Audi is investing extensively in sites in Germany and around the world. What does that mean for the employees?

For one thing, it means the German sites are going to continue growing in the future. That secures jobs. But it also means a growing number of our colleagues will work at locations outside of Germany. That's why the Audi Works Council is committed to fair underlying conditions, so that assignments abroad will continue to be attractive. Because regardless of where in the world Audi people work, the working conditions simply have to be just right. This is the very reason why we set up the “International personnel assignment” commission. Ultimately, we want every Audi employee assigned to sites abroad to be able to continue his or her personal and professional success story without any obstacles.



Creating value together

Successful companies have an obligation to give something back to society. That is why Audi is committed to its locations, in Germany and around the world. The Company promotes innovative transportation concepts, education initiatives and research partnerships, the employees' volunteer activities, regional cultural offerings and, together with the Works Council, social initiatives.

■ Thinking globally, acting locally

Every Audi Group site has its own identity and its own requirements. With this in mind, the Company and the site representatives have jointly developed concepts for serving the needs of neighboring communities.



Rupert Stadler at the presentation of the Audi Urban Future Award 2014

I Global guidelines

Active participation in projects for the good of communities requires guidelines that can provide orientation for all responsible parties. This is why Audi adopted the global principles for corporate citizenship in August 2014. The principles were created by means of a process in which all AUDI AG sites took part. Management at the sites jointly agreed on the key questions: What does corporate citizenship mean to Audi? And what image does the Company project at the various locations?

The principles encompass five fields of action: mobility and infrastructure, family and society, health and leisure, knowledge and competences, and nature and the environment. They specify long-term goals and offer orientation to help with the selection and development of projects worthy of funding and support. However, acting in the best interests of society can have various focal points because each location faces different requirements. The goal is to find constructive solutions for the local challenges.

I Support guidelines

The global principles for responsible action are augmented by the “Corporate Citizenship” support guidelines that the Board of Management of AUDI AG approved in December 2013. The support guidelines primarily serve to outline the types of project the Company will support. Audi focuses its efforts on three areas:

- ▶ Education: Projects that support the education and advancement of children, youth and adults; these include projects related to social cohesion, culture, the natural sciences and humanities, sports and health.
- ▶ Technology: Projects conceived to provide solutions to technical and social issues related to mobility
- ▶ Support in the case of disasters

In principle, projects supported by Audi should clearly be connected in some way to one of the Company locations (except in the case of disaster relief). Further selection criteria for social commitment are, for example, the relevance of a project to society, the efficient use of resources, and the ability to measure and verify the use of donated funds. Special support criteria apply to environmental projects which the Company supports through the Audi Environmental Foundation.

#601 Audi Environmental Foundation

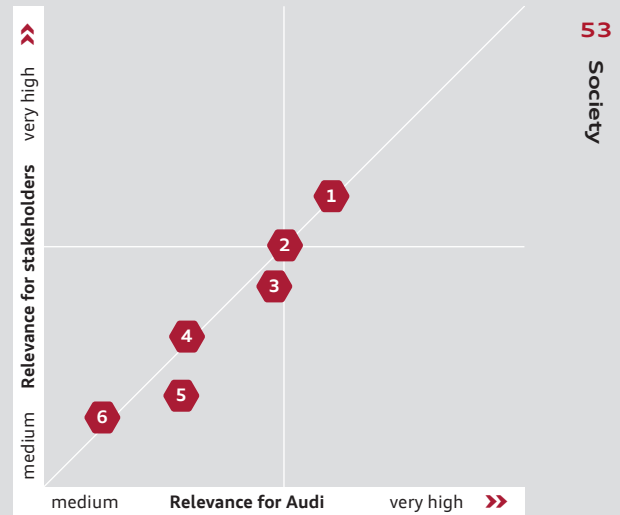
“ More and more people live in cities, many of them in megacities with millions of inhabitants. Audi has to tackle the challenge of making individual mobility future-proof with new concepts. ”

Dr. Gerd Leipold, Executive Director of Greenpeace International 2001 – 2009

Key topics

As in 2012, the relevance of social issues was once again evaluated in 2013 and 2014 and the materiality analysis thus continued. The findings clearly show that the “future of mobility” is still considered to have the highest relevance. The themes “promotion of sports, exercise and health,” “promotion of art and culture,” and “promotion of voluntary activities” have grown in importance since the last report period.

1 Future of mobility 2 Support for school education and training capacity 3 Involvement at the locations 4 Promotion of sports, exercise and health 5 Promotion of voluntary activities/corporate volunteering (CV) 6 Promotion of art and culture



» The future of mobility

Collaborating with Audi on the Audi Urban Future Initiative to develop comprehensive mobility solutions for urban settings are creative thinkers from around the world – including architects, urban planners, sociologists and futurists. An important dimension of the initiative is the Audi Urban Future Award, a biennial international competition honoring visionary contributions to urban mobility.

Audi is also working with leading universities on future scenarios. One example is the “Extreme Cities Project” in cooperation with Columbia University, which is dedicated to the megacities of the year 2050. Other elements of the Audi Urban Future Initiative include regular workshops with experts in various disciplines and the Audi Insight Team, an inter-departmental think tank.

The winning team of the Audi Urban Future Award 2014 from Mexico City



I Rewarding ideas

In November 2014, Audi presented the Audi Urban Future Award for the third time since 2010. With prize money of EUR 100,000, it is the world’s highest-endowed award for innovative mobility solutions. An international jury chaired by Prof. John Urry, Director of the Centre for Mobilities Research at Lancaster University, viewed the entries of four competing teams – from Berlin, Boston, Mexico City and Seoul. The Mexican team was honored with first prize for its “operating system for urban mobility.”

The heart of the concept is a data platform on which commuters enter data on their movements, using a website and an app. As soon as enough real-time data for precise forecasts are available, people can adapt their behavior to the forecasts and thus influence the traffic themselves – by departing later or by choosing the transportation mode that gets them to their destination most quickly. In this way a valid database for sustainable urban and traffic planning is gradually created. An initial version of the new data platform has been online since September 2014.

The insights from the submissions for the third Audi Urban Future Award will flow directly into the Company’s new “Urban Agenda.” The aim of the agenda is to develop products and solutions to make mobility in cities attractive again and enhance the quality of life. **#602 Commitment to road safety**



Classic Open Air 2014 in Ingolstadt with more than 20,000 visitors

» Quality of life for the regions

Audi accepts responsibility in the regions around its locations – for example when it comes to actively shaping the local transport infrastructure. After all, the volume of traffic continues to increase, especially around the plant in Ingolstadt. Since 2012, the Company has been engaging in intensive dialogue with the City of Ingolstadt about infrastructure and transportation concerns. The responsible parties are being asked to develop an efficient infrastructure for the future. The agenda calls for presenting targets, strategies and measures for a period of five to ten years. Numerous factors must be taken into consideration, from the road network to local public transportation to pedestrian and bicycle traffic.

I Shaping the future

A survey of employees conducted in March and April 2014 yielded results that also serve as a good information base for the discussion of the new transport development plan. Around 44 percent of the more than 38,000 employees in Ingolstadt at the time of the survey took part. The results show, for example, which modes of transportation are used to get to work. Most of the employees responded that they come by car: 85 percent in winter and 72 percent in summer. Between April and October, 17 percent of the Audi employees use bicycles.

400,000

visitors have attended the Audi Summer Concerts to date.

At the Neckarsulm site, Audi is also working with the city, the District Administration Office and the responsible transport organizations to ease the traffic load in the vicinity of the plant. The focus is above all on improving public transportation links to the plant. One solution was put in place in December 2014, when two stops for the new commuter rail system were added – right at the plant. In addition, other direct regional bus lines that stop right outside the plant were put into service for employees who work the early and late shifts.

#517 Sustainably mobile

I Active for art and culture

Audi has been a trusted partner in the world of culture for over 50 years. The goal is to make the experiences of art and music available and accessible at the locations, to as many people as possible. Since 1990, for example, the Company has been organizing the Audi Summer Concerts in Ingolstadt, which have attracted over 400,000 visitors to date.

In 2014, the festival opened with a performance by tenor Piotr Beczala and the Baden-Baden Philharmonic Orchestra. The concert marked the start of a series featuring 14 more cultural events. Especially popular are the open-air events with free admission, which conclude with a fireworks show. Visitors to these events enjoyed concert performances by the Audi Philharmonic Wind Orchestra and the Ingolstadt Georgian Chamber Orchestra. Another attraction of the 2014 season was the Audi Summer Concerts debut of Kent Nagano's "Vorsprung Festival," with Nagano in the role of Artistic Director. The Audi ArtExperience project for promoting young talents – the Audi Young Persons' Choral Academy – is a focus of great interest in these programs.

Audi also supports cultural diversity at the Neckarsulm site. In 2014, the Audi Forum Neckarsulm presented more than 150 artists from around the world, 29 creative hands-on programs for children and 21 cultural events. These included the Tango-Passion evening of dance with interludes by artists from 12 countries, a reading by Christoph Maria Herbst and a pop concert featuring Marlon Roudette. In addition, 21 teams of schoolchildren from the State of Baden-Württemberg competed for the first time for the title of state champions in the competition "Formula 1 in Schools."

I Promoting culture worldwide

Promotion of art and culture is also an important pillar of corporate citizenship at the international Audi locations. Lamborghini supports the Sant' Agata Theater, and Audi Hungaria sponsors, for example, the Győr Ballet and the annual closing concert of the Győr Summer Festival, which in recent years has entertained tens of thousands of enthusiastic guests. Audi Brussels also supports a number of different projects, including a recent concert series presented by the Yehudi Menuhin Foundation, which brought artists from various genres to the stage. The aim of this non-profit network is to support artists – particularly those in disadvantaged areas – and to promote dialogue between people of different cultural backgrounds.

» For the common good

22,324

hours of voluntary work were performed by Audi employees between 2012 and 2014 within the Audi Volunteers program.

Back in 2012, Audi kicked off a corporate volunteering program under the heading "Audi Volunteers." The initiative combines all of the employees' voluntary activities – from the annual Volunteer Day to campaigns at department level to an online platform where the employees can look for specific kinds of voluntary work. The Audi Volunteers initiative has attracted considerable interest. Between 2012 and 2014, a total of 2,971 employees took part in 326 projects, contributing 22,324 hours of voluntary work. **#603 Audi Volunteers online**

I Making time for others

Audi wants the Volunteer Day and team campaigns to spark interest in volunteering among its employees and make it easier for them to start getting involved in civic-minded activities. After taking part in their first Volunteer Day, many employees decide to make volunteering a permanent part of their lives.

The Audi Volunteer Day in May 2014 in and around Ingolstadt attracted 460 employees, who participated in 54 social projects. In Neckarsulm, 290 volunteers answered the call in September 2014, committing themselves to 25 projects. The participants worked for the benefit of children, seniors and people with disabilities, and some did their part to protect animals and the environment.

In October 2014, the Volunteer Day also took place for the first time in Győr, Hungary. In keeping with the slogan "Many Audi workers can achieve a lot," about 300 employees lent their support to charitable organizations, working on 21 projects. They helped to renovate elementary school classrooms, a children's home and several playgrounds, to name a few examples. Other employees collected trash and planted flowers in order to beautify the local zoo.

#604 Advent: A Time to Give; Autumn: A Time to Give

The Audi Volunteer Days motivate employees to get involved socially.



I Boosting community spirit

With the “TeamAction” initiative at the Ingolstadt and Neckarsulm sites, Audi began linking corporate volunteering to team building in 2014. For a whole day as a rule, colleagues working as a team support a charitable project that they choose in advance. The Audi Volunteers initiative helps with the selection process and also donates up to EUR 500 to the charitable organization behind the project to aid with implementation.

“TeamAction” benefits not only people in need, but also Audi employees. The team members bond together, team spirit is strengthened and communication between colleagues improves. At the same time, each individual gains valuable experience for their own personal development. Soft skills such as willingness to help and empathy are fostered, as is the ability to adapt to a new environment.

I Connecting and networking

Volunteering agencies and coordination centers for community involvement (KoBEs) bring together social institutions and people who are interested in volunteer work. Audi supports these important institutions in the Ingolstadt region and has taken steps to make professional coaching available. The goal is to connect interested companies, institutions seeking assistance and active volunteers. The volunteering agencies and KoBEs can contribute important project ideas, for Audi and for other companies in the region.

I Donating to good causes

Donation campaigns are a fixed element of Audi’s social commitment. The workforce’s annual Christmas donation appeal, which is kicked off by the Works Council each year, is a long-standing tradition dating back to 1977. In 2014, each participating employee had 12 euros of pre-tax income deducted from their November payslip. Nearly 99 percent of employees participated. Including the sum topped up by the Company, a total of EUR 910,000 was collected. The donated money was used to support 120 projects run by charitable institutions in Ingolstadt and the surrounding districts, as well as in Neckarsulm. In December 2014, for example, Works Council representatives handed over part of the donation to the “Stadtranderholung” program of the Neckarsulm Arbeiterwohlfahrt (workers’ welfare association), which is used by about 600 children. The donated funds were used to finance new jungle gyms and subsidize vacation supervision. Other company sites also collect donations for good causes at Christmastime. In 2014, the San José Chiapa site in Mexico took part in the donation campaign even before the plant opens there.

#605 International Christmas market

But we do not just donate at Christmas: Every month many Audi employees donate the remaining cents after the decimal point on their monthly payslip. In 2014, about EUR 250,000 was collected through this “Spare Cents” donation campaign, money that was used to fund a number of projects.

#606 A chance to play; 24-hour run

I Relief for flood victims

After the flood disaster in the summer of 2013 – whose impact was also felt along the Danube – AUDI AG wasted no time in making EUR 1 million in relief aid available to the people who suffered. The Company’s donations were sent to charities and emergency aid operations for flood victims in Germany and Hungary. In Germany, the funds went to recipients including the Bavarian Red Cross, and to Deggendorf and Passau, the areas hardest hit by the flood. The Audi workforces in Ingolstadt and Neckarsulm were also moved to action by the fate of the disaster victims. In response to a Works Council call for donations, a record total of an additional EUR 500,000 was raised. In February 2014, the money was passed on to seven social institutions in the Passau and Deggendorf regions.

In 2014, people in the Balkans were hit by the worst flooding seen in the region in over 120 years. The Works Council called for employees to help the victims by making personal donations, in cooperation with an aid organization.



One million euros for flood victims



“Fisica in Moto”: School students learn more about the laws of physics on the motorcycle.

» Academic partnerships

We assign high priority to sharing insights with experts, researchers and visionary thinkers. The collaboration with academic establishments in the regions where our sites are located helps to strengthen and shape the local environment for research and development.

Audi has partnerships with academic establishments worldwide. In 2013, the University of St. Gallen in Switzerland joined the list, followed in January 2014 by the Technical University of Dresden. Audi works with 31 academic institutes around the world.

Endowed professorships also contribute greatly to the development of colleges and universities in Germany. In cooperation with the “Stifterverband für die deutsche Wissenschaft” (Association for the Promotion of Science and Humanities in Germany), Audi endows professorships in areas of study that are particularly important to the Company. We currently endow the professorship for entrepreneurship, global responsibility and sustainability at Zeppelin University in Friedrichshafen, for example.

#607 Promoting science

I Springboard for talents

The education of children and young people is especially important to Audi. For example, the Company supports the public special-profile school in Ingolstadt – a unique model project in Germany for children and young people from difficult backgrounds – with an annual contribution of up to

EUR 1 million. In addition, Audi employees serve as teaching mentors. Germany’s first public special-profile school aims to ease the way to the high school diploma for gifted children whose families cannot provide them with sufficient help.

I Learning for the future

In 2013, the Audi Hungaria School at the Győr site became one of the 143 German international schools recognized worldwide. The school is open to German and Hungarian children. The school certificates they receive there are recognized in Germany as well as Hungary. Plans call for expanding the school’s capacity by 2017. A new school center for 650 children in 25 classes is currently under construction on the campus. The project is supported by the “Ungarndeutsches Bildungszentrum” (Hungarian-German Education Center) foundation and financed for the most part by Audi Hungaria.

#608 German-Italian school; Swiss International School; initiatives for competence development

I Physics in Motion

The Fondazione Ducati set up by the Italian manufacturer of sport motorcycles supports social, cultural and educational projects in northern and central Italy. The Foundation’s beacon project is “Fisica in Moto” – Physics in Motion. Participating students learn hands-on about the interrelationship between the laws of physics and motorcycle construction. In the 2013/2014 school year, 7,357 young learners attended the interactive physics lab. **#609** Summer school

7,357

school students attended the “Fisica in Moto” physics lab in 2013/2014.

Corporate responsibility in figures

Audi uses key figures to make its sustainability activities measurable and present them in a transparent way. The following tables contain an extract of important key figures relating to our CR core themes. The complete tables can be called up online at [#005](http://www.audi.com/cr-report). The figures for the years 2012

to 2014 apply to the calendar year and refer to the Audi Group. If key figures refer to individual Audi Group companies only, this is specified accordingly. Figures are rounded up or down, which may result in slight deviations from the totals stated.

I Operations

	Unit	2012	2013	2014
Revenue	EUR million	48,771	49,880	53,787
Operating profit	EUR million	5,365	5,030	5,150
Profit before tax	EUR million	5,951	5,323	5,991
Profit after tax	EUR million	4,349	4,014	4,428
Total capital investments	EUR million	6,416	3,680	4,500
Research and development activities	EUR million	3,435	3,966	4,316
Operating return on sales	Percent	11.0	10.1	9.6
Return on investment	Percent	30.8	26.4	23.2

I Product

	Unit	2012	2013	2014
Production				
► Automotive segment	Cars	1,469,205	1,608,048	1,804,624
	Engines	1,916,604	1,926,724	1,974,846
► Motorcycles segment	Motorcycles	15,734 ¹⁾	45,018	45,339
Deliveries to customers				
► Audi brand	Cars	1,455,123	1,575,480	1,741,129
► Lamborghini brand	Cars	2,083	2,121	2,530
► Ducati brand	Motorcycles	16,786 ¹⁾	44,287	45,117
Product-related CO₂ emissions/consumption				
CO ₂ emissions of the European fleet	g/km	139	134	131 ²⁾
Fleet consumption, China (FBU)	l/100 km	8.9	8.9	8.6
Number of models ≤ 140 g CO ₂ /km ³⁾	Cars	104	150	205
Number of models ≤ 120 g CO ₂ /km ³⁾	Cars	36	63	94
Number of models ≤ 100 g CO ₂ /km ³⁾	Cars	6	11	15

I Environment⁴⁾

	Unit	2012	2013	2014
Energy				
Total energy consumption ⁵⁾	MWh	2,482,807	2,621,068	2,540,383
▸ Electricity	MWh	1,395,679	1,459,401	1,520,541
▸ Heating (incl. district heating)	MWh	788,161	829,500	704,930
▸ Combustion gases for production processes	MWh	284,913	322,121	314,913
▸ Refrigeration (externally sourced)	MWh	14,054	10,046	0
Emissions				
Total CO ₂ emitted	t	628,916	633,354	643,834
▸ VOC emissions ⁶⁾	t	2,144	2,041	1,914
▸ Direct NO _x emissions ⁷⁾	t	258	184	175
CO ₂ reductions in logistics ⁸⁾	t	7,837	11,086	11,443
Water				
Total freshwater consumption	m ³	3,569,786	3,702,249	3,878,539
▸ Freshwater consumption, internal catchment	m ³	1,668,548	1,735,291	1,989,956
▸ Freshwater consumption, externally sourced	m ³	1,901,238	1,966,959	1,888,584
Volume of wastewater	m ³	2,269,192	2,431,220	2,628,236
Waste⁹⁾				
Total volume of waste (excluding scrap)	t	70,053	78,815	82,560
▸ Recyclable waste	t	58,090	65,274	68,349
▸ Disposable waste	t	11,964	13,540	14,211
Metallic waste (scrap)	t	306,857	332,294	345,847

1) Since acquisition of the Ducati Group in July 2012.

2) According to provisional calculations, the average CO₂ emissions of new vehicles sold in the European Union (EU 28) in 2014 was around 131 g/km.

3) All data apply to features of the German market.

4) All key figures refer to the Ingolstadt, Neckarsulm, Brussels, Győr, Sant'Agata Bolognese plants; since 2013 incl. Bologna; since 2014 incl. component manufacturing in Münchsmünster; not incl. CKD production; 2014 figures are provisional.

5) 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 plants.

6) VOC emissions (volatile organic compounds): This figure is made up of emissions from the paint shops, test rigs and other facilities.

7) Direct NO_x emissions: This figure comprises NO_x emissions generated by the boiler houses at the plants, paint shops and by the operation of test rigs.

8) Transportation of cars from Ingolstadt to Emden, the port of loading on the North Sea coast; since October 2012 also from Neckarsulm.

9) Our German plants participate in the statutory electronic verification procedure for waste management (eANV). Hazardous waste is stored separately from non-hazardous waste; the recycling and disposal of hazardous waste is monitored by the eANV.

	Unit	2012	2013	2014
Workforce, Audi Group	Total	67,231	71,781	77,247
▸ AUDI AG	Total	47,121	49,239	52,132
▸ Apprentices	Total	2,283	2,363	2,421
Average age, Audi Group	Years	40.6	40.4	40.4
Age structure, AUDI AG				
▸ < 30 years	Percent	17.4	17.9	19.5
▸ 30 to 50 years	Percent	59.8	58.0	56.3
▸ > 50 years	Percent	22.8	24.2	24.2
Average length of service, AUDI AG	Years	17.3	17.2	16.6
Fluctuation rate	Percent	0.6	0.4	0.5
Proportion of women, AUDI AG	Percent	13.9	14.1	14.2
Apprentices	Percent	23.7	25.2	26.9
▸ Industrial	Percent	20.7	22.1	23.3
▸ Clerical	Percent	77.8	79.4	81.7
Management	Percent	7.3	8.0	8.3
Other structural data, AUDI AG				
Proportion of academics ¹¹⁾	Percent	42.3	43.9	46.6
Proportion of foreign nationals	Percent	7.7	8.0	8.3
Proportion of people with severe disabilities	Percent	6.0	6.1	6.0
Contracts to workshops for people with mental disabilities	EUR million	6.3	6.5	6.6
Frequency of accidents ¹²⁾	—	2.4	2.9	3.1
Attendance rate ¹³⁾	Percent	96.4	96.3	96.3
Audi profit share per employee¹⁴⁾	EUR	8,030	6,900	6,540

| Society

	Unit	2012	2013	2014
Employee donations ¹⁵⁾	EUR	1,047,000	1,074,000	1,160,000
Expenditure on corporate citizenship ¹⁶⁾	EUR	—	—	19,500,000

¹⁰⁾ The employee figures are annual averages.

¹¹⁾ With respect to indirect employees.

¹²⁾ The accident frequency figure indicates how many industrial accidents involving one or more days' work lost occur per million hours worked.

¹³⁾ The attendance rate is calculated using the formula $100 - (\text{sick days/payment-relevant days}) \times 100$.

¹⁴⁾ Bonus paid in the following year; average figure for pay-scale employees at AUDI AG.

¹⁵⁾ Christmas donation (topped up by the Company) and Spare Cents donation; initiated by the Works Council.

¹⁶⁾ New key figure since 2014. Includes expenditures in the areas of education, science and socially relevant projects; incl. donations; not including sponsorship and research.

Fuel consumption and emission figures of the models named in the report

As at: March 2015 (All data apply to features of the German market.)

Model	Power output	Transmission	Fuel type	Fuel consumption (per 100 km)			CO ₂ emissions combined	Efficiency class
				urban	extra-urban	combined		
A3 Sportback 1.4 TFSI g-tron	81 kW	6-speed	Premium	6.9 l	4.2 l	5.2 l	120 g/km	B
			Natural gas	4.4 kg	2.7 kg	3.3 kg	92 g/km	A+
A3 Sportback 1.4 TFSI g-tron	81 kW	S tronic, 7-speed	Premium	6.2 l	4.3 l	5.0 l	115 g/km	B
			Natural gas	4.1 kg	2.7 kg	3.2 kg	88 g/km	A+
A3 Sportback 1.4 TFSI e-tron	150 kW ¹⁾	S tronic, 6-speed	Premium/electricity	—	—	1.7–1.5 l/ 12.4–11.4 kWh	39–35 g/km	A+
TT Coupé 2.0 TFSI quattro	169 kW	S tronic, 6-speed	Premium	8.4–8.3 l	5.5–5.4 l	6.5–6.4 l	151–149 g/km	D
A7 3.0 TDI ultra	160 kW	S tronic, 7-speed	Diesel	5.5 l	4.3 l	4.7 l	122 g/km	A+
Q7 3.0 TFSI quattro	245 kW	tiptronic, 8-speed	Premium	10.0–9.4 l	7.3–6.8 l	8.3–7.7 l	193–179 g/km	C–B
Q7 3.0 TDI quattro	200 kW	tiptronic, 8-speed	Diesel	6.7–6.2 l	6.0–5.4 l	6.2–5.7 l	163–149 g/km	A

¹⁾ Total system output (briefly)

Fuel consumption and CO₂ emission figures as well as efficiency classes given in ranges depend on the tire/wheel sets used.

Further information on official fuel consumption figures and the official specific CO₂ emissions of new passenger cars can be found in the “Guide on the fuel economy, CO₂ emissions and power consumption of all new passenger car models,” which is available free of charge at all sales dealerships and from DAT Deutsche Automobil Treuhand GmbH, Hellmuth-Hirth-Str. 1, 73760 Ostfildern-Scharnhausen, Germany (www.dat.de).



UN Global Compact Communication on Progress

On February 23, 2012, AUDI AG officially joined the UN Global Compact and is therefore expressly committed to its ten principles in the areas of Human Rights, Labor, Environment and Anti-Corruption. The Audi Corporate Responsibility Report 2014 contains the third UN Global Compact Communication on Progress. The following table provides an overview of the guidelines

and systems we use to implement the ten principles at AUDI AG. We also provide links to publications in which we underline what specifically we have undertaken to implement the ten principles. In addition, we refer in the GRI Content Index (**# 006**) to the fulfillment of the 21 "GC Advanced" criteria.

Principles of the UN Global Compact	Guidelines, systems and measures	References
Human Rights		
► Principle 1 Support and respect internationally proclaimed human rights ► Principle 2 No involvement by the company in human rights abuses	► Code of Conduct of the Audi Group ► Volkswagen Group requirements regarding sustainability in its relationships with business partners¹⁾ ► Commitment to international agreements²⁾ ► Anti-corruption system of the Volkswagen Group (ombudsman system) ► Ad hoc team at AUDI AG to assist suppliers on sustainability issues ► Further development of contractual requirements of suppliers regarding sustainability	p. 10 p. 21 # 102 # 103 VW AR p. 57 VW SR p. 42 ff.
Labor		
► Principle 3 Uphold the freedom of association and the right to collective bargaining ► Principle 4 Elimination of all forms of forced and compulsory labor ► Principle 5 Abolition of child labor ► Principle 6 No discrimination in respect of employment and occupation	► Code of Conduct of the Audi Group ► Guidelines for equal opportunities and equal rights at AUDI AG ► Declaration on Social Rights and Industrial Relations at Volkswagen (Social Charter) ► International Charter on Labor Relations of the Volkswagen Group ► Volkswagen Group requirements regarding sustainability in its relationships with business partners¹⁾ ► Commitment to international agreements²⁾ ► Charter on Temporary Work	p. 10 p. 21 p. 47 # 102 # 103 VW SR p. 42 ff. VW SR p. 72

AR = Annual Report 2014 of AUDI AG | VW AR = Annual Report 2014 of Volkswagen AG | VW SR = Sustainability Report 2014 of Volkswagen AG | **#XXX** = Additional information by entering the quicklink at www.audi.com/cr-report | 1) Volkswagen AG is the major shareholder of AUDI AG and controls approximately 99.55 percent of the share capital. Selection of Audi suppliers and supplier management is performed in consultation with Volkswagen Group Procurement. 2) Audi is committed to a large number of international agreements. An overview can be found in the online report: **# 103**.

Environment

► Principle 7 Support a precautionary approach to environmental challenges	► Commitment to the charter for sustainable development of the International Chamber of Commerce ► Commitment to further international agreements²⁾ ► Audi environmental policy ► Certified environmental management systems for automotive plants at all European Audi Group production sites (EMAS)	p. 10 p. 21 p. 26 ff. p. 34 ff. # 102 # 103 AR p. 178 ff. AR p. 182 ff. VW AR p. 120 ff. VW SR p. 86 ff.
► Principle 8 Support initiatives for greater awareness of environmental responsibility		
► Principle 9 Development and diffusion of environmentally friendly technologies	► Volkswagen Group requirements regarding sustainability in its relationships with business partners¹⁾ ► Integrated Product Policy (IPP) and life cycle assessments during product development ► Global guidelines for corporate citizenship (field of action "Nature & Environment")	

Anti-Corruption

► Principle 10 Work against corruption in all its forms, including extortion and bribery	► Code of Conduct of the Audi Group ► Preventive compliance organization ► Integration of compliance risks into risk management ► Connection to the anti-corruption system of the Volkswagen Group	p. 10 p. 19 ff. # 102 # 103 AR p. 205 ff. VW AR p. 56 ff. VW SR p. 46 ff.
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A Materiality Disclosures Service was conducted by the Global Reporting Initiative for the Audi Corporate Responsibility Report 2014.

Alignment with the G4 Global Reporting Initiative Guidelines

The Audi Corporate Responsibility Report 2014 is based on the G4 Global Reporting Initiative (GRI) Guidelines. A Materiality Disclosures Service was conducted by the GRI for the report. This check confirms that the standard

disclosures G4-17 to G4-27 are correctly listed in the GRI Content Index and in the text of this report of AUDI AG.

The complete GRI Content Index can be found at
» www.audi.com/cr-report **# 006** GRI Content Index

Selected content of the Audi CR Report 2014 was independently audited in accordance with ISAE 3000. The subject matter of the audit was the online report, to which the audit certificate depicted here refers. All audited content can also be found in the print version. In keeping with the reporting standard GRI G4, the focus of the audit is on the materiality process and on strategic management approaches. These were selected with reference to the materiality analysis.

Independent Assurance Report

To AUDI AG, Ingolstadt

We have been engaged to perform a limited assurance engagement on the description of the necessary materiality analysis for a sustainability report and selected issues of the Corporate Responsibility Report 2014 of AUDI AG, Ingolstadt, (hereinafter: the Company), for the business year from January 1st, to December 31st, 2014.¹

Management's Responsibility

The Company's Board of Management is responsible for the accurate preparation of the Corporate Responsibility Report in accordance with the criteria stated in the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI).

This responsibility includes the selection and application of appropriate methods to prepare the Corporate Responsibility Report and the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the report.

Practitioner's Responsibility

Our responsibility is to express a conclusion based on our work performed as to whether anything has come to our attention that causes us to believe that:

- ▶ the description of the materiality analysis presented within the Corporate Responsibility Report necessary for a sustainability report to determine its content and the boundaries of its aspects is not in accordance with the criteria "Stakeholder Inclusiveness," "Sustainability Context," "Materiality" and "Completeness" of the GRI's Sustainability Reporting Guidelines Vol. 4 and that they were not used during the Corporate Responsibility Report's preparation,
- ▶ the description of management approaches of the aspects "Compliance" (p. 19), "Occupational Health and Safety" (p. 44) as well as "Product Stewardship" (p. 25) presented within the Corporate Responsibility Report are not in accordance with the requirements of the standard disclosures G4-DMA of the Sustainability Reporting Guidelines Vol. 4 or that
- ▶ the description of quantitative information for the business year 2014 (p. 58) (i.e. "CO₂ emissions of the European fleet (EU 28)" and "fleet consumption China (FBU)" related to the management approach "Product Stewardship" as well as "attendance rate" and "frequency of accidents" related to the management approach "Occupational Health and Safety") presented within the Corporate Responsibility Report is in material aspects not in accordance with the criteria "Completeness," "Comparability," "Accuracy," "Clarity," "Timeliness" and "Reliability" of the GRI's Sustainability Reporting Guidelines Vol. 4.

It was not part of our engagement to review any additional information outside the scope of the given information or statements. Likewise, it was not part of our engagement to review links to external sources of documentation or experts' opinions or future-oriented statements.

We also have been engaged to make recommendations for the further development of the sustainability management and the sustainability reporting based on the results of our assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000. This Standard requires that we comply with ethical requirements and plan and perform the assurance engagement, under consideration of materiality, in order to provide our conclusion with limited assurance.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement.

The procedures selected depend on the practitioner's judgment.

Within the scope of our work we performed amongst others the following procedures concerning the above mentioned materiality analysis, management approaches and key data:

- ▶ Inspecting of documents and standards related to the sustainability strategy and management as well as understanding the Company's organizational structure;
- ▶ Consulting personnel regarding relevant processes and the underlying internal control system;
- ▶ Consulting personnel and inspecting relevant documents regarding the implementation of central directives at the sites AUDI AG, Ingolstadt, and Audi Hungaria Motor Kft., Győr, Hungary;
- ▶ Recording of the systems and inspecting of the documentation of systems and processes regarding the collection of sustainability data on a sample basis;
- ▶ and processes for collection, analysis, validation and aggregation of sustainability data and their documentation on a sample basis;
- ▶ Analytical procedures on relevant data.

Conclusion

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that:

- ▶ the description of the materiality analysis presented within the Corporate Responsibility Report (p. 13) necessary for a sustainability report to determine its content and the boundaries of its aspects is not in accordance with the criteria "Stakeholder Inclusiveness," "Sustainability Context," "Materiality" and "Completeness" of the GRI's Sustainability Reporting Guidelines Vol. 4 and that they were not used during the Corporate Responsibility Report's preparation,
- ▶ the description of management approaches of the aspects "Compliance" (p. 19), "Occupational Health and Safety" (p. 44) as well as "Product Stewardship" (p. 25) presented within the Corporate Responsibility Report are not in accordance with the requirements of the standard disclosures G4-DMA of the Sustainability Reporting Guidelines Vol. 4 or that
- ▶ the description of quantitative information for the business year 2014 (p. 58) (i.e. "CO₂ emissions of the European fleet (EU 28)" and "fleet consumption China (FBU)" related to the management approach "Product Stewardship" as well as "attendance rate" and "frequency of accidents" related to the management approach "Occupational Health and Safety") presented within the Corporate Responsibility Report is in material aspects not in accordance with the criteria "Completeness," "Comparability," "Accuracy," "Clarity," "Timeliness" and "Reliability" of the GRI's Sustainability Reporting Guidelines Vol. 4.

Emphasis of Matter – Recommendations

Without qualifying our conclusion above, we make the following recommendations for the further development of the Company's sustainability management and sustainability reporting:

- ▶ More transparent description of the quantitative controlling tools used for evaluating the targeted management of the preventive compliance approach.
- ▶ Stronger formalization and standardization across the Group of the implementation of the management approaches on an operational level as well as further development of key figures relevant to management.

Munich, May 20, 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft



Michael Conrad
Wirtschaftsprüfer

ppa. Heinke Richter

¹ Our assurance engagement applies to the German online version of the Corporate Responsibility Report. The Corporate Responsibility Report is published as an online version available at www.audi.com/cr-report.

Connected mobility in dialogue

At the second Audi Stakeholder Forum on October 7, 2014, we discussed the digitalization and connectivity of

vehicles with around 120 representatives of industry, science, NGOs and politics. The conference in Berlin focused on issues related to connecting the automobile with infrastructure, road users and mobile applications. Important subject matter and results were documented in a chart during the event.

#007 Stakeholder management



Traffic safety and efficiency

Audi is making huge strides from assisted to piloted driving. In fact, Audi already offers a wide range of driver assistance systems that help drivers recognize obstacles promptly, avoid accidents and arrive at their destinations more safely and more quickly. **#008**



Digital connectivity creates value for the driver

Connected mobility offers advantages as well as new possibilities for the future: increased safety, greater comfort and higher efficiency. In the development of new technologies, the focus for Audi remains on what customers expect and want. Digital connectivity can and must generate value for the driver. **#009**





Cities, data and the future of mobility

Digital connectivity will make personal mobility more comfortable, more climate-friendly and safer. The continuing urbanization and the creation of new megacities are accompanied by challenges: avoiding traffic congestion, providing intermodal mobility, help with finding a parking space and reducing air pollution – Audi is working together with the information and communications sector as well as with architects and city planners to find solutions for these and other issues. #010

Big data – creating transparency

Audi is actively confronting a major challenge when it comes to collecting and analyzing enormous volumes of data in near real-time: protecting and securing customer data. Increasing connectivity also requires greater transparency toward customers and society. The Company therefore follows a clear security policy that ensures drivers always have the authority to determine the use of their data and that the car is always protected from external access. #011



Evolve to Audi ultra.

Every day, we work on the question of how to get more from less.
Our answer: Audi ultra. The sum of our most efficient ideas.

Audi ultra – our program for sustainability and efficiency.

Audi ultra covers the entire value-added chain from procurement through to production and recycling as well as our products and services. Audi ultra is brought to life by people who develop and implement ideas.

Higher performance, lower consumption.

This formula has led us to victory many times at the 24 Hours of Le Mans – and in our series production vehicles it ensures maximum performance combined with the ultimate driving experience. That's why our most efficient models are called Audi ultra.



Audi ultra

Smart factory – connected and clean.

Audi ultra also means: an even smarter, more efficient and connected factory. The key aspect: innovative technologies ensure optimized processes and support employees with their increasingly complex work – leading to greater efficiency, resource conservation and sustainability in our manufacturing.



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