The Audi e-tron GT quattro¹ is one example of this. As the brand's progressive new spearhead, it is our first all-electric model manufactured in Germany. The e-tron GT¹ stands for emotional electric mobility and sustainability.

Now more than ever, our future success requires that we have a holistic understanding of sustainability, comprising the economy, environment and society. That is why we are also integrating the financial perspectives and issues related to ESG – Environment, Social and Governance – into our reporting and are publishing a combined annual and sustainability report this year for the first time. Even following last year's acquisition of all Audi shares by Volkswagen AG, this approach will allow us to uphold transparency as well as explain and classify correlations.

As a year, 2020 was defined by uncertainty and radical change. Our employees' great flexibility and willingness to adapt during these challenging times made a lasting impression on all of us as the Board of Management team. We are therefore convinced that despite – or perhaps due to – the current challenges, we will still be able to make a substantial difference. This conviction gives us the energy we need to continue to work strongly on the future of Audi in 2021.

Sincerely,

Markus Duesmann

Audi

2020

REPORT

combined annual and sustainability report



Dear Readers, Markus Duesmann Chairman of the Board of Management and Member of the Board of Management for Product Lines of AUDI AG

Stand together, but keep your distance – an idea that became last year's watchword. The coronavirus pandemic significantly impacted day-to-day business in markets throughout the world, presenting great economic as well as emotional challenges.

Thanks to our strong crisis management team, we have managed to navigate stably through the pandemic thus far. Ensuring the protection of everyone at Audi has always been our top priority. At the same time, we have examined our costs and secured our liquidity – without compromising on product substance or sustainability.

Audi has the potential and is committed to taking a leading role in shaping the transformation of the automotive industry. "Vorsprung" is in our DNA. For us, "Vorsprung" means combining unique technological innovations with a clear mindset: We want to set an example as a modern, transparent and value-based company. We want to sustainably shape individual mobility, while protecting the environment and conserving resources.

1 Audi e-tron GT quattro: combined electric power consumption in kWh/100 km: 19.6–18.8 (NEDC); combined CO_2 emissions in g/km: 0

CONTENT

The topics of the combined Report 2020 are based on the materiality analysis $(\rightarrow page 10)$. The content is divided into five chapters, each of which answers a strategic key question.



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High-level meeting - how Audi is shaping the future Page 40

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continue delighting its customers in the future? Page 134

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Good chain reaction greater sustainability together with suppliers Page 222



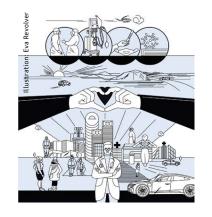
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5. Employees & Society How does Audi make a social impact? Page 251

Standing strong during the coronavirus pandemic the significance of corporate culture Page 253

One goal – one team Page 266

Responsibility worldwide: Engage, Educate, Empower Page 276



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Sustainability program Sustainability key figures Consumption and emission figures Content Wheel Auditor's report GRI content index

6

How is Audi acting

2. Operations & Integrity

profitably and

with integrity?

and the environment

Financial position

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Audi Report 2020 About the Report

Audi Report 2020

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Welcome to the Audi Report 2020, the first combined annual and sustainability report from Audi.

This report combines financial perspectives as well as Environment, Social and Governance (ESG) issues in a unique and transparent manner and provides comprehensive information about the company. In the process, it addresses aspects generated on the one hand by stakeholders'¹ demands and on the other, by the company's strategic focal points. In terms of time, the report reviews 2020, takes a look at the Audi situation today and considers what to expect in the near future from Audi.

Stakeholder management

How does Audi know what people expect from the Four Rings? The company actively involves its stakeholders in its core issues and wants to know their interests and expectations so that it can consider them in its business decisions. To this end, Audi uses different digital formats and individual one-on-one discussions, is involved in various initiatives and is a member of numerous committees (\rightarrow see page 331).

The materiality analysis represents one of the most central elements of stakeholder management. The company has been conducting it about every two years since 2012. In 2019, Audi used an online survey to ask 3,206 internal and external stakeholders for their assessment of relevant sustainability issues of the company (stakeholder relevance). This enabled the company to identify all the topics that are highly relevant for Audi and its stakeholders and that have a substantial impact on the environment and society.² The findings of this materiality analysis provide a structure for this report.

Topic matrix

The topic matrix featured in the Sustainability Report 2019 serves as the basis for the combined annual and sustainability report and was further developed by incorporating content from corporate and financial reporting. This process resulted in an extension, what is known as the Content Wheel \rightarrow <u>see page 315</u>, which highlights the material topics in five chapters – "Strategy," "Operations & Integrity," "Products & Services," "Value Creation & Production" and "Employees & Society." In addition, as was the case with the Sustainability Report 2019, the Content Wheel ensures that all those involved constantly have their sights set on corporate strategies, reporting standards of the Global Reporting Initiative (GRI) and the United Nations Sustainable Development Goals (SDGs) when it comes to the topic of sustainability.

Standards and auditing

The report was prepared in accordance with the "core" option of the GRI standards and confirmed by the organization with the GRI Materiality Disclosures Service. An independent auditing firm performed a limited assurance engagement on selected sustainability key figures for 2020 in the overview "Audi Sustainability Key Figures" \rightarrow see page 323.

The Audi Report is only available to readers online. In this way the Four Rings are making an important contribution to the conservation of resources, ecologically as well as economically. About the Report

The Audi Report is part of comprehensive, regular financial and sustainability communication. Find more information online about these topics at \rightarrow <u>www.audi.com</u>

We hope you enjoy reading it.

Alph. Wil

ember of the Board of

Management of AUDI AG

Procurement and IT

Markus Duesmann Chairman of the Board of Management and Member of the Board of Management for Product Lines of AUDI AG

Dr. Arno Antlitz Member of the Board of Management of AUDI AG Finance and Legal Affairs

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Peter Kössler Member of the Board of Management of AUDI AG Production and Logistics

Dr. Sabine Maassen Member of the Board of Management of AUDI AG Human Resources and Organization

Hildegard Wortmann Member of the Board of Management of AUDI AG Marketing and Sales

Reporting period	Reporting cycle so far
Fiscal year 2020	Annual Report yearly;
January 1 to	Sustainability Report
December 31, 2020	biyearly
Editorial deadline	Reporting cycle beginning
February 24, 2021	March 18, 2021
Publication March 18, 2021	Combined annual and sustainability report yearly

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

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

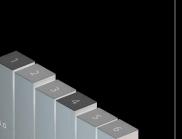
² More detailed information about the methodology behind the materiality analysis performed in 2019 can be found in the Audi Sustainability Report 2019.

Materiality matrix

Stakeholder relevance: Bar height Impact: ■ high ■ medium ■ low

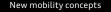
Operations & Integrity

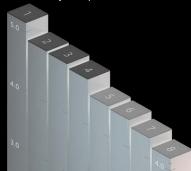
- 1 Ethical operations
- 2 Long-term customer relationships
- 3 Data protection and data security
- 4 Economic stability
- 5 Corporate governance and compliance
- 6 Corporate culture and participation



Products & Services 1 Vehicle safety 2 Alternative drive technologies

- 3 Transparency of resource conservation and life cycle assessment of various types of drive systems





Employees & Society

- 1 Fair working conditions and modern working forms
- 2 Occupational health and safety
- 3 Equal opportunities, integration and diversity
- 4 Training and development of employees
- 5 Innovative capacity and management 5 Promotion of education and science
 - 6 Corporate citizenship at Audi locations



Value Creation & Production

2 Emissions and energy management

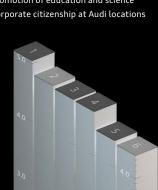
3 Sustainability standards in the supply

4 Nature conservation and biodiversity

1 Circular economy

at the plant

chain



102-44, 102-46, 102-47

- 4 Sustainable combustion engines
- 5 Sustainable system offer
- 6 Digital connectivity and services
- 7 Autonomous driving
- 8 New mobility concepts



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Milestones for the



Audi e-tron S: combined electric power consumption in kWh/100 km: 28.8–27.1 (NEDC); combined CO_2 emissions in g/km: 0



FUTURE

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2020 was an extraordinary year

For society and the global economy. It was dominated by the coronavirus pandemic. At the same time, the new Audi Board of Management team led by CEO Markus Duesmann focused intensively on the strategic orientation of the Four Rings and the product portfolio. This is because Audi wants to play a leading role in the transformation of the automotive industry, offer customers highly attractive vehicles and, in the process, protect the environment and conserve resources to the greatest possible extent.

An overview of key milestones in 2020:

Mobility goes smart and individual: Audi at the 2020 CES

Audi demonstrates the path to a digital future at the Consumer Electronics Show (CES) 2020. The exhibits range from production-ready technologies to futuristic visionary vehicles. With the Audi Intelligence Experience project, Audi is providing an outlook on how its customers will be able to experience and interact with the automobile in the future. One of the technology project's applications, self-learning navigation, is already being integrated into the MMI systems of current Audi models.

Audi provides a glimpse into future mobility at the Consumer Electronics Show (CES) 2020.



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Audi e-tron Charging Service: more convenient charging for Audi customers

Audi is making charging even more convenient and increasing price transparency. The Audi e-tron Charging Service has been operating for a year. In February, it already provides access to a public charging infrastructure for electric vehicles in 24 European countries.¹ Customers can currently use more than 135,000 charging points¹ from over 400 different international providers with just one card. In the future, they will be able to charge vehicles at the high-power charging terminals of the IONITY network at new rates using the City or Transit tariff. Here, e-tron customers benefit from heavily discounted Transit rates of 31 euro cents per kilowatt hour used. At the same time, the energy comes from renewable sources, which is a key component of sustainable mobility.

For more details about the Audi e-tron Charging Service and rates click \rightarrow <u>here</u>.



Audi e-tron Charging Service

1 Data as of February 1, 2020: At the editorial deadline, the figure had increased to 26 European countries and over 203,600 charging points.

Audi and the coronavirus

The coronavirus pandemic has a substantial impact on the global automotive industry. To protect employees and for reasons associated with demand and the supply chain, Audi partially suspends production worldwide. Shorttime work is also put into effect at the German sites. In view of the negative financial impact, Audi reacts early on with measures aimed at securing liquidity and, at the same time, ensures the stability of core processes.

Operations are also reduced to a minimum at the Audi headquarters in Ingolstadt.



Audi e-tron Sportback² takes the virtual world by storm

Audi launches the second model of its e-tron product line in a first-ever purely virtual format. The Audi e-tron Sportback² is a dynamic SUV coupé offering up to 300 kW (407 PS) of power and a range of up to 452 kilometers (WLTP) from a single battery charge. With the two body variants – SUV and Sportback – and two different performance levels, Audi is appealing to a broad range of customers with the e-tron family and continuing to promote its electrification initiative. Next milestone in September: the Audi e-tron S³ and its Sportback version.⁴

As the first car manufacturer, Audi uses "Virtual Market 4," one of the biggest virtual reality events in the world, as the presentation and experience platform for the new Audi e-tron Sportback.²



- 2 Audi e-tron Sportback: combined electric power consumption in kWh/100 km: 28.3-20.9 (NEDC); combined CO₂ emissions in g/km: 0
- 3 Audi e-tron S: combined electric power consumption in kWh/100 km: 28.8–27.1 (NEDC); combined CO₂ emissions in g/km: 0
- 4 Audi e-tron S Sportback: combined electric power consumption in kWh/100 km: 28.3–26.4 (NEDC); combined CO₂ emissions in g/km: 0

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Audi production gradually starts up again in Europe

Audi gradually ramps up production again at its European sites. In close consultation with suppliers and service providers, Audi puts together the necessary measures to comply with health and safety rules aimed at protecting all employees, and arranges a gradual return to daily production at the plants.

Health comes first: plexiglass dividers protect employees working close together in assembly.



Launching of Artemis – fast and agile

The Audi Group launches the Artemis project, which is tasked with designing competition-beating technologies for the mobility of the future. The team consisting of automotive and technology experts now has, among other things, four years to achieve its goal of putting a pioneering electric car capable of driving long distances onto the road. Artemis is intended to serve as a blueprint for the future agile development of cars throughout the entire Volkswagen Group.

Audi expands e-commerce offer worldwide

Audi focuses even more on digital offers for its customers. For instance, the company and its dealerships are integrating e-commerce solutions for purchasing new and used cars in more and more markets. The online sale of new cars in stock at dealerships has started in Germany; however, virtual consulting and service offers are also gaining in importance.

Markus Duesmann assumes responsibility for more divisions

In addition to his role as CEO, Markus Duesmann takes over the position of Board Member for Technical Development⁵ and Product Lines as well as responsibility for business in China, which is the most important single market for the Four Rings. The company already currently delivers every third car to a Chinese customer.



Markus Duesmann will now be responsible for business in China, Technical Development and the Audi product lines.⁵

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#AudiTogether: 100 years of Occupational Health at Audi

The coronavirus pandemic once again highlights the importance of health for society overall and the topic is a top priority at Audi, too. For 100 years, Audi Occupational Health has offered employees help and advice. Never before has demand been so high for these services: In addition to acute and emergency medical care for employees, the Occupational Health team has been implementing preventive measures to combat the coronavirus and providing testing options. In collaboration with Occupational Safety and other departments, new measures were also implemented at all workstations. Examples include social distancing, installation of partition walls and mandatory mask-wearing to ensure conformity with coronavirus regulations.



Protecting the health of its employees is a top priority at Audi.

Car.Software organization launches as independent unit within the Volkswagen Group

To achieve efficient and competitive cost structures, the Volkswagen Group is successively consolidating all software development activities pertaining to the vehicle in the newly created Group unit Car.Software organization. As a strong partner, Audi is incorporating its digital expertise and enlisting top-level support: In addition to his Group-wide responsibility for Research and Development, Audi Group CEO Markus Duesmann takes over as Chairman of the Supervisory Board of the Car.Software organization. The main goals of the Car.Software orga-Ľ nization are achieving an operating system for all Volkswagen Group models, a new electronic architecture and an automotive data cloud.

131st Annual General Meeting of Audi votes on squeeze-out

On July 31, the Audi Annual General Meeting votes on the squeeze-out according to stock corporation law. This resolution results in the transfer of all the Audi shares of the remaining shareholders to Volkswagen AG, which already holds 99.64 percent of the share capital of AUDI AG.

Markets see recovery: historically strongest August for Audi in China

In global terms, the automotive industry was particularly hard hit by the coronavirus pandemic. China, a key market for Audi, is already reporting a marked recovery: With 70,616⁶ vehicles delivered to customers, Audi enjoyed the best-ever August in its over 30-year history in China.



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By 2025, Audi wants to achieve around one-third of sales in China⁶ with electrified cars. Together with his team, Giorgio Delucchi, Head of the China and Hong Kong sales region, wants to make Audi the "most progressive premium brand" in this market.

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Successful conclusion of Monitorship

Audi successfully concludes the Monitorship in September following a more than three-year collaboration with the US Monitor Larry D. Thompson. A lawyer, Mr. Thompson and his team helped the Group fulfill the conditions of the settlement agreement reached with the U.S. Department of Justice at the start of 2017 as a result of the diesel issue. Over the course of the Monitorship, Audi revised its structures, processes and systems in many areas, while committing to continuously improving the company and its culture.

Audi welcomes young apprentices

In September, 650 apprentices and 38 students pursuing a dual course of study embark on their professional careers at Audi at the German sites in Ingolstadt and Neckarsulm. With these programs, the company offers practice-oriented qualification in future-oriented fields and is already training today's talented young people to face tomorrow's challenges. After successful completion, the automotive company guarantees students and apprentices a permanent position.

Audi Hungaria is the second net carbonneutral⁷ Audi site

Following Audi Brussels, whose production has been carbon-neutral⁷ since 2018, the second Audi site has now achieved the goal of net carbon neutrality.⁷ Since the beginning of the year, the site in Győr, Hungary, has used only green power, and Europe's largest photovoltaic roof installation went into operation here in October. The Hungarian Audi plant has been using a geothermal system since 2012 to cover the majority of its heating requirements. Biogas certificates compensate for the remainder. All the production and logistics measures aimed at reducing the environmental footprint at the sites are part of the Mission:Zero environmental program.

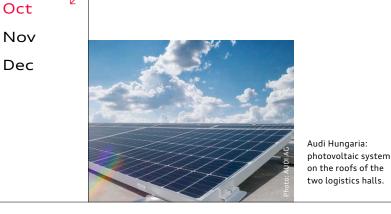
40 years of quattro drive

The quattro drive system is Audi's technical core competence and has developed into one of the company's main pillars over the last 40 years. Since 1980, Audi has produced nearly 11 million cars with quattro drive, while continually advancing all-wheel-drive technology throughout the entire process. The most recent development is the electric quattro with electric torque vectoring. This allows quattro drive to continue its history of success – including in the era of electric vehicles.

In 2019, circuit and rallycross champion Mattias Ekström climbed the "Mousetrap" on the legendary "Streif" downhill ski slope in Kitzbühel in an Audi e-tron quattro.⁸



8 Audi e-tron: combined electric power consumption in kWh/100 km: 28.8–21.4 (NEDC); combined CO₂ emissions in g/km: 0



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

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Audi starts new brand campaign

Audi will now bring together its global marketing measures under the slogan "Future is an attitude." "Vorsprung durch Technik" will remain the brand claim, but Audi is redefining the term "Vorsprung" or progress. The company is now placing the focus on people with their values and needs. Sustainability, digitalization and design continue to be the central issues. Audi pursues the goal of shaping the future of premium mobility and creating fascinating experiences for customers.

A new direction for the brand for a new automotive era and Audi customers.



Audi e-tron Sportback: combined electric power consumption in kWh/100 km: 23.8–20.9 (NEDC); combined CO₂ emissions in g/km: 0

Rollout of functions on demand in Europe

Audi is now offering customers functions on demand, the option of booking selected functions to meet their specific requirements. This opens up completely new possibilities for customizing their own car. This digital service is currently available for the all-electric e-tron family and for the current A4, A5, A6, A7, Q5, Q7 and Q8 models. The functions vary depending on vehicle model and market: In the case of the Audi e-tron⁹ and e-tron Sportback,² for example, customers can upgrade the LED headlights to matrix LED headlights with automatic high beam in the matrix LED package. Booking takes place online via myAudi. With functions on demand, Audi is taking another consistent step toward a seamless digital customer journey.



2 Audi e-tron Sportback: combined electric power consumption in kWh/100 km: 23.8-20.9 (NEDC); combined CO₂ emissions in g/km: 0

9 Audi e-tron: combined electric power consumption in kWh/100 km: 28.8–21.4 (NEDC); combined CO₂ emissions in g/km: 0

MQ! Innovation Summit

Audi hosts the first digital MQ! Innovation Summit. At the conference, international thought leaders discuss the mobility of the future. The focal points: sustainability, electric mobility, smart cities and the ethics of technology. This format provides Audi with impetus for future mobility and prepares it for challenges posed by the transformation.

First digital MQ! Innovation Summit 2020: digital exchange with experts on the mobility of the future.



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Motorsport is and will remain an established part of the Audi strategy

Audi resolves to enter the Dakar Rally for the first time ever in 2022 with a prototype. The vehicle's drive concept combines an electric drivetrain with a high-voltage battery, which can be charged as needed via an energy converter in the form of a highly efficient TFSI engine. In the future, marathon rally races will spearhead our Audi works team's motorsport activities.

Audi is taking on one of the biggest challenges there is in motorsport: Dakar Rally 2022.



Audi increases budget for electric mobility through 2025

With its investment planning for the next five years, the company is accelerating the transformation to becoming a provider of connected and sustainable premium mobility: A total amount of around EUR 35 billion will ensure that despite the difficult economic environment, upfront expenditures will remain at a high level particularly with respect to future vehicle projects. Around EUR 17 billion of the investments are allocated to electric mobility, hybridization and digitalization.

Audi is pursuing a product initiative with the clear focus on electric mobility.



Audi e-tron GT quattro: combined electric power consumption in kWh/100 km: 19.6–18.8 (NEDC); combined CO $_2$ emissions in g/km: 0

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How is Audi shaping the

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Sites in Europe

Ingolstadt, Germany

With 338,095 (441,608) cars

built in 2020, the headquarters

in Ingolstadt is the second larg-

est production site in the Audi

Group. This plant in the heart

of Bavaria is not only a produc-

tion facility, but is also home to

the Audi Group head office and

has 43,142 (44,458) employees

have already been implemented

emissions that would otherwise

Audi models produced at the

A3 Sportback, S3 Sedan,

RS 3 Sedan, A4 Avant,

A4 Sedan, S4 Sedan,

S4 Avant, RS 4 Avant,

A5 Coupé, A5 Sportback, S5 Coupé, S5 Sportback,

RS 5 Coupé, RS 5 Sportback

Technical Development. Audi

here, making it the region's

largest employer. Measures

at the Ingolstadt site to pre-

vent 70 percent of the CO₂

have been produced.

SQ2, A3 Sedan,

S3 Sportback,

RS 3 Sportback,

site:

> Q2,

AUDI AG

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Brief portrait

At a quick glance: Group performance in 2020.

The Audi Group, with its brands Audi, Lamborghini and Ducati, is one of the most successful manufacturers of automobiles and motorcycles in the premium and supercar segment.

Audi has been a fully owned subsidiary of the Volkswagen Group since November 16, 2020. Until this time, the latter held around 99.64 percent of the share capital of AUDI AG.

In 2020, the Audi Group delivered 1,692,773 (1,845,573)^{1,2} cars of the Audi brand, 7,430 (8,205) sports cars of the Lamborghini brand and 48,042 (53,183) motorcycles of the Ducati brand to customers.

86,860 (90,640) people were working for the company all over the world as of December 31, 2020, 59,817 (62,377) of them in Germany.

Audi (headquarters: Ingolstadt) is present in more than 100 markets worldwide and produced at 18 sites³ in 12 countries in 2020.

The current overview of sites for 2021 can be found \rightarrow here.

2 The figures for fuel/electric power consumption and CO₂ emissions → see page 312 ff. The allroad, PHEV and CNG (g-tron) models are not declared specifically.

3 Sites as of December 31, 2020.

2 Neckarsulm, Germany AUDI AG, Audi Sport GmbH The Audi Neckarsulm site is the site with the most extensive range of products. In 2020, 157,230 (177,209) cars rolled off the production lines here. Audi Sport GmbH (formerly quattro GmbH) has had its headquarters here since 1983. Various measures in place at the site currently prevent around 70 percent of all CO₂ emissions otherwise produced here. The company produces the fully electric-powered Audi e-tron GT quattro, the R8 and Audi Sport models at Böllinger Höfe at the Neckarsulm site.

Audi models produced at the site:

> A4 Sedan,

A5 Cabriolet, S5 Cabriolet, A6 Avant, A6 Sedan, S6 Avant, S6 Sedan, RS 6 Avant, A7 Sportback, S7 Sportback, RS7 Sportback, A8, A8 L, S8, S8 L, R8 Coupé, R8 Spyder, e-tron GT, RS e-tron GT

¹ The figures in brackets represent the respective prior-year figures.

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B Martorell, Spain SEAT, S.A.

SEAT S.A. has been producing for Audi in Martorell (Catalonia) since spring 2011. 62,108 (81,309) Audi models came off the production line there in 2020.

Audi models produced at the site:

> A1 citycarver, A1 Sportback, RS 3 Sedan

4 Sant'Agata Bolognese, Italy

Automobili

Lamborghini S.p.A.

This Italian brand is a fully owned subsidiary of AUDI AG. Sant'Agata Bolognese is home to its headquarters and main plant. A total of 1,779 (1,787) employees work here. In 2020, the company produced 7,250 (8,664) cars.

Models produced at the site:

> Aventador Coupé, Aventador Roadster, Huracán Coupé, Huracán Spyder, Urus



5 Győr, Hungary Audi Hungaria Zrt.

Audi Hungaria is the world's largest plant for the production of powertrains. The company has also been producing electric motors for the Audi e-tron since 2018. In Győr, 155,157 (164,817) vehicles came off the production line and 1,661,599 (1,968,742) engines and electric powertrains were manufactured in 2020. Furthermore, Audi Hungaria joins Brussels as the second net carbon-neutral Audi site.⁴ Read more \rightarrow see page 233

Audi models produced at the site:

> A3 Cabriolet, S3 Cabriolet, TT Coupé, TT Roadster, TTS Coupé, TTS Roadster, TT RS Coupé, TT RS Roadster, Q3, Q3 Sportback, RS Q3, **RS Q3 Sportback**

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

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

The Belgian site is a key plant for electric mobility within the Audi Group. Audi has been producing the brand's first electric car, the Audi e-tron, here since 2018. 42,188 (43,376) vehicles were manufactured there in 2020. The plant in Brussels is one of the brand's two sites that already have net carbon-neutral⁴ operations.

Audi models produced at the site:

> e-tron, e-tron Sportback, e-tron S, e-tron S Sportback



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

Bologna, Italy

Ducati Motor Holding S.p.A. Ducati produces motorcycles inspired by racing. The company headquarters and its largest plant are located in Bologna. 36,185 (42,759) units left the plant, which is located in the Borgo Panigale district.

Models produced at the site:

> Diavel,

Monster, Hypermotard, Multistrada, Panigale, Scrambler, Streetfighter, SuperSport

Ы

Site in Russia

Kaluga, Russia 9 Volkswagen Group RUS Audi manufactured a total of 2,477 (2,556) vehicles using the semi-knocked-down procedure⁵ in Kaluga in 2020. Kits of the preassembled models are transported in a container by rail to Kaluga. Assembly is carried out by the Volkswagen Group RUS.

> Audi models produced at the site: > 07, S07, 08, S08

5 In the SKD procedure (semi knocked down), cars are completely assembled to start with and then partially dismantled and transported as kits. Assembly is carried out in accordance with the technical and quality specifications of AUDI AG.

VOLKSWAGEN SLOVAKIA, a.s. This plant, which is located in Slovakia's capital, has manufactured the Audi Q7 since the

B Bratislava, Slovakia

end of 2005 and built the Audi Q8 since 2018 as well. In 2020, 103,932 (108,198) vehicles left the plant.

Audi models produced at the site: > Q7, SQ7, Q8, SQ8, RS Q8

Audi Report 2020

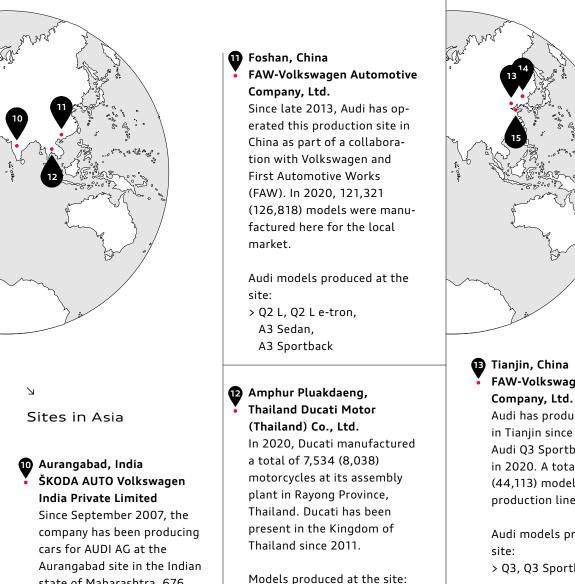
About the Report

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Audi Report 2020 About the Report

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state of Maharashtra. 676 > Diavel. (2.715) Audi models left the Hypermotard, Monster, plant in 2020. Multistrada, Panigale, Scrambler, Streetfighter, Audi models produced at the

site:

SuperSport > A4 Sedan, A6 Sedan



Audi has produced the Audi Q3 in Tianjin since 2019, and the Audi Q3 Sportback was added in 2020. A total of 77,774 (44.113) models rolled off the production lines here in 2020.

Audi models produced at the > Q3, Q3 Sportback

Changchun, China

FAW-Volkswagen Automotive Company, Ltd. Founded in 1988. the site in Changchun has a long-standing tradition. In 2020, 469,070 (443,905) cars were manufactured here for the Chinese market, making Changchun the largest production site.

Furthermore, Changchun will be the future headquarters of Audi FAW NEV Company Ltd., which will be newly established. Local production of the first model to be built jointly with FAW on the Premium Platform Electric (PPE) is scheduled to start by 2024.

Audi models produced at the site: > A4 L Sedan.

A6 L Sedan, Q5 L, e-tron

Qingdao, China

FAW-Volkswagen Automotive Company, Ltd.

Audi models have been rolling off the production line in the port city of Qingdao since 2020. The first models produced at the manufacturing site in 2020 were the A3 Sportback and the A3 Sedan, of which 3,805 vehicles were produced.

Audi models produced at the site: > A3 Sportback, A3 L Sedan

Sites in the Americas

San José Chiapa, Mexico Audi México S.A. de C.V. Audi opened a plant at San José Chiapa (Mexico) in 2016. 5,241 (5,299) employees work here. In 2020, this Audi

vehicles.

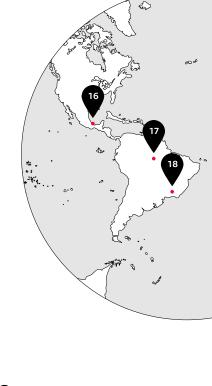
Audi models produced at the site: > Q5, SQ5

production site manufactured

a total of 124,298 (156,995)

Ð Manaus, Brazil DUCATI DAFRA da Amazônia Indústria e Comércio de Motocicletas Ltda. Ducati has operated a CKD⁶ plant in Manaus, Brazil, since 2012. 1,108 (926) motorcycles were manufactured here in 2020.

Models produced at the site: > Diavel, Monster, Multistrada, Panigale, Scrambler



1 Curitiba/São José dos Pinhais, Brazil Audi do Brasil Indústria e Comércio de Veículos Ltda. In 2020, 1,361 (2,346) vehicles left the production lines here. The plant in Brazil is the only one at which an ethanol version of Audi models was manufactured.

Audi models produced at the site: > A3 Sedan

6 CKD manufacturing (completely knocked down): This means that parts sets of a vehicle are packaged, shipped and then assembled on site, in part by adding locally manufactured parts

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High-level meeting –

how Audi is

shaping the FUTURE

An interview with the Board of Management about the transformation of the Four Rings and important strategic cornerstones for the sustained success of the company.



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A look back at the first almost 365 days: What conclusions would you draw after a year on the Board of Management?

Markus Duesmann The past year has shown me one thing above all: Audi has enormous potential. The flexibility and adaptability of people at Audi over the course of the pandemic has genuinely impressed me. The coronavirus has not kept us from getting things done. We have continued to drive the key topics of the future so that we can deliver innovations faster to our customers. This spirit is the best tool for overcoming the challenges that lie ahead of us.

What do you see as the major challenges for the sector and how can Audi respond?

Digitalization, electric mobility and regulation – all the established car manufacturers are currently facing the same challenges. There are no major differences here. Rather, what is crucial is that the sector will not master the transformation by clinging to old structures. The focus on software, for example, is a paradigm shift and must also change the way we develop our models in the future. Audi is adopting some smart approaches in this respect: We are no longer categorizing our model lines based on appearance, but instead based on the degree of digitalization, in other words the vehicle electrical system. That alone is a revolution.

At the same time, the synergies that we are now leveraging even more intensively within the Group offer a decisive competitive edge – for example, in terms of collaboration on the development of electric platforms. How do you intend to bridge the gap with new competitors in relation to the software?

WD We definitely need to step up the pace. Digital features and automated driving functions are increasingly becoming a crucial factor in competition. I see enormous potential here. We have absolutely taken the right path by pooling the software competences of all brands in the Volkswagen Group. The Car.Software organization combines the best experts under one roof so that it can bring digitalization and the future operating system, among other topics, into vehicles across the Volkswagen Group. This is an ambitious plan, but it's also unique in the industry. The Car.Software organization thus enables enormous economies of scale and, at the same time, gives us as a brand the opportunity to focus on what makes the difference for our customers: intuitive interaction with the car.

China is the largest single market for Audi. Where do you see its focal points?

China is key for us, not just as a sales market, but also as a technological pacesetter. This market drives many innovations and is evolving rapidly. We want to use this momentum. We are therefore repositioning our business in China and developing more resources, expertise and decision-making power locally.

Starting in 2024

Audi together with FAW will begin local production of electric vehicles on the Premium Platform Electric (PPE) in Changchun. Especially when it comes to digitalization and electrification, China's pace is tremendous. We want to achieve one-third of our sales locally with electrified models as early as 2025. The new cooperation company is making an important contribution to this. Starting in 2024, Audi together with FAW will begin local production of electric vehicles on the Premium Platform Electric (PPE) in Changchun. China is a central pillar for the sustained success of Audi in general and a top priority for me. The strong sales figures there despite the coronavirus pandemic bolster our result in 2020. At the same time, we are concentrating not just on one market, but on three pillars: Europe, USA and China.

What are you planning for the next 12 months?

W.D. We launched a number of key projects at full throttle last year and have set ourselves ambitious goals. I want to maintain this drive. Now we just need to turn them into results! It is important that all the cogs fit together and that we exploit the synergies fully – both at Audi and in the Volkswagen Group. I am absolutely convinced that we will be even more efficient and faster next year, bring more character and innovations to our cars and actively drive the transformation of the automotive industry forward.



Audi e-tron GT quattro: combined electric power consumption in kWh/100 km: 19.6–18.8 (NEDC); combined CO_2 emissions in g/km: 0

We will generate enthusiasm for electric mobility

With emotional experiences for our customers

Hildegard Wortmann Member of the Board of Management of AUDI AG Marketing and Sales

Ms. Wortmann, what was the greatest challenge for Marketing and Sales in 2020?

Hildegard Wortmann The coronavirus pandemic was certainly our greatest challenge. However, we used the crisis as an opportunity to blaze new trails: We successfully expanded the digital business in a short period of time. We stayed in contact with our partners, customers and fans worldwide the entire time with great flexibility and new ideas. Despite social distancing rules, we have moved closer together in the process.

Together we responded quickly to the restrictions and developments in the markets. Thanks to our strong crisis management, we delivered more than 1.69 million cars to our customers, shored up liquidity in the retail trade and reduced inventories. The fourth quarter of 2020 was even the most successful quarter in our history, with more than 500,000 deliveries. These challenging times have shown: We at Audi are a strong team – across the world!

How will you bring electric mobility closer to your customers?

HW Despite the pandemic, we are sticking resolutely to our Roadmap E: We plan to introduce more than 30 electrified models onto the market by 2025, of which around 20 will be all-electric. We are thus taking the lead in the transition to electric mobility. It's clear to us: The future of mobility is electric!

Roadmap E

By 2025 more than

electrified models including



fully electric models Even at this stage, customer demand shows that we have the right offer. We were able to practically double sales of our electric models in 2020 compared with the previous year. Audi was by far the strongest-selling manufacturer of battery electric vehicles among the three German premium brands. Further highly attractive electric models will be introduced onto the market this year with the Audi e-tron GT quattro,¹ the Audi Q4 e-tron and the Audi Q4 Sportback e-tron. In addition to the product, however, we are continuing to focus on the ecosystem surrounding the car, for instance with the Audi e-tron Charging Service.

We intend to go on generating enthusiasm for electric mobility by creating unique moments and emotional experiences for our customers.

What goals are you setting for the next 12 months?

(H.W.) We are setting ourselves ambitious goals for 2021 and want to keep on growing. As a strong marketing and sales team, we'll be successful at this next stage, too. We will focus our actions even more closely on our customers.

We'll also continue to consistently drive the transformation of our products and our mobility services forward – with an emphasis on electrification, sustainability and digitalization. In terms of sales, online and offline offers will merge increasingly to create an integrated experience.

With the realignment of the brand and sales strategy, we have made the Four Rings fit for the future. Not only will we "be" progress, we will also reinterpret it. It is also important to me that we approach things with courage, passion, perfection and fascination. This is how we will go on shaping the premium mobility of the future together.

1 Audi e-tron GT quattro: combined electric power consumption in kWh/100 km: 19.6–18.8 (NEDC); combined CO_2 emissions in g/km: 0

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2020 shows:

Audi is robustly positioned and economically weatherproof

What impact did the coronavirus pandemic have on the company's situation?

Dr. Arno Antlitz The coronavirus is an unprecedented stress test: During the first half of the year, Audi delivered 22 percent fewer vehicles to customers. That had a massive impact. However, we responded quickly to the coronavirus pandemic and optimized our short-term expenditure, without compromising our longterm product plans or the future viability of Audi.

After what can only be described as challenging months, we were able to offset the pandemic-related losses of the first six months and return to profitability again cumulatively in the third quarter. In the fourth quarter, we were even able to surpass the previous year's level significantly. The result for 2020 as a whole is therefore clearly positive – even if it is significantly below the previous year. One thing is certain: The crisis will continue to require great efforts on the part of the entire team. But it also signals to us that Audi is robustly positioned and economically weatherproof.

How do you intend to finance "Vorsprung durch Technik"? Which role will profitable electric mobility play in this?

A.A Reducing carbon emissions and protecting the climate are the most urgent tasks for our society in the long term. We want to play our part in this. At Audi, we will spend around EUR 17 billion of our EUR 35 billion investment budget up to 2025 on future technologies. Almost EUR 15 billion will be allocated to electric mobility and hybridization alone. This leaves us well positioned financially for the key challenges ahead. Electric mobility is by far the most efficient way to achieve decarbonization and to meet our CO_2 fleet targets. It is thus a key element of the strategy at Audi.



of which around €17 billion

of the Audi investment budget up to 2025 for future technologies

We are strengthening our brand to promote growth in the high-margin segments and improve our price position. In addition, the profitability of electric models will improve significantly with new model generations: Battery costs are falling and, at the same time, we are benefiting from rising economies of scale in hardware and software. Volume plays a key role in our industry. As part of the Volkswagen Group, we are the only premium manufacturer to be able to benefit to this extent from economies of scale.

Which financial goals has Audi set for itself in the medium term?

A.A. Audi has set itself the ambitious target return of nine to eleven percent over the next few years. We are continuing to stick to this strategic target corridor despite an economically challenging environment and the transformation of our industry. The systematic implementation of the Audi.Zukunft programs and the Audi Transformation Plan enables us to invest in future technologies such as electrification and digitalization.

An important key to our success is an emotional product portfolio. Positive signals are coming from the market, as well, and that gives me confidence. The automotive industry is expected to start growing again as of 2021, especially the premium segment. We want to benefit from this and at the same time further increase our market share. This will also be reflected in our financial figures. We want to return to pre-coronavirus levels again in 2022. Audi Report 2020 Strategy

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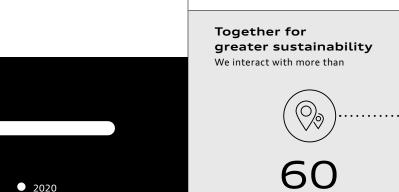
You started working at Audi in April 2020. Your first months were no doubt completely different from what you expected ...

Dirk Grosse-Loheide I certainly didn't expect things to start as they did. Overnight a majority of the team had to work remotely owing to the pandemic. Expanding the IT infrastructure on this scale was a challenge for our Audi IT. Yet we extended our digital collaboration culture massively within the shortest imaginable time. We digitalized further important workflows, thus safe-guarding core processes. This important step helps us make processes efficient and sustainable – and not just within the Audi family, but also in our everyday work with our business partners.

Procurement is a good example of the importance of this transition: In the first lockdown phase in spring, in particular, procurement, production and logistics collaborated closely to maintain the supply chains. And we succeeded in doing that. Until the lockdown in production, we didn't lose a single car owing to a lack of parts. Achieving this became increasingly more difficult owing to the closure of logistics routes in Europe as well as stricter national regulations. However, we were able to successfully counter the crisis, primarily thanks to our highly motivated and flexible teams at Audi. And we're going to keep this team spirit; it will help us to set course correctly for the future. Audi wants to manufacture incrasingly more electric cars. What does the procurement strategy for raw materials and components look like for Roadmap E?

D.G.L. Two things are becoming more important with the increasing share of electrified vehicles in the portfolio. First, in the case of many parts, we have to reassess which competences we will develop in-house and which we will buy in. This will allow us to benefit from synergies across the Group, especially in relation to components for electric mobility. Second, a large proportion of emissions generated by a car throughout its life cycle is shifting to upstream production processes. As a manufacturer, this gives us decisive leverage.

Sustainability requirements are an established part of our product specifications – if suppliers fail to observe these requirements, they will get no orders from Audi. This means we can ensure that we only work with partners who share our values. Because the manufacture of electric cars is more energy-intensive than with comparable combustion models, we consistently demand that green electricity be used in cell production, for instance. As early as 2019, we established the Sustainability Rating (S-Rating) as a binding criterion for awarding contracts. In addition to environmental aspects, it also considers social criteria.



countries

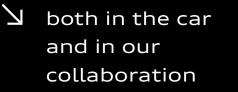
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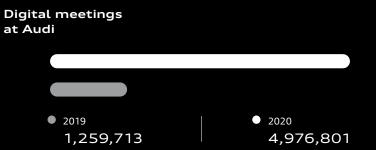
Software will be a central topic

Dirk Grosse-Loheide

of AUDI AG Procurement and IT

Member of the Board of Management





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We bear large responsibility, not just for our employees, but also for our suppliers as well as everyone involved in our supply chain, and we take this responsibility seriously. It's not just a case of looking at what our direct suppliers are doing; instead, we focus on cross-industry and cross-sector standards. Because at the end of the day, all the stakeholders benefit from greater transparency in the supply chain.

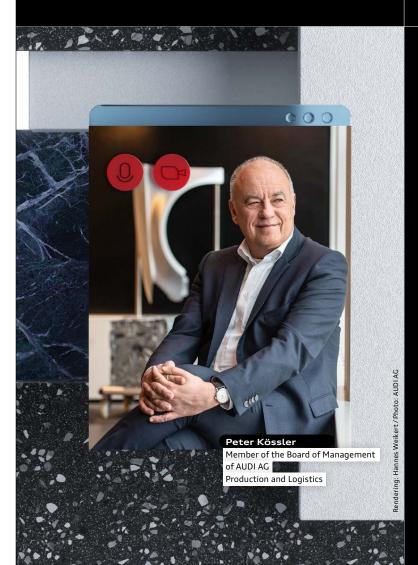
A look into the future: On which items will you spend the most money in the coming year? And why?

D.G.L. We want to help shape the transformation of the sector and are investing in two principal future-oriented fields. Software will be a key topic – both in the car and also for us within the company and in our collaboration. We have discovered just how important this is in recent months.

In addition, a majority of our funds is being invested in electrifying our powertrains. Our first all-electric models in the compact class will be rolled out in 2021 with the Audi Q4 e-tron and the Audi Q4 Sportback e-tron, and they will secure volumes. In addition, we're starting with preparations for the first models based on the PPE. We are continuing to invest in future technologies for our electric vehicles. We have the core competence in the Volkswagen Group to produce complete battery systems in-house. I also see the trend that we'll become involved with battery modules too in the future, once quantities justify this.

Our collective task is

I to get sites ready for electric mobility



You are in charge of the Audi crisis team. What characterizes the Audi strategy during the coronavirus pandemic?

Peter Kössler The virus pays no attention to borders or plant boundaries. This is why it is important to us that our actions as a company do not additionally endanger either employees or other partners, service providers and ultimately everyone at the Audi sites. Health comes first.

We responded very quickly and developed what is now a wellestablished framework for collaboration in the crisis team. That enabled us to make all the relevant decisions quickly and on a Group-wide basis. We deployed expert teams for every site and for each new coronavirus-related issue. These teams acted in close consultation with the departments and Works Council. Together we shut down production in March 2020 under controlled conditions and started it up again a short while later. That was a collective effort across the Audi production network globally, and I am especially proud of that. As a result, we managed to hit the ground running again with the usual quality standards and planned quantities. We quickly reached precoronavirus levels again in terms of production figures.

As the coronavirus continues to persist, the task of supplying semiconductor components poses a serious challenge in the first quarter of 2021. However, our experienced crisis teams across the Group constantly review appropriate countermeasures to limit the effects of such a delivery bottleneck for our production and for our customers globally.

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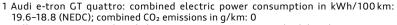
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What is your strategy for achieving sustainable and competitive production?

P.K. There is a clear message in our portfolio planning: We want to introduce around 30 electrified models onto the market by 2025 and produce them predominantly in German plants. It is therefore clear that Ingolstadt and Neckarsulm will remain the backbone of our worldwide production network.

Nonetheless, the electric initiative requires a readjustment in production. We are focusing on flexible production operations, which will reduce complexity in the production line as well as factory costs in the long term. Adopting a platform-driven approach in the plants gives us major cost advantages in the Volkswagen Group. One example is the multi-brand site in Zwickau, where the Audi Q4 e-tron and its coupé-style Sportback version are manufactured on the same production line as the Volkswagen ID.4.² Seat models will follow in the future. This reduces the required investment and helps ensure the capacity utilization of the plants.

Our German plants will remain pure Audi sites in the future, however, according to current planning. We will focus primarily on plug-in hybrids in Neckarsulm based on the \rightarrow MLB platform. In addition to the Audi e-tron GT.¹ our first all-electric vehicle at a German site, we will produce other electric vehicles there. The Ingolstadt site will focus on producing all-electric vehicles $(\rightarrow PPE)$ and the MQB platform.



2 Volkswagen ID.4: combined electric power consumption in kWh/100 km: 16.9–16.2 (NEDC); combined CO₂ emissions in g/km: 0



In addition to efficient structures and intelligent processes, sustainable production assumes in particular the responsible use of resources. This is a very important topic, and one that is close to my heart personally. We want all of our production facilities to be net carbon-neutral³ by 2025. Brussels and Győr have already made a start.

What are the challenges and difficulties that you and your team will have to overcome in the next year or two?

It is our collective duty to make sure that the plants are P. K. ready for electric mobility. We are already preparing intensively for the production of electric models at the Ingolstadt site: We already have the first PPE-based vehicles in pre-series production, and in-house battery assembly will also take place at a German Audi site for the first time. We want to add additional capacities in Ingolstadt for this future technology because that will create space for the supply of high-voltage battery systems in preparation for starting PPE production. At the same time, we are working relentlessly on making all sites future-proof in the medium to long term.

³ Audi regards net carbon neutrality as a state in which, following the exhaustion of other possible measures aimed at reducing the still remaining CO₂ emissions caused by the products or activities of Audi and/or currently unavoidable CO₂ emissions within the scope of the supply chain, manufacturing and recycling of Audi vehicles, at least quantitative compensation is provided through voluntary and globally conducted compensation projects. Throughout the utilization phase of a vehicle, meaning from when a vehicle is delivered to a customer, CO₂ emissions produced are not taken into account.

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Audi Report 2020



Culture and mindset are

hot just "nice to have" You came to Audi in April 2020. What are the major projects and topics you are working on?

Strategy

Dr. Sabine Maassen The transformation of Audi to a digital car company is a top priority. We have to position ourselves well for this and develop the required expertise. The framework for this is provided by the general agreement Audi.Zukunft, which was concluded by the Board of Management and the employees' representative body of AUDI AG back in fall 2019. This is a long-term roadmap enabling us to achieve efficient, future-proof corporate governance – and it focuses firmly on one thing: secure jobs for all Audi employees up to 2029.

We have also been working intensively over the past nine months on strategic HR planning. The question we ask ourselves at Audi is: What professional skills do we need in the future? To answer this, we compare current and future job clusters in every area, develop specific development programs and ensure that the employees acquire these qualifications in the appropriate timeframe.

How do you succeed in promoting topics such as integrity or culture change at Audi under today's high economic pressure?

S.M. Culture and mindset are not trivial matters that are merely "nice to have." The culture has to be right if business is to be both sustainable and successful. This is the only way that our teams can fully contribute their knowledge and potential, and ultimately make progress tangible. Every day at Audi, I experience a team that works relentlessly to shape the future

Job guarantee until

> for employees of AUDI AG

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of the company and that pulls together in challenging times – because we share common values with openness, responsibility, appreciation and integrity.

We have taken concrete measures to enhance this culture even further, for instance through the mandatory Role Model Program. Board members and managers with leadership responsibility carry out measures each year in order to act as role models in the face of cultural change. We want to rethink leadership and channel our focus more strongly in the future in the direction of work organization. With the work@Audi initiative, we are moving away from traditional structures and rigid hierarchies. We need openness, honesty and respect in our exchanges and discussions. Not only is this the basis for a good feedback culture, but also for a new and agile form of collaboration at Audi. Our transformation needs openness if it is to succeed.

What are you planning for the next 12 months?

S.M. What we have ahead of us is not a sprint, but a marathon! The plan for the future is in place. We will focus primarily on restructuring and all the other challenges posed by the transformation.

I see it as my task to provide guidance and to steer the transformation in a targeted and purposeful way. We want to show that Audi offers perspectives. Ultimately, it is our ambition to be the employer of choice, both internally and externally.

Selected contribution by Audi to the SDGs of the United Nations



3 GOOD HEALTH AND WELL-BEING

Audi is committed to protecting the health of its stakeholders, especially during the coronavirus pandemic.

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 \rightarrow see page 289 for an overview of the SDGs

How is Audi

profitably

and with

acting

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Talking Sustainable Business – Key Facts

- Making business decisions based on economic, ecological and societal aspects
- Monitorship both as an important element in working through the diesel issue and as a forerunner to the transformation
- Government restrictions and interruptions in the supply chain led to production stops and short-time work at Audi sites, especially in the first six months, which resulted in a global drop in sales volume
- Market recovery starting with China and solid operating performance in the second half of the year as well as record figures in the fourth quarter
- Full-year key performance indicators mostly significantly lower than the prior-year ones despite positive trend at the end of the year
- Audi is cautiously optimistic about 2021, but forecasting is hampered by the ongoing coronavirus pandemic



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Page 65 A win-win-win situation – for humankind, society and the environment Page 81 Financial position

A win-win-win situation – for humankind, society and the environment



Text: Janina Weigel

For Audi, responsible and valueoriented corporate governance means approaching every decision holistically, transparently and with integrity. After all, companies that operate sustainably will have a competitive advantage in the long term. Audi believes that operating with integrity means taking its responsibility to society seriously. What follows is value-oriented action geared to sustainability, focusing on humankind, society and the environment. The aim is to achieve a win-win-win situation for all participants. After all, business and integrity are not contradictions in terms - they are two sides of the same coin.

Actively shaping the transformation

"In our view, sustainability requires us to take radical and far-reaching action to conserve natural resources so that they can still be used by future generations," explains Silja Pieh, Head of Corporate Strategy. "There are various examples of this at Audi. These include the billions we've invested in the electrification of our fleet, the



Silja Pieh, Head of Corporate Strategy

use of state-of-the-art processes for carbon-reduced aluminum production or particularly energy-efficient welding and joining technology, the construction of solar systems to meet the energy requirements of our plants and the use of recycled materials in our product development. In the long run, Audi will only be successful if the company succeeds in bringing integrity and results, conscience and profit, the environment and sales into sustainable alignment. We consider ecological, economic and social aspects in all our decisions to ensure our long-term competitiveness and thus fulfill our responsibility as a forward-looking employer. Economic efficiency and job protection are equal-ranking goals for us." Achieving these goals requires compliance, integrity and an open corporate culture. "We take the issue of climate protection seriously and are therefore in the midst of a transformation that spans the entire industry. We want to play an active role in shaping this transformation - together with our employees and for our customers – so that we can continue to offer highly attractive products and services in the future, while protecting the environment and conserving resources," says Silja Pieh.

Audi Report 2020	Operations & Integrity
Audi Report 2020	Operations & integrity

Audi Report 2020 Operations & Integrity

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Systems and processes strengthened

Audi reached an important milestone in terms of compliance, integrity and corporate values in 2020: the successful conclusion of the Monitorship. Volkswagen AG committed itself to the Monitorship under a settlement reached with the U.S. Department of Justice in connection with the diesel issue. AUDI AG was also included within the scope of the Monitorship. Over a period of three years, the company worked together with Independent Compliance Monitor Larry D. Thompson on strengthening its compliance and integrity. "The diesel affair was a watershed for the entire Volkswagen Group on the one hand, but also triggered a transformation that will strengthen the company and make it fit for the future," emphasizes Holger Schmid, Head of Integrity, Compliance and Risk Management as well as Chief Compliance Officer (CCO) of AUDI AG.

Over the course of the Monitorship, Volkswagen AG and its subsidiaries and affiliates modernized and enhanced structures, processes and systems in many divisions, including Technical Development, HR, Risk Management, Compliance and various legal functions. The Volkswagen Group implemented and expanded its whistleblower system,¹ strengthened processes to prevent corruption and antitrust violations and created a due diligence process² for business partners. Moreover, the company flattened hierarchies, decentralized decision-making and introduced \rightarrow <u>new</u> <u>leadership and collaboration models</u>. US Monitorship successfully completed

Independent Compliance Monitor Larry D. Thompson has confirmed that AUDI AG, as part of the Volkswagen Group, has met its obligations under the diesel issue settlement with the U.S. Department of Justice to extensively revise and further develop its compliance program. The program is designed to prevent and detect violations of anti-fraud and environmental laws. The successful completion of the Monitorship was certified by Larry D. Thompson in September 2020 and applies to Volkswagen AG and its subsidiaries and affiliates – with the exception of Porsche AG and Porsche Cars North America, which were not part of the Monitorship.

The cooperation with Larry D. Thompson, who was appointed Independent Compliance Monitor by the US authorities in June 2017, was coordinated by the Audi Monitor Project Management Office. Larry D. Thompson and his team assessed and oversaw the fulfillment of the conditions from the agreements with the US agencies on the diesel issue.

The Monitor regularly made recommendations for action, which were adopted and implemented in a timely manner. Some requirements and suggestions, such as Together4Integrity or the Board of Management's declarations of commitment, extend far beyond the end of the Monitorship.

Forerunner to the transformation

"Mr. Thompson and his team have helped us make Volkswagen a stronger company, thus contributing significantly to the Group's transformation," said Dr. Herbert Diess, Volkswagen CEO and Chairman of the Supervisory Board of AUDI AG, after the Monitorship was completed.

But the journey is not over yet: The Audi Board of Management has placed the topics of integrity and corporate culture on its agenda as a central task. The six board members have made plans to this end, which were then submitted to the Audi Supervisory Board and the US Monitor in the form of personal declarations of commitment that they will pursue on a long-term basis.

But what are the distinguishing features of this "new Audi"? What factors does the transformation entail? Four Audi employees share their insights.

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Holger Schmid, Head of Integrity, Compliance and Risk Management as well as Chief Compliance Officer (CCO) of AUDI AG

"An active speak-up culture and an active network of integrity ambassadors characterize the 'new Audi,' as do our sustainable risk management and genuine commitment to compliance and integrity."

1 Within the context of a fair and transparent procedure, the whistleblower system protects the company, the persons affected and the whistleblowers. Uniform and rapid processes coupled with the confidential and professional processing of hints by internal experts form the foundation. Further information can be found → here.

2 Audi carries out integrity checks of its business partners (Business Partner Due Diligence, BPDD) to ensure they apply the same standard of integrity in business practices. These checks are conducted in accordance with a riskbased, transparent and properly documented process.

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Together4Integrity (T4I)

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JASMIN LOTZE,

Business and Human Rights

Compliance Specialist for the topic of

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"We must consistently ensure that we take respect for human rights into account in all corporate processes. Ultimately, it's always a matter of putting the focus on the human being and on respecting their rights."

Jasmin Lotze "Audi has more than 40 entities worldwide with almost 87,000 employees and tens of thousands of business partners – this means the company has an extremely high level of responsibility.

Consistent respect for \rightarrow human rights is essential for Audi. That is why they are firmly enshrined in the \rightarrow Audi Code of Conduct.⁴ The term 'human rights' covers a wide range of issues, including the right to health and safety at work, the right not to be discriminated against and, naturally, the prohibition of child and forced labor as well.

Holger Schmid "We want to set an example in the future – as a modern, transparent and value-based company. Especially now that we've successfully completed the Monitorship, we'll make sure that we don't lose momentum in rolling out the \rightarrow Groupwide Together4Integrity (T4I) measures and achieving a change of culture in our company. An active speak-up culture and an active network of integrity ambassadors characterize the 'new Audi,' as do our sustainable risk management and genuine commitment to compliance and integrity. None of these things are projects that will someday be completed and superseded by others. For me personally, they're constant themes in my work and permanent fixtures in the company. And we use effective tools and targeted measures to ensure that they're implemented.

Specifically, my team and I are concentrating on four priorities:

- 1. We'll continue to implement the Group-wide compliance and integrity program Together4Integrity until 2025.
- 2. We'll advise and support the members of our Board of Management in fulfilling their personal declarations of commitment.
- 3. We'll continue to comply with our obligations under the \rightarrow EPA Administrative Agreement.
- 4. Our Corporate Risk Management along with the Risk Management System (RMS), our corporate policies, the Internal Control System (ICS) and the Compliance Management System (CMS) will continue to be supporting pillars of our work in the future. All of this is designed to sustainably safeguard the company's goals, create transparency and reinforce awareness of risks, compliance and integrity."

"Together4Integrity" (\rightarrow T4I) is the integrity and compliance program of the Volkswagen Group and was introduced at AUDI AG back in 2018. The program is based on the principles of the Ethics & Compliance Initiative (ECI), a globally recognized standard for ethical corporate principles.

T4I will be rolled out across the entire Volkswagen Group by 2025. The ECI principles feed into the "T4I Toolbox" together with the recommendations of the US Monitor³ and other measures. This toolbox contains around 130 division-specific and general initiatives that reinforce integrity and compliance and promote cultural change. These include the Code of Conduct $(\rightarrow CoC)$ and the associated training measures, as well as the \rightarrow whistleblower system. The Code of Conduct gives employees a firm handle on how to operate with integrity, thus also further implementing the change of culture at Audi.

A large number of the T4I measures have already been implemented at the German sites of AUDI AG. At the same time, AUDI AG is responsible for rolling out the T4I program at its subsidiaries and participations.

⁴ Ensuring that all decisions are in harmony with legislation as well as with internal rules and values represents a key factor in the success of Audi. The Code of Conduct, which is valid throughout the Group, serves as the basis here. It defines the essential principles that apply to daily work routines in the company. We therefore express how Audi perceives itself and the fundamental rules that govern its actions. Above all we provide guidance, advice and support on ethical behavior at the workplace, as a business partner and as a member of society. The Code of Conduct is aligned with that of the Volkswagen Group and applies Group-wide to Audi, as well as being mandatory for all employees, regardless of their position in the hierarchy. More information can be found \rightarrow here.

³ The US Independent Compliance Monitor Larry D. Thompson was referred to as the Monitor. He was appointed in this capacity by the U.S. Department of Justice in spring 2017. Mr. Thompson and his team ensured for approximately three years that Volkswagen and Audi fulfilled the conditions associated with the criminal plea agreement and consent decrees in the USA.

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We must consistently ensure that we take respect for human rights into account in all corporate processes. Our Compliance Management System (CMS) helps us do this, since we use it to record, assess and manage compliance risks, among other things. We're fulfilling our duty of care by continually adapting processes, training our employees and partners and having set up a \rightarrow whistleblower system for instance.

The globally operating automotive industry with its distributed supply networks is considered a high-risk industry with respect to human rights. That's why Audi is also actively involved in the 'Automotive Industry Dialogue' as part of the German government's National Action Plan (NAP) for Business and Human Rights – together with representatives from academia, politics and civil society.

The 'new Audi' therefore not only sets high standards internally, but also endeavors to uphold our values and principles along the entire value chain as well, for example within the scope of its \rightarrow <u>supplier management</u>. Ultimately, it's always a matter of putting the focus on the human being and on respecting their rights."

The Compliance Management System in the Audi Group

As part of its organizational duty, the Audi Board of Management has established a Compliance Management System and a Compliance Organization.

A Compliance Management System (CMS) refers to the principles, measures, processes and structures of an enterprise to assure permanent compliance with the laws and internal regulations by corporate bodies, employees and third parties acting on behalf of an enterprise. In addition to AUDI AG, the CMS also covered 44 subsidiaries and participations worldwide in the year under review, with predominantly local compliance officers acting as multipliers. The AUDI AG CMS consists of the following seven core elements:



CARSTEN VORTANZ, Business Process Management, Quality Management/Risk Management and Head of the Product Integrity Committee

"The key to success here lies not only in the innovative strength of our products and services, but also in their reliability during everyday use."

Carsten Vortanz "We find ourselves in times of rapidly increasing complexity, both regarding regulations in the global markets as well as our products and their technical interdependencies. Added to this is our customers' increased need for mobility. The key to success here lies not only in the innovative strength of our products and services, but also in their reliability during everyday use.

Against this background, the integrity of our products is a top priority.

Product integrity is a legal obligation, and we are committed to complying with the applicable legal and official provisions of the respective countries of export and import. The same applies to specifications resulting from internal and external standards. Our products and product-related services meet the customer requirements that have been contractually agreed – taking into account the voluntary commitments⁵ by Audi.

5 Commitments made by a company to third parties, the content of which does not arise from legal provisions or official actions. An example of this at Audi is "Vision Zero": worldwide implementation of UNECE R 14, 16, 95 (independent of geographical scope) within the context of the "UN Decade of Action for Road Safety 2011-2020."

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Committee

RALF TURANLI,

Integrity Requirements and Chief Executive of the Product Integrity

Head of Quality Management, Product

"It's important to note

that achieving product

corporate responsibility."

integrity is an overall

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For the implementation of the 'new Audi,' product integrity compels every employee to comply with two major issues in their daily work: product safety and product conformity.

Product safety dictates that a product that is already available on the market must not endanger the safety or health of individuals under proper or foreseeable conditions of use.

Product conformity means that the Four Rings adhere to all legal and official regulations of the respective countries of export and import and meet all specifications resulting from internal and external standards. These include work and process instructions or general standards relating to rules of technology⁶ as well as contractually agreed customer requirements."

6 One practical example of this is DIN ISO26262: Road vehicles – Functional safety.

Selected contribution by Audi to the SDGs of the United Nations





Audi promotes longterm, inclusive and sustainable economic growth.



Like the \rightarrow <u>whistleblower system</u> and the \rightarrow <u>Audi Code of Conduct</u>, the PCMS is a key pillar of our 'new Audi' corporate culture. It will help us bring products with integrity to markets around the world."



Ralf Turanli "First and foremost, it's important to note that achieving product integrity is an overall corporate responsibility. It concerns all divisions of the company. Only then can AUDI AG be effectively protected against legal and financial risks.

To this end, we've created a regulatory framework that describes the processes, principles and measures for ensuring product integrity: the Product Compliance Management System (PCMS). The PCMS is integrated into the organization as a dual function shared by Technical Development and Corporate Quality. In terms of setup, it's based on a compliance management system in accordance with the requirements of the auditing standard IDW PS 980. The introduction and sustainable integration of the PCMS at Audi was a requirement within the scope of the US Monitorship. Effective anti-corruption

The Audi Group places a high priority on preventing corruption, with the Integrity, Compliance and Risk Management department contributing to sustainable anti-corruption efforts.

In the year under review, the compliance organization of AUDI AG supported 44 national and international participations in the compliance focal area of anti-corruption in the course of consultancy inquiries, the implementation of policies and the execution of training programs.

Fundamentally, all those entities where AUDI AG holds a majority interest or management responsibility or that are of particular importance are included in the process.

To ensure sustainable prevention of corruption and effective and efficient risk management, Audi offers its employees Web-based training (WBT) courses on "Anti-Corruption" and "Dealing with Public Officials," in addition to the "Policy on Gratuities for the Avoidance of Conflicts of Interest and Corruption." These training measures serve to protect all employees as well as the company.

→ see page 289 for an overview of the SDGs

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On August 13, 2019, the U.S. Environmental Protection Agency (EPA) entered into an administrative agreement with VW AG, AUDI AG, VW Group of America and VW Group of America Chattanooga Operations. This also extends to MAN Energy solutions, which is among the subjects of the auditorship due to its business dealings with the US government. The term of the agreement is set to end on August 15, 2022.

This agreement recognizes the extensive measures Volkswagen and Audi have taken since the end of 2015 to strengthen the compliance and risk management system and allows all Group companies to continue pursuing business relations with the US government.

Above all, the agreement requires further compliance with existing diesel settlements and to keep the \rightarrow <u>whistleblower system</u> and the \rightarrow <u>Audi Code of Conduct</u> in place. John Hanson has been appointed as an independent auditor to verify compliance with this agreement and submit an annual audit report to the EPA.

All employees are required to comply with the administrative agreement along with all other legal provisions, directives, corporate policies and work instructions.



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Financial highlight	S	Deliveries of cars of the Aud to customers	i brand 2 Recovery in 2nd half-yo Deliveries even al	ear	Net cash flow	→ cost discip → prioritizat → Volkswage	h flow due to: Iline ion of investments en intra-Group sales of ions totaling EUR 1.5 billion
The coronavirus pandem has a significant impact in th		Audi: –8 percent 1,692,773 (1,845,573) Car market worldwide: as much as –15 percent	thanks to active of management and demand in all ma	crisis d stronger	4.6	EUR still high net bn EUR 22.4 (21	
fiscal year – strong second has Government restrictions and interruptions in the surface led to production stops and short-time work at Audi second cially in the first six months, which resulted in a glo	upply chain sites, espe-	China Market recovery from March Full year 2020: +5 percent for Audi, although overall market declined	Record qua > 0.5 million deli 4th quarter due t effects, among o	veries in the to catch-up	Outlook: 2021 fiscal year		
 A Market recovery starting with China and solid operat mance in the second half of the year as well as record 	ing perfor-	Revenue	Operating retur		DEL REV Significant	ROS 7	
the fourth quarter	antly lower	Full year below prior year (EUR 55.7 billion) with strong 4th quarter totaling EUR 16.7 (14.3) billion	before special items: 5.5% (8.1%)		year-on-year growth expected for deliveries and revenue	9% expected operating return on sales	12– 15% anticipated return on investment (ROI)
Audi is cautiously optimistic about 2021, but fore hampered by the ongoing coronavirus pandemic		Operating result $2 - 6$ EUR	Special items of -0.2 connection with the die		R&D	capex	NCF
Details on the financial situation of Audi and the quart found during the year $\rightarrow here$.	ters can be	D bn			6-	4-	3.5-

before special items:

(EUR 4.5 billion)

2.7 EUR

2nd half-year: coronavirus-induced

4th quarter: particularly strong at

EUR 2.5 (1.3) billion, although also

losses more than offset

one-time effects

5%

anticipated

ratio of capex

4.5 EUR bn

forecast

net cash flow

7%

expected research and

development ratio

The figures in brackets refer to the previous year. The changes to the IFRS in the 2020 year under review had no material impact on the Audi Group's net worth. financial position and financial performance. Internet sources refer to the status as of February 24, 2021. The following section on the financial position contains statements on expected developments. These statements are based upon current assessments and are by their very nature subject to risks and uncertainties. Actual outcomes may differ from those predicted in these statements. AUDI AG has made use of the option under Section 289b. Para. 2 and Section 315b. Para. 2 of the German Commercial Code (HGB) exempting it from submission of a non-financial declaration and non-financial Group declaration and refers readers to the combined separate non-financial report of Volkswagen AG for the 2020 fiscal year, which will be available on the Internet → <u>www.volkswagen.com</u> in German and English by no later than April 30, 2021. Additional information on our production, delivery and financial figures can be found in an Excel sheet available for download on our web-

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Economic environment

The world economy recorded negative growth in the 2020 fiscal year as a result of the global impacts of the coronavirus pandemic. Total global demand for vehicles was markedly lower than in the previous year.

Development of the global economy in 2020

The world economy recorded negative growth in gross domestic product (GDP) of -4.0 (2.6) percent in 2020 as a result of the global spread of the coronavirus and the associated restrictions, which hit both the demand and supply side. Broken down by country, the picture was very uneven depending on the respective infection rates. Governments and central banks in numerous countries responded with monetary and fiscal policy measures, sometimes on a vast scale, such as dramatic cuts in interest rates, the suspension of social security contributions, short-time work and direct financial support payments.

Economic development in core markets: Europe – USA – China

The economy in Europe recorded a sharp contraction of -6.7 (1.5) percent overall in 2020. This was due, among other things, to national measures to contain the pandemic. The severe restrictions on public life had a serious impact on the service sector, for example, which was the bedrock of the economy before the pandemic. Governments in many European countries

eased the restrictions for a time, which led to a gradual economic recovery. Later in the year, with cases increasing again, some of these measures were tightened up again or at least kept in place. The uncertain outcome of the negotiations concerning the exit of the United Kingdom from the European Union (EU) also continued to generate uncertainty in the 2020 fiscal year, as did the related question of what form the economic relationship would take in the future.

At -5.3 (0.6) percent, Germany's economic growth in the year under review was well into negative territory. US economic output fell by -3.6 (2.2) percent in the year under review due to high infection rates. The US government agreed extensive support packages to bolster the economy. Meanwhile, in addition to further action to support the economy, the Federal Reserve cut interest rates twice.

The Chinese economy was hit by the negative effects of the coronavirus pandemic earlier than others. China's central government responded immediately with tough restrictions on public life, including banning entry to the country and widespread mass testing. This quickly brought the infection rate under control. In addition, it supported the economy, for example, by tax relief and interest rate cuts. That paved the way for the Chinese economy to recover relatively quickly and record positive growth of 2.1 (6.1) percent overall.

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Development of global car and motorcycle markets in 2020

At 67.7 million units, the global market volume for passenger cars in the 2020 fiscal year fell significantly short of the prioryear level (-15.2 percent) due to the coronavirus pandemic. This was the third year-on-year decline in a row. All regions were affected by this downturn.

The international motorcycle market in the displacement segment above 500 cc also declined.

Sector-specific environment

The sector-specific environment was influenced significantly by fiscal policy measures, which contributed considerably to the mixed trends in sales volumes in the markets last year. This included tax policies, subsidy programs, buyer incentives and import duties. In addition, non-tariff trade barriers to protect the respective domestic automotive industry made the movement of vehicles, parts and components more difficult.

Development of the global car markets in the core markets: Europe – USA – China

In Europe, the number of new passenger car registrations in the year under review fell well short of the prior-year level (-22.9 percent) at 13.7 million. The negative impacts of the spread of the coronavirus were already being felt by around the end of the first quarter in all countries in the region. After a dramatic decline at the beginning of the second quarter, a recovery occurred in the subsequent months. By the end of the third quarter, the market reached the previous year's figure. The fourth quarter of 2020 saw the market move sideways.

At 2.9 million units, the total number of new passenger car registrations in Germany in the 2020 fiscal year fell significantly short of the high prior-year level (–19.1 percent). The coronavirus pandemic meant that overall demand for passenger cars was at its lowest level since German reunification, despite a temporary reduction in value-added tax and increased buyer incentives for electric vehicles.

At 14.6 million vehicles, sales of passenger cars and light commercial vehicles (including SUVs) in the USA in the 2020 fiscal year were also down markedly on the prior-year figure (-14.5 percent).

At 19.9 million units, the Chinese car market was noticeably down on the previous year's level in 2020 (-6.5 percent). After dramatic losses in the first quarter of 2020, the Chinese car market rebounded rapidly starting in the second quarter of 2020, contributing to the global stabilization of the economy, especially in export-oriented Europe.

Growth in the gross domestic product (GDP), car markets and deliveries to customers of the Audi brand in selected countries/regions

Growth in the domestic pression of the domesti	-		Car markets in vehicles			Deliveries to Audi brand ¹ in vehicles	o customers o	f the
	2020	2019	2020	2019	Δin %	2020	2019	Δin %
Europe	-6.7	1.5	13,723,284	17,793,924	-22.9	619,723	769,585	-19.5
of which Germany	-5.3	0.6	2,917,907	3,607,258	-19.1	214,427	271,613	-21.1
USA	-3.6	2.2	14,574,868	17,047,497	-14.5	186,620	224,111	-16.7
China ²	2.1	6.1	19,928,449	21,305,450	-6.5	727,358	690,083	5.4
Worldwide	-4.0	2.6	67,729,526	79,852,032	-15.2	1,692,773	1,845,573	-8.3

For further information on how macroeconomic conditions affected Audi sales figures \rightarrow see page 95.

1 The prior-year figures may have changed as a result of updated data; provisional figures for 2020. 2 Chinese car market including Hong Kong.

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Production

Production and deliveries

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The Audi Group produced a total of 1,664,265 (1,802,073) vehicles in the year under review. The premium Audi brand accounted for 1,657,015 (1,793,409) of the cars produced in 2020. This figure includes 671,970 (614,836) Audi vehicles built locally by the associate FAW-Volkswagen in China. The Lamborghini brand manufactured 7,250 (8,664) vehicles in the reporting period. In addition, 44,827 (51,723) motorcycles of the Ducati brand were produced.

The -7.6 percent reduction in the Audi brand compared with the previous year is principally due to the worldwide drop in demand for cars in the context of the coronavirus. During the first quarter of 2020, Audi \rightarrow adjusted production, not simply because of the significant reduction in demand, but also in response to supply chain difficulties and factory shutdowns ordered by the authorities in some countries.

Stepwise production restart and stabilization during the year

The production stops at the Chinese facilities mainly had an impact in February 2020. The production volume in China stabilized gratifyingly as early as March, and by the end of 2020 there was actually a cumulative year-on-year rise of 9.3 percent.

From mid-March 2020, there was a controlled production shutdown at the European sites owing to the coronavirus pandemic. Production was restarted stepwise from the end of April 2020.

Car production by model^{3.4}

	2020	2019	Δ in %
Audi A1 Sportback	62,099	81,287	-23.6
Audi Q2⁵	124,403	130,207	-4.5
Audi A3 Sportback	118,981	128,788	-7.6
Audi A3 Sedan	83,276	104,719	-20.5
Audi A3 Cabriolet	4,620	7,302	-36.7
Audi Q3	161,151	180,247	-10.6
Audi Q3 Sportback	58,514	15,392	Х
Audi TT Coupé	6,793	11,791	-42.4
Audi TT Roadster	1,853	3,208	-42.2
Audi A4 Sedan	184,791	228,113	-19.0
Audi A4 Avant	52,092	85,790	-39.3
Audi A4 allroad quattro	6,695	9,484	-29.4
Audi A5 Sportback	43,996	71,128	-38.1
Audi A5 Coupé	6,475	12,093	-46.5
Audi A5 Cabriolet	6,315	9,856	-35.9
Audi Q5	276,015	286,365	-3.6
Audi A6 Sedan	221,950	176,362	25.8
Audi A6 Avant	41,452	50,677	-18.2
Audi A6 allroad quattro	8,276	5,566	48.7
Audi A7 Sportback	18,083	17,068	5.9
Audi e-tron	28,301	43,185	-34.5
Audi e-tron Sportback	14,600	191	Х
Audi Q7	65,806	63,753	3.2
Audi Q8	38,126	44,890	-15.1
Audi e-tron GT quattro	244	-	-
Audi A8	20,591	23,826	-13.6
Audi R8 Coupé	956	1,439	-33.6
Audi R8 Spyder	561	682	-17.7
Audi brand	1,657,015	1,793,409	-7.6
Lamborghini Urus	4,364	5,233	-16.6
Lamborghini Huracán	2,010	2,426	-17.1
Lamborghini Aventador	876	1,005	-12.8
Lamborghini brand	7,250	8,664	-16.3
Automotive segment	1,664,265	1,802,073	-7.6

3 The table includes 671,970 (614,836) Audi models manufactured by the associate FAW-Volkswagen Automotive Company, Ltd., Changchun (China).

4 Figures for fuel/electric power consumption and CO₂ emissions → see page 312 ff.

5 This includes 3,768 (2,867) fully electric Audi Q2 Le-tron models produced by the associate FAW-Volkswagen Automotive Company, Ltd., Changchun (China), for the Chinese market.

Integrity
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Production of electrified vehicles, Audi brand⁴

	2020	2019	Δ in %
Audi e-tron	28,301	43,185	-34.5
Audi e-tron Sportback	14,600	191	Х
Audi e-tron GT quattro	244	-	-
Audi Q2 L e-tron	3,768	2,867	31.4
Total fully electric vehicles (BEV)	46,913	46,243	1.4
Plug-in hybrid models (PHEV)	65,106	16,054	Х
Total electrified vehicles (BEV + PHEV)	112,019	62,297	79.8

The Mexican plant in San José Chiapa was only able to restart production in June 2020 as the pandemic spread later in Mexico.

The situation in the Audi production network continued to stabilize in the second half of 2020, and output increased by 12.2 percent year-on-year between July and December 2020. The New Energy Vehicle (NEV) share – in other words, fully electric and plug-in hybrid vehicles as a proportion of total production of Audi brand vehicles – increased by 6.8 (3.5) percent in 2020.

Start of production of new Audi models

Production of the Audi A3 Sportback started in Ingolstadt in the first quarter of 2020, ushering in the new generation of the A3 family. Following the start of production of the Audi e-tron GT quattro⁶ in Neckarsulm, the Four Rings have been producing the first fully electric Audi in Germany since December 2020.

In the reporting period, FAW-Volkswagen produced the Audi Q3 Sportback locally in Tianjin (China) for the first time. In addition, local production of the Audi e-tron⁷ started in Changchun

4 Figures for fuel/electric power consumption and CO₂ emissions \rightarrow see page 312 ff.

6 Audi e-tron GT quattro: combined electric power consumption in kWh/100 km: 20.2–18.8 (NEDC); combined CO₂ emissions in g/km: 0

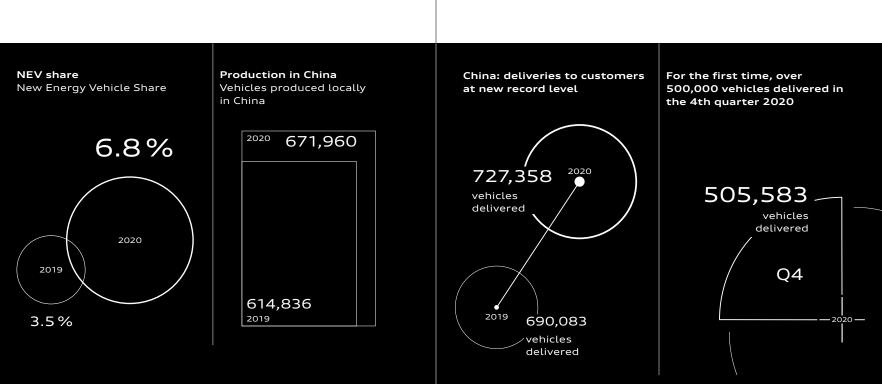
7 Audi e-tron: combined electric power consumption in kWh/100 km: 28.8–21.4 (NEDC); combined CO_2 emissions in g/km: 0

(China) in the third quarter of 2020. This is the second fully electric vehicle to be produced locally, the first being the Audi Q2 L e-tron⁸ (production start 2019). Following expansion of the factory in Qingdao (China), production of the Audi A3 Sportback and the Audi A3 Sedan in the fourth generation of the Audi A3 family commenced there as well.

For information on the Italian subsidiaries Ducati and Lamborghini \rightarrow see page 131 f.

Deliveries

The Audi Group delivered a total of 1,700,258 (1,853,833) vehicles in the 2020 fiscal year. A total of 1,692,773 (1,845,573) cars of the Audi brand were delivered to customers. The pandemic-induced decline of -8.3 percent was significantly less pronounced than the drop of -15.2 percent in overall market demand. While the Lamborghini brand delivered 7,430 (8,205) vehicles, the Ducati brand handed 48,042 (53,183) motorcycles over to customers.



8 Audi Q2 L e-tron: combined electric power consumption in kWh/100 km: 13.9 (NEDC); combined CO₂ emissions in g/km: 0 9 Detailed information on the delivery figures in the core regions can be found in the section "Economic environment" → see page 89.

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Car deliveries to customers by model^{4.10}

	2020	2019	Δ in %
Audi A1 Sportback	63,468	80,942	-21.6
Audi Q2 ¹¹	124,392	132,844	-6.4
Audi A3 Sportback	119,122	144,388	-17.5
Audi A3 Sedan	93,516	109,251	-14.4
Audi A3 Cabriolet	5,388	8,107	-33.5
Audi Q3	162,528	177,666	-8.5
Audi Q3 Sportback	54,488	6,157	Х
Audi TT Coupé	7,515	11,283	-33.4
Audi TT Roadster	2,317	3,662	-36.7
Audi A4 Sedan	183,632	234,387	-21.7
Audi A4 Avant	59,053	84,579	-30.2
Audi A4 allroad quattro	7,477	8,502	-12.1
Audi A5 Sportback	50,663	72,002	-29.6
Audi A5 Coupé	7,755	13,072	-40.7
Audi A5 Cabriolet	7,442	10,602	-29.8
Audi Q5	278,161	305,235	-8.9
Audi A6 Sedan	225,424	182,005	23.9
Audi A6 Avant	39,588	58,579	-32.4
Audi A6 allroad quattro	8,738	4,216	107.3
Audi A7 Sportback	17,546	17,387	0.9
Audi e-tron	37,366	26,155	42.9
Audi e-tron Sportback	9,958	212	Х
Audi Q7	64,038	86,028	-25.6
Audi Q8	38,699	44,054	-12.2
Audi A8	22,290	22,314	-0.1
Audi R8 Coupé	1,007	1,350	-25.4
Audi R8 Spyder	644	594	8.4
Internal vehicles before market introduction	558	-	-
Audi brand	1,692,773	1,845,573	-8.3
Lamborghini Urus	4,391	4,962	-11.5
Lamborghini Huracán	2,193	2,139	2.5
Lamborghini Aventador	846	1,104	-23.4
Lamborghini brand	7,430	8,205	-9.4
Other Volkswagen Group brands	55	55	0.0
Automotive segment	1,700,258	1,853,833	-8.3

4 Figures for fuel/electric power consumption and CO₂ emissions → see page 312 ff.

10 The table includes deliveries of 674,700 (630,800) vehicles produced locally by the associate FAW-Volkswagen Automotive Company, Ltd., Changchun (China).

11 This includes 4,240 (201) fully electric Audi Q2 L e-tron models for the Chinese market.

Deliveries in China higher than in the previous year

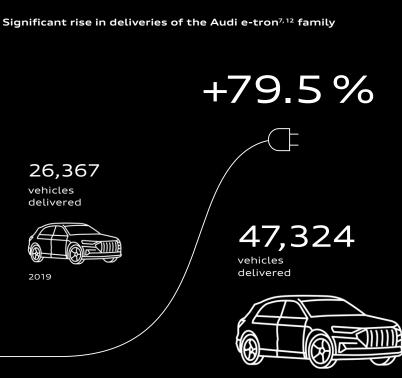
While the Chinese market was most negatively affected by the impact of the coronavirus in February 2020, the pandemic spread to other major markets in March. In particular, statutory measures such as the closure of dealerships and lockdowns led to a significant drop in deliveries worldwide. In China, however, there was a clear recovery from March 2020, and from April 2020, monthly deliveries were above the prior-year level. Cumulatively, deliveries in China increased by 5.4 percent year-on-year to a new record. The Chinese market as a whole contracted by -6.5 percent in this period.

Strong final sprint in the fourth quarter

In Europe, dealerships gradually reopened from April 2020 as the coronavirus restrictions were eased in stages. Dealerships also opened up again in the USA from April 2020, depending on the regulations in force in the various states. From then onward, there was an upturn in demand and thus in order intake in Europe and North America, although with considerable regional differences. Despite further lockdowns and the associated closure of dealerships in parts of Europe and the USA in the fourth quarter, the Four Rings experienced a strong final sprint at the end of the year. Audi recorded 505,583 (488,471) deliveries in the fourth quarter, making it the most successful guarter in the company's history. By extending digital sales and service offers, such as the Audi live advice service, and using alternative distribution methods such as "home delivery" and "click and collect," the Four Rings responded flexibly and successfully to the challenges of the coronavirus pandemic.

Brief look at the product lines

One particularly successful aspect in 2020 was the year-on-year increase in deliveries to customers in certain product lines, with rises of 79.5 percent for the Audi e-tron^{7, 12} product line, 18.1 percent for the Audi Q3 product line and 11.8 percent for the Audi A6 product line. In addition, Audi Sport posted a new record with more than 29,300 deliveries - that is 16.1 percent more than in the previous year.



2020

7 Audi e-tron: combined electric power consumption in kWh/100 km: 28.8-21.4 (NEDC); combined CO₂ emissions in g/km: 0 12 Audi e-tron Sportback: combined electric power consumption in kWh/100 km: 28.3–20.9 (NEDC); combined CO₂ emissions in g/km: 0

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Financial performance

The Audi Group generated revenue of EUR 49,973 (55,680) million in the 2020 fiscal year. The year-on-year decline of -10.2 percent was mainly due to a reduction in the number of vehicles sold as a consequence of the coronavirus pandemic.

Revenue from the sale of cars of the Audi brand fell to EUR 33,382 (39,467) million. This was also due to the market situation. Higher revenue than in the previous year was reported, among others, by the fully electric Audi e-tron^{7, 12} family and the Audi Q3 product line. The Lamborghini brand generated revenue from automotive business of EUR 1,569 (1,743) million in the reporting period, while the Ducati brand reported revenue of EUR 676 (716) million.

Condensed income statement, Audi Group

EUR million	2020	2019	Δ in %
Revenue	49,973	55,680	-10.2
Cost of goods sold	-44,178	-47,597	-7.2
Gross profit from sales	5,795	8,082	-28.3
Distribution expenses	-3,158	-3,418	-7.6
Administrative expenses	-598	-687	-13.0
Other operating result	530	533	-0.5
Operating result	2,569	4,509	-43.0
Financial result	1,618	713	126.8
Profit before tax	4,187	5,223	-19.8
Income tax expense	-413	-1,279	-67.7
Profit after tax	3,774	3,943	-4.3

Revenue from engines, powertrains and parts deliveries was EUR 9,136 (8,102) million and thus above the previous year's level. The main positive effect here came from revenue from parts deliveries for local production in China. Due to strong market demand for Audi vehicles, revenue here rose by almost 30 percent, contrary to the general market trend in China.

The cost of goods sold decreased, mainly due to lower expenses for production materials and freights as a result of the pandemicinduced reduction in sales. The decline was less than the drop in revenue, as some costs continued to be incurred during production stops lasting several weeks, but also partly because of the higher proportion of electric vehicles, where material costs are higher.

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7 Audi e-tron: combined electric power consumption in kWh/100 km: 28.8-21.4 (NEDC); combined CO₂ emissions in g/km: 0

12 Audi e-tron Sportback: combined electric power consumption in kWh/100 km: 28.3-20.9 (NEDC); combined CO₂ emissions in g/km: 0

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Key figures for research and development

EUR million	2020	2019	Δ in %
Research and development activities	3,662	4,426	-17.3
 Capitalized development costs 	1,365	1,146	19.1
(+) Amortization of and impairment losses (reversals) on capitalized development costs	1,257	1,087	15.6
(=) Research and development expenditure	3,553	4,368	-18.6

A look at research and development in the Audi Group

The research and development ratio¹³ was 7.3 (7.9) percent in the year under review. The reduction in research and development activities was attributable to improved efficiency and to pooling software development in the Car.Software organization within the Volkswagen Group. The capitalization ratio¹⁴ was 37.3 (25.9) percent. The increase is attributable partly to the change in the cash-generating unit¹⁵ in the fourth guarter of 2019 and partly to greater focusing of project funds, coupled with the considerable reduction in the research and development activities.

Other factors affecting the results

Distribution expenses were lower than in the previous year, mainly as a consequence of the pandemic which led to a drop in sales of vehicles and lower expenditures for events, trade shows and sponsorship activities.

13 This ratio shows research and development activities relative to revenue

14 This ratio expresses capitalized development costs in relation to total research and development activities. 15 In the case of self-generated intangible assets and the associated property, plant and equipment, previously the individual product or individual product family normally constituted the cash-generating unit. In the 2019 fiscal year, this unit had to be redefined for the Automotive segment because it is no longer the case that cash inflows generated by individual products are largely independent of those generated by other products. In particular, tighter emissions regulations worldwide mean that cash inflows from individual products increasingly influence each other. As a consequence of the altered framework conditions, since October 1, 2019, the brands have generally constituted the cash-generating units in the Automotive segment

Year-on-year, positive factors affecting other operating result included income of EUR 495 million from the sale of Autonomous Intelligent Driving GmbH, Munich, within the Volkswagen Group. Higher residual value risks and one-time reversals of impairment losses of EUR 243 million in the previous year in connection with the change in the cash-generating unit, had a negative effect on the other operating result.

Lower personnel costs

Increased Group-wide cost discipline also had a positive impact on the operating result of the Audi Group. Indirect (nonproduction) personnel costs, as a component of fixed costs, fell by around 4 percent, for example. In the context of the Audi.Zukunft fundamental agreement, which was concluded in 2019, more than 1,300 direct (production) and indirect (nonproduction) employees took up the early-retirement offer and left

Key earning figures, Audi Group

EUR million	2020	2019	Δ in %
Operating result before special items	2,739	4,509	-39.3
Special items ¹⁶	-170	-	-
Operating result	2,569	4,509	-43.0
of which Automotive segment	2,558	4,481	-42.9
of which Motorcycles segment	12	29	-59.8
adjusted for effects of PPA ¹⁷	24	52	-53.2
Profit before tax	4,187	5,223	-19.8
in %	2020	2019	
			Δ in ppt
Operating return on sales before special items	5.5	8.1	∆ in ppt -2.6
Operating return on sales before special items Operating return on sales	5.5	8.1	
			-2.6
Operating return on sales	5.1	8.1	-2.6 -3.0
Operating return on sales of which Automotive segment	5.1 5.2	8.1 8.2	-2.6 -3.0 -3.0

16 Special items in connection with the diesel issue; in the previous year, the special items were negligible 17 Adjusted for effects of subsequent measurement in connection with the purchase price allocation (PPA) amounting to EUR 12 (23) million.

the company on July 1, 2020. As of December 31, 2020, the Audi Group's workforce decreased by -3,780 to 86,860 (90,640) \rightarrow employees, partly due to the sale of participations.

Audi Transformation Plan sees continued success

The implementation of the Audi Transformation Plan (ATP) also made a positive contribution to financial performance. For example, measures totaling EUR 2.6 (2.5) billion were realized, with a significant portion benefiting the operating result as well as contributing sustainably to subsequent years. Since its introduction in 2018, the impact of the ATP has already been EUR 7 billion and is therefore making good progress. The aim is to leverage EUR 15 billion through the ATP by 2022 with the help of measures affecting costs and revenue. The pandemic-induced drop in volumes may, however, result in a slight delay.

Currency and raw material effects reduced the operating result by EUR -333 million compared with the previous year.

The operating activities of the Audi Group are reflected in the operating result of EUR 2,569 (4,509) million. This represents an operating return on sales of 5.1 (8.1) percent.

Before special items of EUR –170 (–) million in connection with the diesel issue, the operating result was EUR 2,739 (4,509) million and the operating return on sales was 5.5 (8.1) percent.

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Financial result, Audi Group

EUR million	2020	2019	Δ in %
Result from investments accounted for using the equity method	496	274	80.7
of which FAW-Volkswagen Automotive Company, Ltd.	107	180	-40.5
of which Volkswagen Automatic Transmission (Tianjin) Company Ltd.	244	185	31.5
of which SAIC Volkswagen Automotive Company Ltd.	17	27	-36.6
of which There Holding B.V.	61	-117	Х
of which other	67	-1	Х
Net interest result	52	2	Х
Other financial result	1,070	436	145.2
of which brand settlement, China business ¹⁸	641	295	117.0
Financial result	1,618	713	126.8
of which China business ¹⁹	1,009	688	46.7

Financial result of the Audi Group

The financial result of the Audi Group increased to EUR 1,618 (713) million in the past fiscal year. This included an increase in the result from investments accounted for using the equity method, partly due to an increased profit from the participation in THERE Holding B.V., Rijswijk (Netherlands), which in turn has a participation in HERE International B.V., Eindhoven (Netherlands). The net interest result improved due to lower expenses for the compounding of interest on liabilities. The increase in the other financial result is mainly due to the selling profit of EUR 589 million resulting from the deconsolidation of Audi Electronics Venture GmbH, Gaimersheim.

18 Financial brand settlement agreed between AUDI AG and Volkswagen AG, Wolfsburg, and performancerelated income for China business in connection with associates.

19 Includes the result from investments accounted for using the equity method: FAW-Volkswagen Automotive Company, Ltd., Volkswagen Automatic Transmission (Tianjin) Company Ltd., SAIC Volkswagen Automotive Company Ltd. and brand settlement/performance-related income for China business. In addition, the year-on-year increase in the brand settlement from Volkswagen AG, Wolfsburg, for the China business due to the Audi brand's good performance in China had a positive impact on the development of the other financial result. Overall, the Audi Group's China business contributed EUR 1,009 (688) million to the financial result.

Profit after tax at prior-year level

In the 2020 fiscal year, the Audi Group posted a profit before tax of EUR 4,187 (5,223) million. The return on sales before tax was 8.4 (9.4) percent. Income tax expense was EUR 866 million lower than in the previous year. Alongside the lower operating result, this was mainly due to tax-free divestment of the participations in Autonomous Intelligent Driving GmbH, Munich, and Audi Electronics Venture GmbH, Gaimersheim. This resulted in a profit after tax of EUR 3,774 (3,943) million.

Development of return on investment in the Audi Group

The Audi Group's return on investment (ROI)²⁰ was 7.4 (12.7) percent in the 2020 fiscal year and thus below our minimum required rate of return of 9 percent. Year-on-year, the negative development of the return on investment is largely attributable

Development of return on investment in the Audi Group

EUR million	2020	2019	Δ in %
Operating result after tax	1,799	3,157	-43.0
Invested assets (average)	24,312	24,930	-2.5
Return on investment (ROI) in %	7.4	12.7	-5.3 ppt

to the pandemic-related reduction in the operating result after tax.²¹ The average capital invested in the year under review was EUR 24,312 (24,930) million.

On the asset side, property, plant and equipment in particular fell to EUR 13,037 (14,618) million due to our prioritization of investment. Inventories declined to EUR 7,095 (7,819) million due to destocking, while trade receivables – particularly within the Volkswagen Group – increased to EUR 5,998 (5,011) million. On the non-interest-bearing liabilities side, trade payables increased to EUR 7,533 (7,106) million at year-end, driven by increased production in December.

Strong performance and one-off effects in the fourth quarter

While the coronavirus pandemic had a very negative impact on the business performance of the Audi Group in the first half of 2020 in particular, the operating result picked up considerably due to a pleasing performance in the second half of the year and, above all, the best fourth quarter in the company's history.

The Audi Group posted revenue of EUR 16,710 (14,348) million in the fourth quarter of 2020. The operating result was EUR 2,456 (1,271) million in this period, while the operating return on sales was 14.7 (8.9) percent. The principal factors here, apart from a substantial rise in the number of vehicles sold due to pent-up market demand – especially a higher proportion of full-size cars – were increased parts deliveries for the strong China business and a reduction in fixed costs as a result of improved cost discipline. In addition, other positive effects compared with the prior-year period included effects from the measurement of commodity hedges.

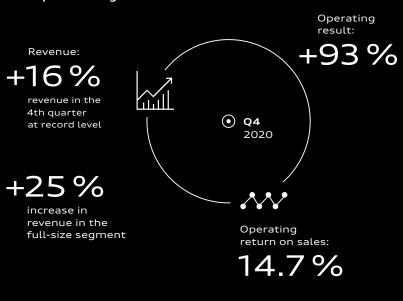
²⁰ The return on investment (ROI) expresses the return achieved on the capital employed. We obtain this indicator by determining the ratio of operating result after tax to average invested assets. Average invested assets are calculated from the asset items on the balance sheet that serve the core business purpose (intangible assets, property, plant and equipment, leasing and rental assets, investment property, inventories and receivables) less non-interest-bearing liabilities (trade payables and advance payments). The average of the value of invested assets at the start and the value of the invested assets at the end of the fiscal year is then calculated.

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4th quarter in figures



The financial result of the Audi Group was above the prior-year level at EUR 529 (284) million in the fourth quarter of 2020. As a result, the Audi Group reported a profit before tax of EUR 2,985 (1,555) million and the operating return on sales before tax was 17.9 (10.8) percent. Profit after tax came to EUR 2,608 (1,101) million.

Net worth

Total assets of the Audi Group as of December 31, 2020, rose to EUR 67,229 (66,878) million.

The Audi Group's non-current assets declined, mainly due to the reduction in property, plant and equipment resulting from greater prioritization of investments to enhance active liquidity management, including as a result of the coronavirus pandemic.

As of December 31, 2020, the equity of the Audi Group decreased to EUR 24,253 (28,395) million, giving an equity ratio of 36.1 (42.5) percent. The decline in equity was primarily due to lower reserves, together with a year-on-year increase in the profit transfer to Volkswagen AG, Wolfsburg. This was based on higher profit

Condensed balance sheet, Audi Group

EUR million	Dec. 31, 2020	Dec. 31, 2019	Δin %
Non-current assets	32,443	34,211	-5.2
Current assets	34,785	32,422	7.3
Assets classified as held for sale	-	246	-100.0
Total assets	67,229	66,878	0.5
Equity	24,253	28,395	-14.6
Liabilities	42,975	38,431	11.8
of which non-current liabilities	17,638	16,212	8.8
of which current liabilities	25,337	22,219	14.0
Liabilities classified as held for sale	-	52	-100.0
Total equity and liabilities	67,229	66,878	0.9

after tax in the AUDI AG single-entity financial statements – prepared in accordance with the German Commercial Code (HGB) – due to a higher dividend distribution to AUDI AG from an Audi subsidiary.

Non-current liabilities were higher as of December 31, 2020, partly owing to a rise in provisions for pensions as a result of a reduction in the interest rate applied for discounting. The rise in the current liabilities of the Audi Group was mainly caused by higher financial liabilities in connection with the higher profit transfer to Volkswagen AG, Wolfsburg.

Focus on the Audi Group's capital investment

Total capital investments declined to EUR 3,654 (4,223) million in the 2020 fiscal year as a result of the Audi Group's investment discipline, including in areas that are not product-relevant.

The reduction was particularly attributable to a year-on-year fall in capex, while capitalized development costs increased slightly due to the focus on product-related investments.

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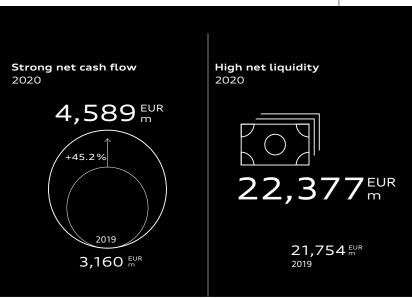
Financial position

In the 2020 fiscal year, the Audi Group generated cash flow from operating activities of EUR 6,308 (7,479) million. The decline was principally due to lower earnings as a result of the pandemic.

Significant reduction in capex

The cash flow from investing activities attributable to operating activities came to EUR -2,752 (-3,118) million in 2020.

This reflected the Audi Group's increased investment discipline. For instance, we significantly reduced capex²² to EUR –1,888 (–2,731) million. The ratio of capex was 3.8 (4.9) percent in the 2020 fiscal year. Intragroup sales of subsidiaries and the transfer of shares in associates amounting to approximately EUR 1.5 billion had a positive effect on cash flow from investing activities. This was countered by cash deposits and loans extended due to a change in the investment horizon.



Net cash flow and net liquidity above prior year

The net cash flow of the Audi Group totaled EUR 4,589 (3,160) million in the 2020 fiscal year.

Cash flow from financing activities amounted to EUR –3,952 (–1,200) million. It mainly comprised the profit transfer to Volkswagen AG, Wolfsburg, of EUR –3,752 million for 2019.

As of the balance sheet date, our cash funds declined to EUR 11,152 (11,747) million.

The net liquidity of the Audi Group as of December 31, 2020, amounted to a total of EUR 22,377 (21,754) million.

Condensed cash flow statement, Audi Group

EUR million	2020	2019	Δ in %
Cash and cash equivalents at beginning of period	11,747	8,550	37.4
Cash flow from operating activities	6,308	7,479	-15.7
Investing activities attributable to operating activities	-1,720	-4,319	-60.2
of which capital expenditure ²³	-1,888	-2,731	-30.8
of which capitalized development costs	-1,365	-1,146	19.1
of which acquisition and sale of participations	1,460	-497	х
Net cash flow	4,589	3,160	45.2
Change in cash deposits and loans extended	-1,032	1,201	Х
Profit transfer to the Volkswagen Group	-3,752	-1,096	Х
Lease payments, change in miscellaneous financial liabilities	-200	-104	91.9
Change in cash and cash equivalents due to changes in exchange rates	-199	36	x
Change in cash and cash equivalents	-595	3,196	х
Cash and cash equivalents at end of period	11,152	11,747	-5.1
Net liquidity	22,377	21,754	2.9
Cash flow from investing activities	-2,752	-3,118	-11.8
Cash flow from financing activities	-3,952	-1,200	Х

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Employees

In the 2020 fiscal year, the average level of the Audi Group workforce was 87,996 (90,783) employees. As of year-end 2020, there were 86,860 (90,640) employees. This reduction was largely based on the Audi.Zukunft fundamental agreement concluded in 2019. More than 1,300 direct and indirect employees of AUDI AG took up the early-retirement offer and left the company on July 1, 2020. There was also a reduction in the number of employees at Audi Hungaria Zrt. as a result of employee turnover and adjustment of the production program. The deconsolidation of Autonomous Intelligent Driving GmbH, Munich, and Audi Japan Sales K.K., Tokyo, also brought a reduction in the workforce.

Audi.Zukunft

In order to transform the company, Audi reached a fundamental agreement with employee representatives in November 2019 on structural matters within the framework of Audi.Zukunft. The decisions relate especially to the optimization of the strategic production capacity at the two German sites and socially responsible adjustment of jobs along the demographic curve. At the same time, job guarantees were extended to the end of 2029, and agreement was reached on the creation of new jobs in future-oriented fields.

Workforce Audi Group

Average for the year	2020	2019	Δ in %
Domestic companies ²⁴	58,432	60,083	-2.7
of which AUDI AG	57,437	58,940	-2.6
Ingolstadt plant	42,131	42,904	-1.8
Neckarsulm plant	15,306	16,036	-4.6
Foreign companies	26,612	27,669	-3.8
of which Audi Brussels S.A./N.V.	3,052	2,922	4.4
of which Audi Hungaria Zrt.	12,391	13,079	-5.3
of which Audi México S.A. de C.V.	5,233	5,268	-0.7
of which Automobili Lamborghini S.p.A.	1,769	1,788	-1.1
of which Ducati Motor Holding S.p.A.	1,337	1,290	3.6
Employees	85,044	87,752	-3.1
Apprentices	2,493	2,585	-3.6
Employees of Audi Group companies	87,537	90,337	-3.1
Staff employed from other Volkswagen Group companies not belonging to the Audi Group	459	446	2.9
Workforce Audi Group	87,996	90,783	-3.1
Workforce Audi Group as of Dec. 31	86,860	90,640	-4.2

The funds freed up in this way will secure the strategic target corridor for the operating return of 9 to 11 percent and finance the implementation of future projects such as in the areas of electrification and digitalization.

For more information about Audi.Zukunft and strategic HR planning \rightarrow see page 266.

Report on expected developments

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The Board of Management of AUDI AG anticipates – based in part on the estimates by leading economic institutes – that the global economy will stabilize in 2021 and grow by a good 4 percent. This is based, in particular, on the expected containment of the coronavirus pandemic as a result of strict lockdowns at the start of the year and the increasing number of vaccinations administered as the year progresses. The Board of Management believes that risks will arise from protectionist tendencies, turbulence in the financial and commodity markets and structural deficits in individual countries. Moreover, growth prospects will be negatively affected by continuing geopolitical tension and conflicts. Furthermore, the Board of Management assumes a clearly positive economic trend in both the developed economies and the emerging markets.

For 2021, the Audi Board of Management expects the passenger car markets to develop at different rates in the various regions. Overall, worldwide demand for new vehicles is expected to be perceptibly higher than in the year under review, assuming successful containment of the coronavirus pandemic over a sustained period.

In Europe, the brand with the Four Rings expects that in 2021 new car registrations will be much higher than in the previous year. Audi also expects new registrations on the US market for

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passenger cars and light commercial vehicles to be considerably higher than in 2020.

The market for passenger cars in China, too, is expected to develop favorably, with considerably higher volumes than in 2020.

Significant year-on-year growth is also expected for the international motorcycle markets.

The Audi Board of Management is cautiously optimistic about 2021, although forecasting is currently hampered by the continued impact of the coronavirus pandemic, which also affects global economic recovery, and by the bottlenecks in the supply of semiconductors experienced at the beginning of the year. Subject to this situation, the Board of Management currently expects the Audi key performance indicators to develop as follows in the 2021 fiscal year:

Anticipated development in the key performance indicators of the Audi Group

	Actual 2020	Forecast 2021	Strategic target corridor
Deliveries of cars of the Audi brand to customers ²⁵	1,692,773	significantly above prior-year level	-
Revenue in EUR million	49,973	significantly above prior-year level	-
Operating result/operating return on sales in %	5.1	between 7 and 9 percent	between 9 and 11 percent
Return on investment (ROI) in %	7.4	between 12 and 15 percent	> 21 percent
Net cash flow in EUR million	4,589	between EUR 3.5 and 4.5 billion	-
Research and development ratio in %	7.3	within the strategic target corridor of 6 to 7 percent	between 6 and 7 percent
Ratio of capex in %	3.8	within the strategic target corridor of 4 to 5 percent	between 4 and 5 percent

Cost and investment discipline Ensuring

future viability

Audi is clearly committed to a strategic target corridor of 9 to 11 percent for the operating return on sales, as only lasting profitability can create the necessary scope for investing in the future.

To achieve this target, the company is relying on strict investment and cost discipline so as not to compromise on product substance and future viability. In the 2020 fiscal year, Audi therefore reduced capex considerably to EUR 1,888 (2,731) million. The ratio of capex fell to 3.8 (4.9) percent. Audi is also continuing to implement the Audi Transformation Plan (ATP) and the Audi.Zukunft agreement consistently.

At EUR 3,662 (4,426) million, research and development activities also declined; the research and development ratio reached 7.3 (7.9) percent. Efficiency gains in Technical Development and the pooling of software development in the Car.Software organization within the Volkswagen Group had a positive impact here. However, there was no reduction in project funds for new models and technologies – a clear entrepreneurial statement amid the pandemic. This path is set to continue in the coming years. A total amount of EUR 35 billion in the period to 2025 will ensure that, despite the challenging economic environment, upfront expenditure will remain at a high level, particularly with respect to future vehicle projects. The company is prioritizing product-related investments and reducing its strategic target corridor for capex by one percentage point to between 4 and 5 percent of revenue. Meanwhile, Audi is increasing upfront expenditure for products and future technologies. Instead of investing 5 to 6 percent of revenue in research and development, the company plans to increase this to 6 to 7 percent in the future – Audi is thereby underscoring its commitment to innovation and accelerating its transformation into a provider of connected and sustainable premium mobility.



expected research and development ratio

anticipated ratio of capex

25 This includes delivered Audi models produced locally by the associate FAW-Volkswagen Automotive Company, Ltd., Changchun (China).

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Report on risks and opportunities

Risk management system in the Audi Group

Integrity and compliance with statutory and regulatory requirements are the basis of entrepreneurial actions in the Audi Group and are treated as a top priority. Addressing opportunities and risks constructively and openly is vital for Audi in order to ensure the lasting success of its entrepreneurial activities. The particular purpose of an effective Risk Management System (RMS) – besides fulfilling statutory requirements – is to validate entrepreneurial goals, protect stakeholders against negative corporate developments, fulfill the company's far-reaching duty of care in respect of how it handles risks as well as protect long-term viability and competitiveness.

The Audi Group's responsible and transparent approach to risks is reflected, among other things, in the formulation of ambitious corporate goals that are based comprehensively on risk/return considerations. These are synchronized both within the Audi Group and with the Volkswagen Group. The RMS is supplemented by the Internal Control System (ICS) that ensures that processes at Audi are compliant and stable. In the past fiscal year, an extensive revision and extension of the ICS was successfully completed. In this way, control activities were assigned to all major riskcarrying business processes across division boundaries as safeguards.

Operating principle of the Risk Management System

The Risk Management System of the Audi Group is based on the internationally recognized standard of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Risks are to be identified, evaluated and appropriately managed by those responsible. The higher-level internal business units and Group functionalities responsible must communicate in a transparent, accurate and timely manner. All divisions and material companies of the Audi Group are integrated into the Risk Management System in order to satisfy both business and statutory requirements. Changes in the legal framework with respect to risk management are also continually monitored and accordingly implemented promptly for the company.

The RMS/ICS is closely interlocked with the compliance functionality (Central Governance, Risk & Compliance (GRC) organization) as part of an integrated and inclusive management approach. The Board of Management and the Supervisory Board, especially the Audit Committee, are kept regularly informed about the RMS/ ICS as well as the Compliance Management System (CMS) in a combined report.

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	Supervisory Board	
I	Board of Managemen	t
First line	Second line	Third line
Divisions	Central GRC organization	Internal Audit
Operational risk management	Coordination of control processes, governance and methodology	Audit of RMS/ICS

Central tasks of risk management

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

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

To systematically structure its risk management architecture, the Audi Group follows the "Three Lines Model" – a recommendation

of the European Confederation of Institutes of Internal Auditing (ECIIA). On this basis, the RMS/ICS of the Audi Group features three lines that are intended to protect the company against the occurrence of material risks.

The individual divisions of AUDI AG and the participations form the first line. They are responsible for the operational management of risks, taking countermeasures, controlling the risks and reporting on them.

In the second line, the central GRC organization takes charge of the fundamental functionality of the RMS/ICS as well as the CMS. Core activities involve monitoring system performance and submitting an aggregated report on the risk situation to the Board of Management and the Audit Committee of the Supervisory Board. This ensures that the statutory requirements for the early identification of risks and the effectiveness of the RMS/ICS are met. Ad hoc projects on risk management and regular training courses are also held to reinforce awareness of risk management and compliance as well as to promote a positive risk culture in the Audi Group. Mandatory training and function-specific training programs are aimed at various specific target groups. AUDI AG also has business division GRC coordinators who liaise between the first and second lines. At the participations, this function is handled by clearly designated risk and compliance officers.

In the third line, Internal Audit as an impartial body examines the security, regularity and economic effectiveness of the RMS/ICS activities. The RMS/ICS for accounting is additionally subject to scrutiny by the independent auditor of the consolidated financial statements.

Each line furthermore submits reports regularly and independently to the full Board of Management and the Audit Committee of the Supervisory Board of AUDI AG.

The independent auditor assesses annually the suitability of the measures taken by the Board of Management pursuant to Section 91, Para. 2 of the German Stock Corporation Act (AktG).

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Operating principle of opportunities management

To secure the sustained success of the Audi Group, it is necessary in all long-term corporate decisions to identify and use entrepreneurial opportunities, as well as managing risks effectively. Opportunities management – which includes such aspects as optimizing revenue, costs and products – is integrated into the operational and organizational structure of the Audi Group and is closely aligned with our strategic objectives. To that end we continuously analyze the international context for potential impacts on the business model in order to identify trends and industry-specific key factors early on. Relevant developments are studied in detail with the help of scenario analyses. The possible impact on Audi is identified jointly with Strategic Corporate Planning, the divisions affected and the Controlling area. The purpose of this cooperation is to identify and utilize opportunities. Medium and short-term potential opportunities are identified and operationalized by the divisions. The aim is to secure the long-term competitiveness and future viability of Audi through its strategy, efficiency and opportunities initiatives such as Audi.Zukunft and the Audi Transformation Plan (ATP), and ad hoc through benchmarking. Over and above pursuing specific targets, further opportunities may come to light when implementing these initiatives.

Risks and opportunities of the Audi Group

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

AUDI AG sees risks to the positive growth of global economic output, and therefore to the Audi key performance indicators, as lying predominantly in a failure to achieve lasting containment of the coronavirus pandemic. There is a further risk regarding the sufficient supply of semiconductors for the entire automotive industry. Audi is striving to keep the operating impacts of the current undersupply of semiconductors as low as possible and to compensate them as far as possible during the remainder of the year.

The most significant operational risks are also associated with the timely implementation of future mandatory legal requirements in connection with cyber security and vehicle software updates. In connection with the strategic realignment of Audi business in China, risks remain in relation to collaboration with local partners. These risks could have an adverse impact, particularly on the planned volume development as well as on important financial key figures, and could adversely affect our reputation.

Progress with diesel issue

AUDI AG has made material progress since 2015 on the many legal and official proceedings in a large number of countries in connection with the diesel issue. Individual and class action lawsuits brought by customers and/or environmental and consumer organizations are currently still pending against Volkswagen AG and other Volkswagen Group companies, including AUDI AG, in a number of countries. Among other things, these are asserting alleged rights to damages or rescission of the purchase contract. Further settlements were achieved in the year under review, the financial impact of which is reflected in the special items described in the explanation of the Audi Group's \rightarrow financial performance. The consultations with government agencies on technical measures relating to the diesel issue have largely been concluded. Audi remains in technical discussions with the responsible authorities in only a few cases. There are also criminal proceedings and investigations still pending against individuals. The main trial proceedings that began at the Munich II Regional Court in September 2020, where a former Chairman of the Board of Management of AUDI AG is defending himself against allegations in connection with the diesel issue, are particularly noteworthy.

In-depth information about the diesel issue can be found in the Volkswagen Group's Annual Report for the 2020 fiscal year.

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Sustainability as the basis for the Audi Group's future viability

The topic of sustainability is becoming increasingly important throughout the entire value chain and in the management of the company as a whole. For example, in 2021 and beyond, differing and constantly changing global regulations and legislation on vehicle emissions have to be complied with. Continued systematic development of alternative drive concepts - especially fully electric and electrified models – is a cornerstone of the Audi strategy. This results, among other things, in a risk that we will fail to meet the more stringent average target for CO₂ fleet emissions in the EU introduced in September 2020. Moreover, there are risks in connection with the speed of the general transition to electric mobility and the associated market acceptance of our electric vehicles, partly because of the delayed development of the infrastructure. Furthermore, sustainable operations are the basis at Audi for future-proofing the company. Audi therefore takes the return on investment (ROI) after CO₂ effects into consideration in its product decisions. The decarbonization index²⁶ and NEV share²⁷ are firmly established in the Audi Group as strategic key figures and are used to manage the company from a sustainability perspective.

To achieve its sustainability targets, the Audi Group has earmarked EUR 15 billion of the EUR 35 billion capital investment planned for the period up to 2025 for electric mobility. In 2021, Audi will maintain its consistent efforts across the entire value chain to preserve resources and help the topic of sustainability become even more deeply rooted. That is the only way the brand with the Four Rings can offer customers sustainable premium mobility and remain economically successful.

27 The NEV (new energy vehicle) share expresses the percentage of all-electric (BEV) as well as electrified (PHEV) vehicles in relation to the Audi brand's total amount of vehicles produced.

Alongside a rapid global economic recovery, the main opportunities involve synergies in new vehicle architectures in the Volkswagen Group, especially in the areas of development, procurement and production. In addition, the global trade disputes could be defused and the company could increase its market share thanks to its young and attractive product portfolio. A further increase in the strength of the brand could also prove beneficial.

Overall risk situation of the Audi Group

The current risk situation has already been built into the forecast for the 2021 fiscal year. The overall risk situation in the Audi Group has increased slightly compared with the previous year. This is reflected in the number of reportable risks. On the basis of the information available at present, there continue to be no risks that could pose a threat to the Audi Group and material Group companies as going concerns.

²⁶ The decarbonization index (DCI) measures the average emissions of CO₂ and CO₂ equivalents (together CO₂e) over the entire life cycle of our portfolio of passenger cars and is stated in metric tons per vehicle. The DCI encompasses both direct and indirect CO₂e emissions at the individual production sites (Scope 1 and 2) as well as all further upstream and downstream CO₂e emissions over the life cycle of the vehicles sold – from the extraction of raw materials to the use of the vehicle and final disposal of old vehicles (Scope 3).

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Ducati and Lamborghin brands

Page 132	Ducati
Page 133	Lamborghini

In spite of the difficult glob to the coronavirus pandemi Holding ended 2020 with a ond half of the year.	ic, Ducati Motor	DUCATI	severely affe Even so, in 2	2020 Lamborghir	onavirus pandemic.	AMBORCHINI	
Production	Revenue		Production		Revenue from automotive bu		
Motorcycles	EUR million		Cars		EUR million		
44,827 (51,723)	676 (716)		7,250 (8,664))	1,569 (1,743)		
-13.3 %	-5.6%		-16.3 %		-10.0 %		
Production was down by -13.3 percent com- pared with 2019 as a result of the coronavirus pandemic and the associated production stop of several weeks.	revenue only decre EUR 676 million du	difficult market environment, eased by –5.6 percent to ue to a vigorous second half table genuine parts business.	The number of vehicles produced from the previous year by –16.3 p 7,250 vehicles owing to a produc Italy that lasted for several week	percent to ction stop in	Yet in spite of the difficult market environ- ment, revenue from automotive business only dropped by –10.0 percent to EUR 1,569 million due to a strong second half of the year.		
Deliveries to customers	Deliveries to customers Operating result		Deliveries to customers			Siles.	
Motorcycles	EUR million	EUR million	Cars				
48,042 (53,183)	12 (29)	before 24 (52)	7,430 (8,205))			
-9.7 %	-59.8%	-53.2 %	-9.4 %				
Thanks to strong sales performance during the second half of the year, Ducati delivered a total of 48,042 motorcycles in 2020, thus limiting the year-on-year drop in sales to –9.7 percent.	The effects of the pandemic were also clearly visible in the operating result, which declined by –59.8 percent to EUR 12 million.		As a result of the coronavirus pandemic, the Lamborghini brand delivered 7,430 vehicles, –9.4 percent fewer than the year before despite a stable order situation.				
S Ducati model families > Diavel > XDiavel > Hypermotard			> Aventador S > Siá	ited edititon án FKP 37 án Roadster			
Ducati Superleggera V4		> Myperniciala > Monster > Multistrada > Panigale > Scrambler > Streetfighter > Superleggera > Supersport	> Aventador SV] > Ess > Aventador SVJ Roadster > SC2 Huracán > Huracán EV0 > Huracán EV0 RWD > Huracán EV0 RWD Spyder > Huracán EV0 Spyder > Huracán ST0 Urus	senza SCV12		adster: imption in L/100 km: 18.5; ions in g/km: 447 (WLTP)	

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17 Adjusted for effects of subsequent measurement in connection with the purchase price allocation (PPA) amounting to EUR 12 (23) million.

B

How will Audi continue

BELIGHTING

N its customers in the future Talking Sustainable Business – Key Facts

- Design: new Audi e-tron GT quattro¹ as the spearhead of the Audi electric model initiative showcases the future of electric design
- Electric mobility: substantial progress achieved in profitability; investments amounting to around EUR 15 billion in electric mobility by 2025
- Comfort: Audi offers customers innovative lighting and sound technologies
- Software: expansion of Group synergies the Car.Software organization has operated as the central unit for software development within the Volkswagen Group since July 2020; Artemis project as a blueprint for future agile development throughout the entire Volkswagen Group
- High-performance segment: high contribution to profitability; despite the coronavirus with record sales; electrification is leading the segment into the future

Page 136 The masterpiece	Page 152 A winning tet – Aud to the ele	i's path	<u>Page 168</u> Bright & audible – for more comfort	
Page 183 Speed date – the of the high-perfo segment		Page 203 Synergies in software development. Creating hard facts for software		

1 Audi e-tron GT quattro: combined electric power consumption in kWh/100 km: 19.6–18.8 (NEDC); combined CO $_2$ emissions in g/km: 0

The MASTERPIECE

Audi RS e-tron GT: combined electric power consumption in kWh/100 km: 20.2–19.3 (NEDC); combined CO₂ emissions in g/km: 0

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A Gran Turismo is a sporty

touring car with excellent

glider. The Audi e-tron GT¹

shares this character.

dynamic handling, a confident

The new Audi e-tron GT quattro¹ and Audi RS e-tron GT.² Fully electric and produced at Böllinger Höfe, these vehicles combine forward-looking technologies with Audi's commitment to premium quality, and therefore symbolize the electrical performance of the future.

\checkmark The future lies in ideas

Text: Bernd Zerelles

The fully electric Audi e-tron GT quattro¹ is a masterpiece of engineering art - in terms of its technology, aerodynamics and design. This electric car signposts where the future of Audi lies. Which details make this vehicle a masterpiece?

1 Audi e-tron GT quattro: combined electric power consumption in kWh/100 km: 19.6–18.8 (NEDC); combined CO₂ emissions in g/km: 0

2 Audi RS e-tron GT: combined electric power consumption in kWh/100 km: 20.2-19.3 (NEDC); combined CO_2 emissions in g/km: 0



Audi RS e-tron GT: combined electric power consumption in kWh/100 km: 20.2-19.3 (NEDC); combined CO₂ emissions in g/km: 0

The formula for progress

Dr. Karl Durst, Head of Requirements Management/Architecture Whole Vehicle

During our video call, Dr. Karl Durst waves his cup of coffee around with a wry smile: "Basically I could illustrate our work very well with this cup. The cup needs to satisfy various requirements: It needs to hold 0.3 liters of liquid, you need to be able to hold it with one hand and it needs to keep the liquid hot for a while. It's the same with a vehicle: Every Audi needs to satisfy various different requirements. If it's an Avant, it needs to be family-friendly with ample space for three kids on the rear seat. A sports car needs to have excellent driving dynamics. The concept for a vehicle is defined by requirements. And the requirements come from our customers."



Focus on the customer

Thus the concept starts with the customer's wishes. And in the case of the Audi e-tron GT quattro,¹ they are as clear-cut as they are incompatible. Or at least, they have been until now. Plenty of customers want a vehicle that is beautiful, very sporty, fit for everyday use and sustainable. The challenge is that very sporty vehicles do not usually score highly on everyday usability. And if the focus shifts too much towards everyday usability, developers are inclined to create a purely functional vehicle that will then be less aerodynamic or sporty.

But the future often makes things possible that were difficult to imagine in the past. That is where electric mobility steps into the role of enabler. Durst, who is effectively the project owner in defining the performance specifications for new vehicles, puts it like this: "With the electric platform as our basis, we can now bring together aspects of the vehicle architecture of the Audi e-tron GT¹ that were previously incompatible."

1 Audi e-tron GT quattro: combined electric power consumption in kWh/100 km: 19.6–18.8 (NEDC); combined CO₂ emissions in g/km: 0

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Optional, aerodynamically optimized wheels round out the efficient, high-performance vehicle concept.

The electric vehicle concept

There is no ten-cylinder engine restricting the cabin. Instead, small electric motors on the axles permit an interior with abundant space for four passengers. The agility and surprising acceleration of the electric drive is combined with a high range, which also benefits from excellent aerodynamics. The absence of a combustion engine enables proportions that produce an exciting design.

The result is a fully electric, four-door, driver-focused Gran Turismo with high-performance handling characteristics. "The Audi e-tron GT¹ is the best example of how utterly contradictory requirements drive us further forward than we had ever imagined in our wildest dreams," adds Durst. "The vehicle is a breathtaking combination: dynamic, practical, efficient and a design icon."



The Audi RS e-tron GT² also performs while charging: Thanks to its 800-volt technology, the high-voltage battery can be recharged quickly.

1 Audi e-tron GT quattro: combined electric power consumption in kWh/100 km: 19.6–18.8 (NEDC); combined CO₂ emissions in g/km: 0

2 Audi RS e-tron GT: combined electric power consumption in kWh/100 km: 20.2–19.3 (NEDC); combined CO₂ emissions in g/km: 0



Dr. Moni Islam, Head of Aerodynamics/ Aeroacoustics Development

Active aerodynamics improve range

Dr. Moni Islam is standing in front of an oversized LED wall that displays an aerodynamics simulation of the Audi e-tron GT.¹ He throws his arms wide open and follows the simulated airflow along the vehicle's silhouette. Brimming with pride, he declares: "With the Audi e tron GT¹ we've succeeded in blending fantastic design with very good aerodynamics."

The Canadian makes no secret of the huge challenge his specific discipline has faced: "For system reasons, electric vehicles can carry less energy on board in their battery than conventional vehicles have in their fuel tank. So we need to take special care

1 Audi e-tron GT quattro: combined electric power consumption in kWh/100 km: 19.6–18.8 (NEDC); combined CO₂ emissions in g/km: 0

Audi RS e-tron GT: combined electric power consumption in kWh/100 km: 20.2–19.3 (NEDC); combined CO_2 emissions in g/km: 0

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In combination, the vehicle details create a sculpture that looks like it was shaped by the wind. This is further underscored by styling with a high degree of aerodynamic quality. The drag coefficient amounts to only 0.24.



when using that electrical energy. For us engineers, there's a huge incentive to develop the best possible aerodynamics for all our electric models." Every one-thousandth degree of improvement in the aerodynamics can extend the range. That is because aerodynamic drag is often the dominant component of road resistance for an electric vehicle when driven by the customer. At speeds beyond about 100 km/h, it already accounts for roughly half of total road resistance. At a steady 140 km/h, aerodynamic drag approximately doubles. That inflates energy consumption by around 50 percent.

Levers for optimizing aerodynamics

But the electric vehicle concept is conducive to efficient aerodynamics. For example, the Audi e-tron GT¹ has a completely enclosed underbody that is smooth from tip to tail. Such a design is only possible because the battery drive means there is no exhaust system. That already improves the airflow enormously. Also, the electric motors of the Audi e-tron GT¹ operate much more efficiently than a combustion engine. They transmit less heat to the surroundings and cooling is needed much more rarely and to a lesser extent. That allows the aerodynamics engineers to employ intelligent cooling air management on the Audi e-tron GT.¹

The closable side cooling air inlets

"We've realized a raft of measures to manage the aerodynamics optimally on the Audi e-tron GT.¹ First, the closable side cooling air inlets are a very important aerodynamic feature of the forward structure," emphasizes Islam. "The louver system on these air inlets is controlled electronically and regulates automatically how much cooling air the vehicle needs. Depending on the driving profile, the louvers remain closed for much of the journey – that keeps the drag coefficient as low as possible."

The extending rear spoiler

Another innovation is the extending rear spoiler, which for the first time on an Audi has several positions to optimize the various driving modes. This means that in any driving mode the rear spoiler can adjust the direction of the airflow to produce the most appropriate aerodynamics. In eco mode, the slipstream is brought together as close to parallel and to the vehicle's tail end as possible. The reason? The smaller this low-pressure zone at

1 Audi e-tron GT quattro: combined electric power consumption in kWh/100 km: 19.6–18.8 (NEDC); combined CO $_2$ emissions in g/km: 0

the rear, the lower the entire vehicle's resistance. In the dynamic mode, the rear spoiler is angled much more steeply to reduce lift at the rear wheels to the minimum level required.



Fascinating effects thanks to technological innovation: active adjustment of aerodynamics by the rear spoiler adjustable in two stages.

The adaptive air suspension

The controllable features also include the adaptive air suspension. "Height adjustment is important for aerodynamic reasons. The lowest position, the setting for fast freeway driving, is ideal for the drag coefficient," explains Islam. He then adds: "From an aerodynamics perspective, I don't mind if the suspension setting is higher for everyday use in city driving. At those speeds, aerodynamics are barely relevant."

He concludes: "The Audi e-tron GT¹ has an outstanding drag coefficient of 0.24. That's the best drag coefficient to date of any of our electric models. Good aerodynamics are especially important for maximizing the electric range. But if performance is what you want, with very low lift for precision driving dynamics, the Audi e-tron GT¹ can of course also deliver. The technology makes incredible aerodynamic breadth possible."

¹ Audi e-tron GT quattro: combined electric power consumption in kWh/100 km: 19.6–18.8 (NEDC); combined CO_2 emissions in g/km: 0

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Marc Lichte,

Head of Audi Design

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The exterior of the Audi RS e-tron GT² is a dynamic work of art. Each surface and each line is harmonious - from the headlights to the large diffuser at the rear.



and the Audi RS e-tron GT² are the first fully electric seriesproduction vehicles to display all the traits that define the Audi e-design of the future. The ambition of reinterpreting a car is also reflected in the puristic design that is inspired by aerodynamic performance.

Marc Lichte strides swiftly into the studio hall in which the Audi e-tron GT¹ is waiting for the cameras to start rolling, and calls first: "So, is the suspension in the lowest position? That will show off its proportions much better!" Then Lichte simply can't resist exclaiming: "Doesn't that thing look just great? A vehicle with a battery in the underbody, a four-seater with plenty of rear headroom, even for tall people like me – but the Audi e-tron GT¹ is still seven centimeters lower than the Audi A7. I always say: Proportions are the basis for good design. Always. And the package of the Audi e-tron GT¹ creates those proportions – they are quite simply perfect."

The quattro muscle is a special detail. It presented designers with major challenges, since this section is tautened with absolute precision.



Audi e-design of the future

The Audi e-tron GT¹ is the first series-production vehicle to display all the traits that Marc Lichte and his team define as the Audi e-design of the future. Such as the optically inverted Singleframe, which is finished in the body color with a dark surround. It declares from far off: This is an Audi. And – it is electric. Or take the

expressive sill design, which very clearly indicates that this vehicle's nerve center is no longer the engine under the hood, it is the battery beneath the floor. And above all the deep shoulder line, which instead of following the time-honored principle of continuing at one level is now interrupted in the middle, and uses soft lines to accentuate the muscles that define the vehicle silhouette at the front and rear - the so-called quattro muscles. Marc Lichte continues: "These wheel arches. These two muscles. That, for me, is Audi."

1 Audi e-tron GT quattro: combined electric power consumption in kWh/100 km: 19.6-18.8 (NEDC); combined CO₂ emissions in q/km: 0

2 Audi RS e-tron GT: combined electric power consumption in kWh/100 km: 20.2-19.3 (NEDC); combined CO₂ emissions in g/km: 0

¹ Audi e-tron GT quattro: combined electric power consumption in kWh/100 km: 19.6–18.8 (NEDC); combined CO₂ emissions in g/km: 0

² Audi RS e-tron GT: combined electric power consumption in kWh/100 km: 20.2-19.3 (NEDC); combined CO₂ emissions in g/km: 0

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The light signature featuring the blue X element makes an unmistakable statement.

Audi e-tron GT quattro: combined electric power consumption in kWh/100 km: 19.6-18.8 (NEDC); combined CO₂ emissions in g/km: 0

Aerodynamics as a design feature

On the Audi e-tron GT¹ the aerodynamics are also visibly expressed as an exterior design feature: by means of air inlets (air curtains) in the front, separating edges integrated into the rear lights, the diffuser at the tail end. But these features do not blatantly demand attention. According to Marc Lichte: "There are all kinds of ways you can express e-mobility in the design. Some electric cars seek to grab your attention. We take a different approach. You can clearly tell the Audi e-tron GT¹ is an electric vehicle. We use the design to illustrate the drive system's evolution. We believe electric mobility enables us to create the most beautiful cars in the world. That's our ambition."



A good design always offers high aesthetic value with perfect function. The Audi RS e-tron GT² is one such example.

- 1 Audi e-tron GT quattro: combined electric power consumption in kWh/100 km: 19.6–18.8 (NEDC); combined CO₂ emissions in q/km: 0
- 2 Audi RS e-tron GT: combined electric power consumption in kWh/100 km: 20.2–19.3 (NEDC); combined CO₂ emissions in g/km: 0

Every designer's dream: huge wheelbase, huge wheels, short overhangs

The technical platform for electric cars now gives Audi designers the scope to craft the vehicle proportions they have always dreamed of. The motors on the axles and the battery between them, in the floor, mean the cabin that is at the heart of the structure can increase in size, pushing the larger wheels further out. Huge wheelbase, huge wheels, short overhangs. That is what defines the unique character of Audi electric vehicles.

Marc Lichte cannot suppress his enthusiasm: "The Audi e-tron GT¹ is easily the best car I've so far had the privilege to design. The car is like a sketch. It's ultra-flat, has giant wheels and fabulously short overhangs. Ever since I started sketching cars as a small boy, I've been dreaming of creating a vehicle like this."

The fact that Lichte's dream has become a reality specifically with the Audi e-tron GT,¹ one of the most aerodynamic – and therefore efficient – Audi models of all time, highlights his expectations of every Audi: "A good design combines high aesthetic value with perfect function." And as if he can barely believe it himself, Marc Lichte takes another walk around the Audi e-tron GT¹ in the studio hall, stops, smiles and says quietly to himself: "The masterpiece."

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A winning UARTET Audi's path to the electric age

Audi is fully backing electric mobility: Over the past two years or so, the car manufacturer has presented five all-electric models. At the same time, Audi is electrifying its combustion engines and equipping them with new technologies to make them fit for the future. The switch from purely internal combustion drive to electric mobility is under way. The challenge now is to scale up electric cars profitably. Audi's strategy revolves around four vehicle platforms, to create Groupwide synergies in development, procurement and production.

Text: Dorothea Kauf

By the end of 2021, Audi wants to expand its electric portfolio to eight models, by which point it will have electric cars in the compact, full-size and luxury classes. It also plans to add more than ten all-electric cars by 2025. By then, the volume of allelectric and plug-in hybrid models should increase from currently about seven percent (2020) to around one-third. The company is investing some EUR 15 billion in this venture between now and 2025. In an effort to scale up electric mobility profitably, Audi is drawing on synergies across the Group and adopting multi-brand platforms – from the compact to the luxury class.



The brand with the Four Rings opened a new chapter of sustainable mobility at the end of 2018 with the fully electric Audi e-tron.¹ This is the manufacturer's first all-electric seriesproduction model, and a commercial success: In 2020, the Audi e-tron¹ was the world's top-selling electric car in its segment. To bring it to market rapidly, Audi based it on the modular longitudinal matrix, or MLB evo for short. This platform, conceived for combustion models, was extensively adapted to the requirements of an electric car.

¹ Audi e-tron models: combined electric power consumption in kWh/100 km: 28.8–21.4 (NEDC); combined CO_2 emissions in g/km: 0

² Audi e-tron Sportback models: combined electric power consumption in kWh/100 km: 28.3–20.9 (NEDC); combined CO₂ emissions in g/km: 0

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11 Performance sponsibilit platform Porsche Audi Porsche Possible body forms Segments at Audi Flat floor initial introduction at Audi* Luxury Audi BEV models 2021 e-tron GT quattro inge (WLTP)* RS e-tron GT 11 e-tron GT quattro³: 487 km e-tron GT quattr 5-80% in 22.5 min

The Audi e-tron GT quattro³ unveiled in February 2021 has the Porsche-developed J1 platform as its basis. The four-door Gran Turismo is the new Audi signature car, a pointer to the technologies of the future and the brand's design. To read more on the subject \rightarrow see page 136. Its sporty silhouette and fascinating technology demonstrate just how emotionally charged electric mobility can be. Collaboration across the Volkswagen Group enables Audi to invest more strongly in such brand-differentiating features.

The Audi e-tron GT³ has a very high proportion of carry-over parts approaching 70 percent for its main components such as platform, interior and exterior. It shares most of these components with the Porsche Taycan.⁴ This is illustrative of the huge synergy potential within the Group. At the same time the brand with the Four Rings is pursuing its own distinctive course when it comes to design, technology and vehicle character – examples being chassis and steering tuning. "Comfortable where possible – dynamic where necessary" was the developers' guiding principle. The Audi e-tron GT,³ as its name clearly indicates, is a Gran Turismo

4 Porsche Taycan: combined electric power consumption in kWh/100 km: 28.7–28.0 (NEDC); combined CO₂ emissions in g/km: 0



through and through: a deluxe touring sports car. Its long-distance capability rests not merely on its comfort standards; it can also cover more than 480 kilometers (WLTP) on a single charge.

Audi will be introducing two new electric SUVs – the Audi Q4 e-tron and the Audi Q4 Sportback e-tron – before the end of 2021. These first fully electric Audi models in the compact segment will appeal to a broad group of customers and therefore be a key source of volume within the company's electrification strategy. They will act as gateways into the electric world of Audi.

Offering the spaciousness of a full-size model, ranges in excess of 500 kilometers (WLTP) and the option of quattro drive, the Audi Q4 e-tron model line has all the credentials of a first car as well as being suitable for everyday use.

Both models are based on the modular electric drive matrix (MEB). The platform provides the technical basis for future compact and midsize models from Audi. The MEB is a very versatile concept and highly scalable. The range of possible derivative versions includes SUV, crossover models and sedans. Thanks to its concept as a purely electric platform, the MEB helps customers enjoy all the benefits of electric drive. To read more on the subject \rightarrow see page 158 ff.

Products & Services

Profitability on a par with combustion models possible

The Volkswagen Group as a whole plans to build around 19 million vehicles using its MEB platform by 2030. The synergy effects are correspondingly great. This means Audi will be able to offer its customers electric models that are both economically and technically sophisticated. Exploiting the platform synergies to the full and building the vehicles at multi-brand plants now makes electric mobility an attractive proposition for a large number of compact-segment customers.

As the only manufacturer operating in the premium market, Audi stands to benefit from such extensive Group synergies. What this means in practice is that the company plans to make the Audi Q4 e-tron family as profitable as an equivalent combustion-engine model within the space of two to three years – despite the higher manufacturing costs of electric automobiles. Over the coming years, the company anticipates further reductions in material costs and additional volume effects that will improve profitability per vehicle.

³ Audi e-tron GT models: combined electric power consumption in kWh/100 km: 20.2-18.8 (NEDC); combined CO $_2$ emissions in g/km: 0

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Christian Becker Design Interior Studio 1

Philipp Römers Head of Audi Exterior Design

DESIGN

is the top reason for buying

A profitable electric car using a Group platform, but still unmistakably an Audi: Its Audi-specific design in particular will make the new Q4 e-tron family stand out. Designers Philipp Römers and Christian Becker discuss the Audi Q4 Sportback e-tron concept as an example of how to express Audi DNA in the age of electric platforms. The showcar already gives a highly realistic foretaste of the series-production model that will be going on sale later in 2021. What makes the Q4 Sportback e-tron concept a genuine Audi?

Philipp Römers Among our customers, design is still the top reason for buying. The Q4 e-tron family shares the typical Audi design traits that we have taken forward into the electric age. The prominently modeled fenders of all four wheels are a classic Audi design feature that empha-



The vehicle shown is a concept vehicle that is not available as a series-production vehicle.

sizes versions with quattro drive. The flaring is very fluid in design, giving the side view such a distinctive character. Also, the ratio of one-third window to two-thirds body has a very sporty impact. That is another Audi-specific attribute within the Group. Obviously there is never any mistaking an Audi in the rearview mirror of the vehicle in front. The Singleframe marks out the Q4 Sportback e-tron concept as an Audi at first glance. To identify the electric drive from afar, we've sealed the radiator grille, painted it in the body color and embedded it within a black mask.

Christian Becker Inside, sportiness and the focus on the driver are important Audi design features, including in our e-tron models. These models benefit especially from the wide range of high-quality materials to choose from and the typically Audi premium quality and feel of the controls. In a first for Audi, the showcars of the Q4 e-tron family feature a steering wheel with touch surfaces.

What are the design advantages of having a dedicated electric platform?

P.R. Long wheelbase, short overhangs, large wheels – those are the optimum basic proportions of the platform, ones that benefit the design of a sporty, confident SUV.

C.B. That also gives the interior more depth and maximizes the sense of spaciousness. Its exterior dimensions place the Q4 Sportback e-tron concept in the A+ segment – but its luggage capacity is worthy of the B segment and the interior is of a size that belongs in the C segment. That means it is uniquely spacious for this class. In an all-electric model, we also no longer need a center tunnel. In its place, we've been able to include an airy center console with ample storage space. This makes the electric models useful companions for everyday life.

The vehicle shown is a concept vehicle that is not available as a series-production vehicle.



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Intelligent ecosystem: The Audi route planner allows routes to be planned in

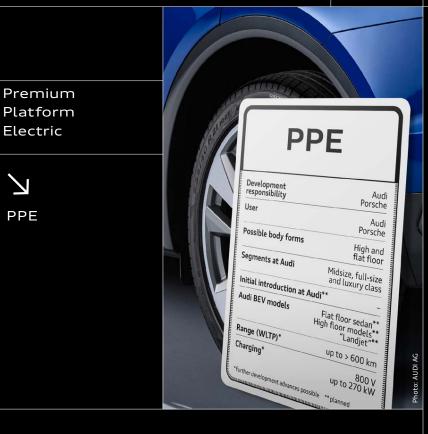
to the car. The planner computes the

advance on a mobile phone and then sent

fastest route, takes traffic and route data

as well as the driver's style into account,

calculates the duration of the charging



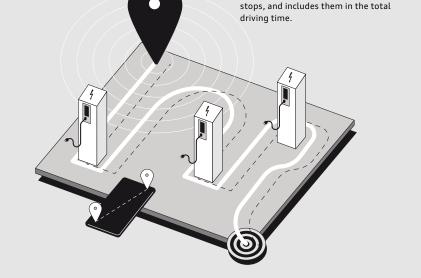
Premium performance for charging times and electric driving

Audi is planning various PPE-based model series that – as SUV, Sportback, Avant and crossover models – will cover the segments from the upper midsize class to the luxury class with various different vehicle types.

Key development goals for PPE are high electric ranges, fast charging times based on an 800-volt system as well as excellent connectivity and digitalization technologies.

From now on, Audi intends to focus on the Premium Platform Electric (PPE) developed in close partnership with Porsche for its electric full-size and luxury models. Both flat-floor and high-floor vehicles can be realized with the extensively scalable high-tech architecture.

Because the platform has been created for the world market and can be scaled up to around seven million units across the Volkswagen Group by 2030, it will bring corresponding synergy effects. Merely the joint development approach will reduce onetime expenses by 20 to 30 percent.



System approach to electric mobility

Key factors that determine the everyday usability of electric cars are range and charging time. Drivers of a fully electric Audi model benefit from high charging speeds because the charging capacity currently of up to 150 kW is achieved across an extensive part of the charging process, depending on model. The Audi e-tron GT³ even manages a charging capacity as high as 270 kW. It demonstrates how high performance also extends to the matter of charging at Audi. This performance is made possible by intelligent thermal management of the battery.

3 Audi e-tron GT models: combined electric power consumption in kWh/100 km: 20.2–18.8 (NEDC); combined CO₂ emissions in g/km: 0

All the electric cars currently

available from Audi are also embedded in an intelligent

ecosystem: The Audi route

planner allows routes to be

planned in advance on a mobile

phone and then sent to the car.

The planner computes the

fastest route, takes traffic and

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e-tron Charging Service: just one card and one contract for over 203,600 charging points in 26 European countries.

e-tron Charging Service, Audi customers in Europe have the benefit of over 203,600 charging points in 26 countries that they can use with just one card and one contract. Further details about the Audi e-tron Charging Service and its terms and conditions can be found \rightarrow here.

There should be a further boost to the range in years to come from innovations to the battery and drive. The power density of the cells will increase, boosting the storage capacity that is possible with a unit occupying the same space or paving the way for smaller, lighter batteries. Both measures can extend the range while cutting material costs.

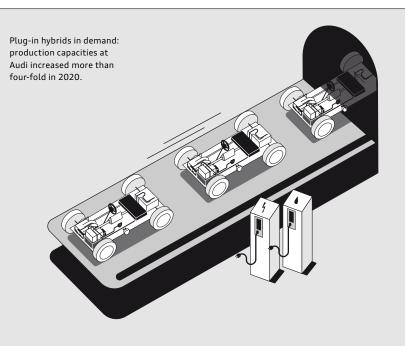
An improved drive is also a factor in increasing the range. For example, Audi aims to reduce the weight of future electric motors by around 20 percent and extend the range by some 10 percent. Whereas some competitors buy in electric drive technology, Audi develops and builds much of it itself. This enables the brand to be sure of its premium quality. In 2020, Audi collected an AutomotiveINNOVATIONS Award sponsored by the renowned Center of Automotive Management (CAM), in the Alternative Drives category.

Л Plug-in hybrids as part of the electric initiative

Products & Services

Zero local emissions coupled with long-distance capability plug-in hybrids are an important element of Audi's electric initiative. They are especially important for customers in urban areas and for commuters as the key to driving with zero local emissions.

Audi is consistently expanding its part-electric model range all the way from the compact to the luxury segment. The brand already offers plug-in hybrids in nine model series. They are proving a real hit with customers: Last year, the brand with the Four Rings sold roughly eight times more plug-in hybrid models worldwide than in 2019. Despite the constraints of the coronavirus crisis, Audi has increased production capacity for plug-in hybrids more than four-fold since 2019.



Combustion models for the future

The future of the automobile is electric. Nevertheless, combustion engines will be relevant for mobility into the medium term. That is why Audi still plans to be selling around 60 to 70 percent of its vehicles with a combustion engine in

efficient combustion engine and mild hybrid system on board: the new Audi Q5 Sportback.

2025. This projection by the company is based on demand in the various markets and the prevailing statutory requirements. With technologies such as broad-based electrification through mild hybrid drivetrains, highly efficient particulate filters and new innovations such as twin dosing⁵ for TDI engines, the brand with the Four Rings is demonstrating how combustion engines can be made even more efficient. The introduction of plug-in hybrid vehicles in almost all car lines equally cuts fuel consumption and CO₂ emissions. Audi will continue to work on steadily improving its combustion engines in the future.

Read more on the subject \rightarrow here.

5 Twin dosing technology involves injecting the additive AdBlue into the exhaust system via separate modules at two points where the temperatures differ

Selected contribution by Audi to the SDGs of the United Nations

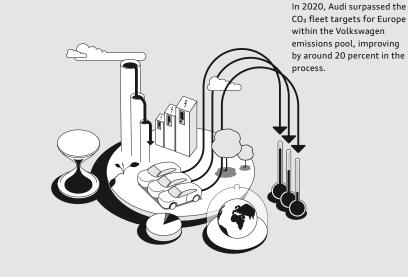


13 CLIMATE

The switch from a drive portfolio based entirely on combustion engines to electric mobility is now under way.

\rightarrow see page 289 for an overview of the SDGs

One of many Audi models with



Fleet emissions and consumption

The Volkswagen Group is explicitly committed to the goals of the Paris Climate Agreement, which aims to cap the global temperature rise to significantly less than two degrees Celsius. As its contribution to this "two-degree goal," Audi is concentrating, among other things, on reducing the CO₂ emissions of its vehicle fleet. Based on provisional figures, the company surpassed its CO₂ fleet targets for Europe within the Volkswagen emissions pool in 2020. With a calculated 102.9 g/km,⁶ the company improved by around 20 percent compared with the average for the previous year (provisional figure for 2019: 131 g/km). Fleet consumption in China (FBU) in 2020 was 7.9 l/100 km⁷ (2019: 5.9 l/100 km).

⁶ Subject to the official data of the European Commission in the annual CO₂ fleet monitoring report of the Volkswagen emissions pool.

⁷ Subject to official publication by the Minstry for Industry and Information Technology (MIIT) in the annual CO₂ fleet monitoring report.

BRIGHT

&

AUDIBLE

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For more comfort

Text: Manfred Dittenhofer

Seeing and being seen is not everything. Making the right sound is also important in today's cars. With its latest lighting and sound technologies, Audi is making its mark when it comes to design and safety. In particular, the latest innovations mean Audi has taken a huge leap towards achieving its goal of making mobility in general and cars in specific a whole lot more comfortable. Audi e-tron Sportback 55 quattro: combined electric power consumption in kWh/100 km: 24.0–21.6 (NEDC); combined CO₂ emissions in g/km: 0

AUDI LIGHTING – digitally breaking through the dark

Cesar Muntada, Stephan Berlitz and Dr. Werner Thomas have one thing in common: They all work in the field of lighting at Audi. Their key place of work is 120 meters long and completely dark – the drivable underground light testing tunnel in the Audi Lighting Assistance Center at Technical Development. This is where the latest headlight and rear light technologies are developed and tested. Audi and lighting – the benchmark in the automotive industry.

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The headlights and rear lights are among the most striking design features of a car. "Light becomes the visible expression of 'Vorsprung durch Technik.' We use it to give a car an unmistakable face and to sharpen the character of model and brand alike," explains Cesar Muntada, Head of Lighting Design at Audi. Audi has brought a succession of trail-

Cesar Muntada, Head of Lighting Design at Audi

blazing developments in light-

ing technology onto the market in recent years. One example is the digital matrix LED headlight that was first unveiled on the Audi e-tron Sportback¹ in 2019.

The right light at the right moment

Headlights fitted with this DMD (Digital Micromirror Device) technology have a small chip with about one million micromirrors that can be tilted up to 5,000 times per second with the help of electrostatic fields. This chip breaks down the light into tiny pixels as the basis for these innovative projections onto the wall or the ground. The way this technology works is similar to a video projector. The headlights illuminate the road in high resolution and support drivers with new functions such as the lane and orientation light, which help keep the vehicle in the road lane.

On the autobahn in Germany, the lane light generates a carpet of light in front of the vehicle, brightly illuminating its own lane and adjusting dynamically every time the vehicle changes lane. Also, the orientation light uses darker areas masked out from the light beam to show the vehicle's position predictively. In narrow lanes, for example through roadworks, this enables the

1 Audi e-tron Sportback: combined electric power consumption in kWh/100 km:

28.3–20.9 (NEDC); combined CO₂ emissions in g/km: 0

driver to assess their vehicle's position within its lane more accurately. The system can also detect pedestrians close to the roadway and picks them out outside built-up areas with a marking light.

The development of this technology illustrates Audi's sense of responsibility for identifying all road users. Stephan Berlitz, Head of Lighting Development: "The importance of lighting

technology is fundamentally changing; its horizons are shifting from purely driver-centered safety to comprehensive external communication based on car-to-X, in other words connecting the vehicle with other road users and its environment." Data sharing should increase traffic safety and help traffic to flow more efficiently. Within what is legally permissible, Audi could soon be using light projections to alert drivers to hazards.



The digital matrix LED headlight can deliver cornering, city and highway lighting as versions of the low-beam light with ultra-high precision. The Audi e-tron Sportback 55 guattro² with digital matrix LED headlights is shown above in the Audi light testing tunnel.

2 Audi e-tron Sportback 55 quattro: combined electric power consumption in kWh/100 km: 24.0-21.6 (NEDC); combined CO₂ emissions in g/km: 0



Stephan Berlitz, Head of Lighting Development

Personalization with organic light-emitting diodes

The new Audi Q5 and Audi Q5 Sportback can be supplied with the option of digital OLED rear lights. OLED stands for organic light-emitting diode. Audi has already been pioneering organic light-emitting diodes since 2016. Digitalization now heralds in a new age, because the technology has the potential to make road traffic even safer.



Dr. Werner Thomas. Project Manager for OLED technology

The higher segmentation of the digital OLEDs means different tail light designs are now possible. When buying their Audi Q5, customers have three tail light signatures to choose from.

The light from the digital OLEDs is extremely homogeneous. It can be dimmed continuously and achieves a very high contrast. Because the light unit does not need any reflectors, light guides or similar optical parts, it is very efficient, but low-weight and flat in design.

That also opens up a whole new realm of possibilities for Audi Design: In the future, digital OLED technology will turn the rear lights into veritable displays that will hugely increase the scope for design, customization, communication and safety.

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An Audi Q5 rear light has three panels, each incorporating six OLED segments. These can now be activated as needed, and their brightness adjusted infinitely. The optional proximity detection by activation of all OLED segments can be seen at the bottom. The optional proximity detection in the new Audi Q5 ensures all OLED segments are activated as soon as another road user comes within two meters of the rear end. This increases the visible surface and boosts perceptibility.

Dr. Werner Thomas, Project Manager for OLED technology, explains: "Thanks to its shallow design and scope for flexible surface shapes, the potential of OLED technology goes beyond two rear lights: The entire rear end could become a display." Subject to legal approval, it could be the basis for enhanced carto-X communication.

As an example of how dedicatedly and effectively Audi works with the approval authorities, Audi was the first car manufacturer to develop and obtain approval of the turn indicator with dynamic display, which it brought to market in 2012 in the Audi R8. It improves identification especially in the road user's peripheral vision, but is also an emotional light feature.

↗ 2014 - Laser additional high beams in the

headlights of the Audi R8 LMX 2016 – First OLED rear lights on the Audi TT RS

on the Audi e-tron³ and Audi e-tron

on the Audi A3; digital OLED technology

↗ 2020 - Digital daytime running light signatures

↗ 2019 – Digital matrix LED headlights (DML)

Sportback

on the Audi 05

The milestones in the history of lighting at Audi

- ↗ 1994 Second-generation xenon headlights on the Audi A8
- ↗ 2004 LED daytime running lights on the Audi A8 W12; "string-of-pearls" daytime running lights as a light strip on the Audi A4
- 7 2008 Full-LED headlights on the Audi R8; now offered across all model lines
- 2012 Dynamic turn signals on the Audi R8
 2013 Full-LED headlights for the compact class on the Audi A3; Audi matrix LED headlights with adaptive high beams on the Audi A8; as the first manufacturer, Audi LED technology is validated by the EU as an eco-innovation
- 1 Audi e-tron Sportback: combined electric power consumption in kWh/100 km: 28.3-20.9 (NEDC); combined CO_2 emissions in g/km: 0
- 3 Audi e-tron: combined electric power consumption in kWh/100 km: 28.8-21.4 (NEDC); combined CO₂ emissions in g/km: 0



7 THE SOUND – more than just noises

Visit Dr.-Ing. Stephan Gsell and Rudolf Halbmeir on their home territory and you could imagine yourself in a recording studio. Except the artist behind the microphone at Audi Technical Development is not a musician, but an Audi e-tron GT quattro.⁴

Gsell and Halbmeir are sound designers, and the Audi sound lab is their place of work. While its walls barely reflect any sound, the floor is made from typical sound-reflecting asphalt. The engineers use this environment to program the "voice" of the Audi e-tron GT.⁴

"When is the sound agreeable? Which timbre suits a car? What is the perfect sound for an electrically powered Audi? These are the kind of questions we ask ourselves at the sound lab," explains Stephan Gsell.

4 Audi e-tron GT quattro: combined electric power consumption in kWh/100 km: 19.6-18.8 (NEDC); combined CO_2 emissions in g/km: 0





Dr.-Ing. Stephan Gsell (left) and Rudolf Halbmeir, Audi sound designers



Progressive e-sounds for safety

Every electric vehicle must emit a sound to alert people to its presence – that is what EU Regulation R138 specifies. The reason? Pedestrians and cyclists might find it hard to hear an almost noiseless electric car, especially when it is traveling at low speeds. People have become used to interpreting the sound of a combustion engine as an acoustic warning signal. The regulation is also intended to protect the interests of the partially sighted.

The EU regulation applies to all electric and hybrid vehicles. An AVAS – or Acoustic Vehicle Alerting System - can help prevent accidents involving especially pedestrians and cyclists. It works by simulating the sounds emitted between setting off and reaching a speed of 20 km/h, and also when reversing. The rules include an overall sound level of at least 50 decibels at 10 km/h. and at least 56 decibels at 20 km/h. By way of comparison, a radio playing music quietly or birdsong registers at around



4 Audi e-tron GT quattro: combined electric power consumption in kWh/100km: 19.6-18.8 (NEDC); combined CO₂ emissions in g/km: 0 50 decibels and a radio at typical indoor volume is 55 decibels. A gasoline or diesel vehicle driving past will measure about 70 decibels.

So at low speed, an electric vehicle is still much quieter than a vehicle with an internal combustion engine. At 20 km/h or more, the noise generated by the tires is easy to hear. The artificial sound for electric cars is therefore no longer required by law and is gradually faded out. From about 50 to 60 km/h, it ceases to be audible.

A sound says more than a thousand words

But what does an electric Audi sound like? Ultimately, it needs to be more than merely an acoustic signal for pedestrians that says: "Hey, I'm here." The sound also needs to be modulated to indicate whether the vehicle is speeding up or slowing down.

Sound designer Rudolf Halbmeir explains: "We use a variety of volumes to achieve that, but we also modify the frequency. The sound emitted by the Audi e-tron GT⁴ is made up of over 30 different sound tracks that can be superimposed on each other. Depending on the driving situation, a variety of tracks are played – on average 15 at any given time – at a range of volumes. That's because the brain soon starts to recognize unvarying sounds as 'normal' background noise, which it increasingly filters out."

Exterior loudspeaker

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Two control units and amplifiers installed in the luggage compartment generate the exterior and interior sounds. The front exterior loudspeaker has a counterpart in the rear end along with two loudspeakers in the rear doors for the interior sound.

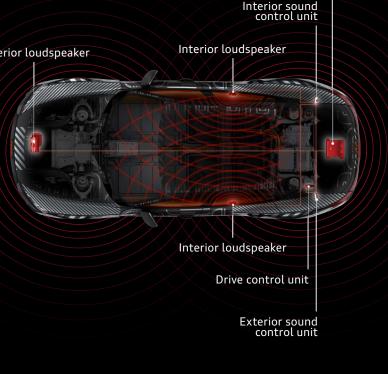
In Audi drive select, the car's dynamic handling system, the driver can set how the e-sound is delivered. In the efficiency mode it is limited to the AVAS warning sound, which basically involves the front loudspeaker playing an appropriate sound for the vehicle up to about 50 to 60 km/h. With the comfort profile, the rear exterior loudspeaker increasingly comes into play. The exterior sound then remains active up to more than 200 km/h because it also serves to enrich the interior driving sound. In the dynamic mode both exterior loudspeakers are involved, and the interior sound now also enhances the dynamic driving experience right up to top speed.

That is because exterior sound is not all that matters: The sound inside the vehicle also needs to be right. On the Audi e-tron GT,⁴ the acoustic effect perfectly reflects the vehicle's identity: quiet sounds when gliding smoothly along, and a vibrant sound to evoke electric power.

The exterior loudspeakers of the Audi e-tron GT⁴ are located towards the front of the car and at its rear end.

4 Audi e-tron GT quattro: combined electric power consumption in kWh/100 km: 19.6–18.8 (NEDC); combined CO₂ emissions in g/km: 0





In addition to the AVAS that is required by law for the protection of pedestrians, the Audi e-tron GT⁴ is available optionally with a sound package with enhanced exterior sound and an emotional interior sound. This makes the Audi e-tron GT⁴ the first electrically powered Audi model that enables customers to define their own acoustic experience.

4 Audi e-tron GT quattro: combined electric power consumption in kWh/100 km: 19.6–18.8 (NEDC); combined CO_2 emissions in g/km: 0

4 Audi e-tron GT quattro: combined electric power consumption in kWh/100 km: 19.6–18.8 (NEDC); combined CO₂ emissions in g/km: 0

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SPEED

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The future of the high-performance segment

Text: Dorothea Kauf

Huge image value and an important contribution to profitability - the high-performance seqment holds special significance for Audi. So how is it responding to the automotive megatrends of electrification and hybridization? These appear to be at odds with lightweight construction, performance and the emotional sound of combustion models. Maurizio Reggiani, Head of Development at Automobili Lamborghini S.p.A., and Julius Seebach, Managing Director of Audi Sport GmbH, explain how they tackle the issue. Two men, two cars, two solutions.

Electrification for supercars



Sant'Agata Bolognese

Whenever Maurizio Reggiani's timetable allows, the technology boss at Automobili Lamborghini gives himself a short break. He then walks a few steps from his office to the MUDETEC, the in-house museum of the brand with the bull logo. This museum is not simply about the legacy of previous development directors. Reggiani can also sense the future here.

Alongside legends of the past – such as the Miura, the first Lamborghini powered by a rear-mounted, transverse V12 engine there are concept cars such as the Terzo Millennio. The study provides a glimpse of what a future Lamborghini might look like: fully electric, with wheel hub motors and nano energy stores incorporated into the bodywork.



first car to be fitted with the Lamborghini rear-mounted, transverse V12 engine.

CATE DATE

Top: Lamborghini Sián Roadster: combined fuel consumption in l/100 km: 18.5 (WLTP); combined CO₂ emissions in g/km: 447 (WLTP) Bottom: Audi RS e-tron GT: combined electric power consumption in kWh/100 km:

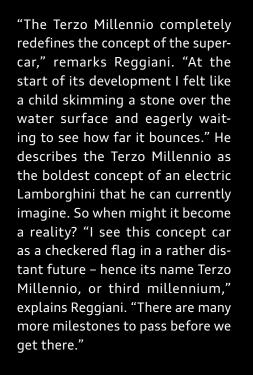
20.2–19.3 (NEDC); combined CO₂ emissions in g/km: 0

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The Sián¹ is the most powerful series-production Lamborghini ever built and also the first electrified one. A display in the cockpit informs the driver of its battery charge status.

Sián, bull of superlatives

One such milestone stands on the forecourt of the museum in Sant'Agata Bolognese: the Lamborghini Sián Roadster.¹ A bull of superlatives. Starting with its visionary design – all the way to its sheer power. 819 PS of system output make the Sián¹ the most powerful series-production Lamborghini ever built. Thanks to intelligent materials, it achieves an exceptionally low powerto-weight ratio² and the best acceleration of any Lamborghini approved for road use.

1 Lamborghini Sián Roadster: combined fuel consumption in l/100 km: 18.5 (WLTP); combined CO₂ emissions in g/km: 447 (WLTP)

2 Power-to-weight ratio describes power (in PS or kW) relative to vehicle weight (in kilograms).

The Sián¹ is a statement in the shape of an automobile. Its design polarizes opinion. Its name – which is Bolognese dialect for "lightning flash" – is an initial pointer to the innovation beneath the hood. It is the first electrified Lamborghini, a mild hybrid. Not that you would really notice that from the outside. A V12 engine¹ shimmers through the glass engine cover. "You need to feel this car to understand it," comments Reggiani, and swings himself into the sport seat for a test drive.

New technology: supercapacitors

A short half-hour drive north of the company headquarters and the development chief has reached his destination: the Autodromo di Modena, a nearby test track. This is where the Sián¹ shows what it is made of. One moment the Lamborghini is poised and waiting at the starting line, the next it has shot forward like a projectile out of a catapult. After 2.8 seconds it touches 100 km/h.¹ Its acceleration: quite surreal. The gearshifts? Imperceptible.

On the racetrack, technical boss Maurizio Reggiani shows just what the Lamborghini Sián Roadster¹ is capable of.





1 Lamborghini Sián Roadster: combined fuel consumption in l/100 km: 18.5 (WLTP); combined CO₂ emissions in g/km: 447 (WLTP)

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The transmission houses a 34 PS, 48-volt electric motor that keeps the acceleration smooth and enhances traction. The energy for the electric motor is supplied by supercapacitors – a special form of storage battery. They achieve around three times the performance of lithium-ion batteries with the same weight and are more durable, even under high load.¹

Redefining the rules

"For us, taking this technology into series production marks a big step towards electrification," adds Reggiani. "Acceleration and therefore also the power-to-weight ratio are important issues for our customers. Heavy batteries stand in the way of this." That is why Lamborghini is adopting a different tack. Supercapacitors weigh roughly a third of lithium-ion batteries with the same capacity. An ideal basis on which to transplant supercar DNA into the age of electric mobility. "Lamborghini has always been something of a provocateur. We don't conform to established ways of doing things. We redefine the rules – and electric mobility is no exception."

While the mild hybrid drive in the Sián¹ may initially be simply about improving acceleration, it shows there is no contradiction between driving pleasure and electrification, between low powerto-weight ratio and high electrical output. The next challenge? To move the supercars to plug–in hybrid architecture, without losing out on driving pleasure and performance. "We'll pair the emotional V12 engine with an electric drive," says Reggiani. The result will be reduced CO₂ emissions and the possibility of part-electric driving. Meanwhile, customers will not need to forgo the emotional, traditional sound of 12 cylinders.

Research for the future

If they are to find use in supercars in the future, lithium-ion batteries will need to deliver more energy per kilogram. Only light batteries will avoid having a significant adverse impact on performance. "As part of Audi and Volkswagen, this is where we benefit from Group-wide research. We're able to evaluate various battery technologies centrally for all brands."



The characteristic Lamborghini hexagon forms can be found on the exterior design of the Sián.¹

The area of supercapacitors is being pioneered by the manufacturer in collaboration with the Massachusetts Institute of Technology (MIT). In 2019, they jointly filed a patent application for innovative synthetic materials as the basis for a new generation of supercapacitors. In another partnership they are conducting research into new design principles. These are all about integrating the materials for high-performance batteries into the vehicle structure, as on the Terzo Millennio concept car.

Its plans for electrification will help Lamborghini lead the supercar segment into the future. Maurizio Reggiani promises: "We have our sights firmly set on the Terzo Millennio as our long-term goal."

1 Lamborghini Sián Roadster: combined fuel consumption in l/100 km: 18.5 (WLTP); combined CO₂ emissions in g/km: 447 (WLTP)

1 Lamborghini Sián Roadster: combined fuel consumption in l/100 km: 18.5 (WLTP); combined CO₂ emissions in g/km: 447 (WLTP)

Audi Report 2020 Products & Services

 \searrow

Ducati

The linear design of the Lamborghini Sián Roadster¹ stands as a symbol for optimized aerodynamic efficiency and technological innovation.





Maurizio Reggiani Chief Technical Officer at Lamborghini

Success amid the crisis

Automobili Lamborghini delivered 7,430 cars worldwide in 2020, a decrease of only nine percent compared with the previous year. The slight drop is attributable to the 70-day production shutdown in the spring as a result of the coronavirus pandemic. In contrast, the second six months saw record sales figures, resulting in the best second half-year for deliveries to customers in the company's history. For 2021, over half of its production capacity is already spoken for.

been Chief Technical Officer at Lamborghini since 2006, where he is in charge of developing long-term strategies, including body and chassis technologies, powertrains, suspension and electronics. From January 2011, he also took over in charge of the Centro Stile Lamborghini and, since 2013, has been responsible for the Motorsport division of Lamborghini. Under the direction of Maurizio Reggiani, Lamborghini launched the Aventador and Huracán, and with the Urus ventured into the Super SUV segment.

Maurizio Reggiani (62) has

The Lamborghini Sián¹ is not only inspiration for future electric cars of the brand with the bull in the logo. It was also the design model for the Ducati Diavel 1260 Lamborghini, a unique motorcycle born from the cooperation between the two Italian brands of Audi. In November 2020, the Ducati Diavel 1260 Lamborghini was created from the collaboration between these two prestigious brands that have their roots in the Motor Valley, the Emilia-Romagna region.



Style, sophistication, performance and trust are the core values of the Ducati brand. Ducati motorcycles are the purest expression of refined engineering, unmistakable design and above all, a great passion. The essence of Italian style shows

through the lines of each motorcycle, in which lightness, technology and high performance are at the service of all motorcyclists eager to live an incredible experience on two wheels.

The highest standards of quality, constant innovation and attention to rider safety are just some of the qualities that identify Ducati motorcycles and guide the development of each new product. Strengthened by its unique history and its roots, Ducati is looking straight towards its ambitious vision: to be the most desirable brand for powerful two-wheel products.

1 Lamborghini Sián Roadster: combined fuel consumption in l/100 km: 18.5 (WLTP); combined CO₂ emissions in g/km: 447 (WLTP)

1 Lamborghini Sián Roadster: combined fuel consumption in l/100 km: 18.5 (WLTP);

combined CO₂ emissions in g/km: 447 (WLTP)

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The electric revolution



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Neuburg an der Donau

At the same time, about 600 kilometers further north, Julius Seebach is on his way to his next meeting. As the managing director of Audi Sport GmbH since 2019, he has to shuttle between the company's head office in Neckarsulm and the headquarters of Group parent Audi in Ingolstadt. His favorite traveling companion at the moment? A low Gran Turismo with four fiery red rings. The four-door model unfurls 646 PS (475 kW) in boost mode. It sprints from 0 to 100 km/h in 3.3 seconds. Never before has Audi Sport put a more powerful series-production model onto the market.³



But that is not the only thing that makes this car revolutionary. It is also the first fully electric RS model. Seebach visibly swells with pride: "Audi Sport is all about high performance. With the RS e-tron GT,³ we are taking the RS DNA into the electric age. So in our competitive field, we are the first German premium manufacturer Performance and electrification: The Audi RS e-tron GT³ shows that this does not have to be a contradiction in terms



to go into series production with an all-electric high-performance model."

New dimension for RS

Seebach still remembers his first test drive with the new model well: "I was skeptical, excited and expectant all at the same time." The electric RS won him over after just one lap. "I climbed out and thought: Something momentous is happening. And it's going to be great!" Performance and electrification? Not a contradiction for Seebach. Quite the opposite, in fact: "They complement each other perfectly. Electrification makes our portfolio future-proof. And it will delight our customers because it creates an entirely new dimension of a sporty driving experience."



3 Audi RS e-tron GT: combined electric power consumption in kWh/100 km: 20.2–19.3 (NEDC); combined CO_2 emissions in g/km: 0

Audi RS e-tron GT: combined electric power consumption in kWh/100 km: 20.2–19.3 (NEDC); combined CO_2 emissions in g/km: 0

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Since 2014, the brand with

the Four Rings has also

been championing electric

drive in motorsport through Formula E. This

has helped the company

gather important findings

that will also benefit elec-

tric mobility in series devel-





Seebach wants to delight Audi Sport customers in the future with the dynamic performance of electric cars.

He has been driving the RS e-tron GT³ for several weeks and has now really got to know the qualities of an electric car: "I love

the rich sound of the V8 biturbo in the RS 6.⁴ But now – with the electric GT – I notice even more intensely how it drives." He is also impressed with its everyday usability. Whether for business meetings, weekend shopping trips or a family excursion, the RS e-tron GT³ is always the right choice. This electric model is a unique blend of elegance, dynamics and driving pleasure.

Electric – in motorsport, too

The managing director and his GT³ have a special destination today: the Audi Motorsport headquarters in Neuburg an der Donau. Since March 2019, Audi Sport GmbH has consolidated not just the development of R and RS models, the Audi exclusive customization program and the Audi collection, but also all motorsport activities of the brand with the Four Rings. As managing director and the person in charge of Audi Motorsport, Seebach is pushing the strategic repositioning in motorsport.



Understatement coupled with outstanding performance - the RS e-tron GT³ is an important image carrier for the Four Rings.

opment. Audi is now seeking to take on fresh challenges through its latest prototype: For the first time, its alternative drive concept combines an electric drivetrain with a high-voltage battery and a highly efficient energy converter. Audi plans to compete with this vehicle in the Dakar Rally through the desert. Yet again its aim is to be a pioneer in motorsport. What better platform to choose than one of the toughest rallies in the world? "That's where we develop the technologies for series production in extreme conditions," explains Seebach.

Image carrier for the brand

Already available in the series-production Audi RS e-tron GT:³ intelligent thermal management for the electric motors. This makes the output highly reproducible so that sporty acceleration without power losses is available at any time and for repeated bursts. Air suspension, controlled damping and all-wheel steering provide the requisite quality of ride comfort. A range of more than 450 kilometers and high-performing charging at 270 kW that keeps stops for charging brief make the Gran Turismo suitable for long-distance driving.³ "This is understatement coupled with superb performance," declares Seebach. "The RS e-tron GT³ is always ready to perform and is utterly electrifying." This electric Audi has nothing to prove. But it can do if it has to.

The proof comes on the first straight after leaving Ingolstadt city limits. The sports car accelerates continuously up to the 100 km/h speed limit. Time to make the most of its electric boost - for a short time at least, with the next bend right ahead. Even then, the GT³ makes an impressive display of its on-road power. Because the battery under the vehicle floor gives it a low center of gravity. Thanks to optimum roadholding, the coupé takes the bend dynamically. Julius Seebach: "The dynamics of the RS e-tron GT,³ its precision and high efficiency make it an image carrier and characterful pioneer that will shape the future of the Audi brand."

Three stages of electrification

How will this future look? Electrified! Seebach is convinced of that. But it will come in different stages: "We already offer the Audi RS 6 Avant,⁴ RS 7 Sportback and RS Q8 with mild-hybrid technology based on a 48-volt electrical system." The result is increased comfort and efficiency. In the RS models, the electric belt-driven starter alternator lends this technology extra starting performance. Audi is the first manufacturer to have taken this technology into series production in the high-performance segment.

Plug-in hybrids represent another step. They offer scope for allelectric driving combined with an internal combustion engine. All-electric models will complete the portfolio.

This electrification strategy is the basis for the sustainability of the Audi Sport models. So will every RS soon come with a charging cable? "We'd like to offer our customers a suitable model in every segment," says Seebach, who promises: "We will continue to put models with combustion engine onto the market in the future. Step by step we'll enrich them with the emotional appeal and performance that electric drive makes possible. The RS e-tron GT³ shows how passionate the mobility of the future can be."

³ Audi RS e-tron GT: combined electric power consumption in kWh/100 km: 20.2–19.3 (NEDC); combined CO₂ emissions in g/km: 0

⁴ Audi RS 6 Avant: combined fuel consumption in l/100 km: 11.6-11.5 (NEDC); combined CO₂ emissions in g/km: 265-263 (NEDC)

³ Audi RS e-tron GT: combined electric power consumption in kWh/100 km: 20.2-19.3 (NEDC); combined CO₂ emissions in g/km: 0

³ Audi RS e-tron GT: combined electric power consumption in kWh/100 km: 20.2-19.3 (NEDC); combined CO_2 emissions in g/km: 0

⁴ Audi RS 6 Avant: combined fuel consumption in l/100 km: 11.6-11.5 (NEDC); combined CO₂ emissions in g/km: 265-263 (NEDC)

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High-performance charging with a capacity of up to 270kW keeps charging stops brief



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career with AUDI AG in 2015. He has been with the company Audi Sport GmbH since 2017 and was appointed its managing director on May 1, 2019. Under his aegis the subsidiary of AUDI AG has realized the biggest international model initiative in its history, pushed ahead with its electrification strategy and consolidated all motorsport activities of the Audi brand under one roof. In addition, Seebach assumed responsibility for Audi Motorsport on December 1, 2020.

Julius Seebach (37) began his

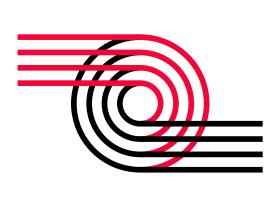
Julius Seebach Managing Director of Audi Sport GmbH

Record year

With over 29,300 R and RS models delivered, 2020 was a record year for Audi Sport GmbH despite the coronavirus pandemic. That is a clear gain of more than 16 percent on the previous year. Audi Sport GmbH recently completed the biggest model initiative in its history. With 13 R and RS models on offer, it now has its youngest and largest portfolio ever. With effect from March 1, 2021, Dr. Sebastian Grams is taking over in charge of the series-production range of Audi Sport GmbH. Julius Seebach is increasingly advancing the strategic realignment of motorsport activities.

Audi RS e-tron GT: combined electric power consumption in kWh/100 km: 20.2–19.3 (NEDC); combined CO₂ emissions in g/km: 0

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					Software is becoming the differ- entiating		<u></u>
SYNERGIES		⊻ Creat	ing		competitive factor		
			hard facts fo software	or	smartphones a wheels that is nected Audi m today. Howeve tributes "invis	n "mobile device" is used, most people and tablets. Yet there is a mobile devic more complex – and that is the car. Th nodels already offer customers digital er, the majority of digitalization in the ibly" in the background to enhanced c	ce with four ne fully con- experiences vehicle con-
in software development	t	importai motive i Car.Softy dates all software	ware is becoming of once, including in the ndustry. The cross- ware organization contrological activities relating to be development with gen Group, thus facility	auto- brand onsoli- in-car in the	What has long and similar dev tinual updates out having to are to provide tomers at all t standards and Audi are just as operating syst cloud are incre	s trend is progressing rapidly. g since become commonplace with sr vices is being demanded increasingly in t and new features and functions – and i visit the workshop. Over-the-air softwa the answer here, and offer certainty f imes that their personal data is secure. premium security requirements that a s valid as ever, particularly in the digital tem and its connectivity with a highly easingly becoming factors that can offer at is why software development is grow and scope.	the car: con- ideally with- are updates or Audi cus- The quality re typical of l era. A car's secure data er a compet-







The fact that an Audi today autonomously stays in its lane and maintains a distance from other road users, among other features, is due to around 100 million lines of program source code. The infotainment, for instance, comprises more than 10 million lines of code, as much as was to be found only a few years ago in an entire vehicle. As vehicles become more digitalized, the complexity and costs of development also increase.

In order to actively shape this change, Audi is re-thinking Technical Development. Where the hardware of the vehicle, in particular, was once the focus of attention in the product emergence process, software development is now in the spotlight. To reflect this growing importance, Audi no longer organizes the management of vehicle projects in the product lines and Technical Development according to the length, size and width of the vehicle, but instead places the emphasis on the vehicle electrical system. This refocusing creates the basis for achieving synergies through the Car.Software organization.

The Volkswagen Group subsidiary has been operational since July 2020 and aims to bring together software expertise throughout the Group. The Car.Software organization already provides Audi with access to 4,000 software experts.

E³ 2.0 architecture

From end to end – the new electronic architectures

It may only be a small abbreviation, but for Audi and the Volkswagen Group it represents the basis for future digital innovations: E³. It stands for end-to-end electronic architecture, and extends from the vehicle to the backend through to the customer interfaces, such as the smartphone.

When operations commenced at the Car.Software organization, development responsibility for the current E³ architectures was transferred to the organization. At the same time, the new E³ 2.0 architecture is being developed, representing a scalable architecture that will allow synergies to be leveraged throughout the vehicle life cycle.

The Car.Software organization: development in five central areas

The subsidiary focuses on developing standardized software solutions for all of the Group's brands and markets. The vehicle operating system VW.OS and integration in the associated Volkswagen Automotive Cloud are key components of the development scope. Moreover, the organization will consolidate the technological platform solutions in the future to create data-led business models and innovations. Investments also underscore the great importance attached to digitalization in the Group: The Volkswagen Group is investing around EUR 27 billion in digitalization. Compared with the previous planning round, this figure has doubled, and also includes expenditure for the range of tasks undertaken by the Car.Software organization. Thanks to standardized software solutions, substantial economies of scale are generated and therefore the costs per vehicle reduced for all brands. Meanwhile, customers benefit from more comfortable and seamless mobility featuring the Audi look and feel.



Connected Car &

Device Platform

Automated

Driving

Uniform vehicle operating system, connectivity and corresponding cloud platform for all brands



Platforms for all electronic architectures in the Group, uniform integration of HMI functionalities, software structure and hardware



Software functions for automated driving in all brands, for NCAP up to level 3 and beyond, functions and the corresponding reference hardware



Software functions for the drive system, chassis and energy/charging technology, combined with a high-performance computing platform



 Digital Business &
 Technologies aimed at implementing new mobility

 Mobility Services
 services and digital business models in all brands

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Make or buy?

Make!

With the Car.Software organization, the Volkswagen Group aims to increase its overall share of in-house software development in the car from 10 percent today to more than 60 percent by 2025. In this respect, the focus must be on maintaining and extending the necessary know-how in the

Group as it ensures a competitive edge. The real potential of software becomes clear as the number of vehicles grows. This applies to what can be learned from the data and also to cost advantages. The Group can profit from this scale advantage, with more than 9 million vehicles having been sold in 2020 alone. Moreover, data sovereignty and digital value creation are retained in the company through in-house development.

In addition to expanding its own software expertise, targeted collaborations ensure that the Car.Software organization can gain momentum. In addition, the company took over the front camera software division from software specialist HELLA Aglaia Mobile Vision GmbH at the beginning of 2021, for example. This move signals the intention of the Car.Software organization to expand its competences in image processing and press ahead with the development of automated driving functions for all Group brands.

Collaboration model

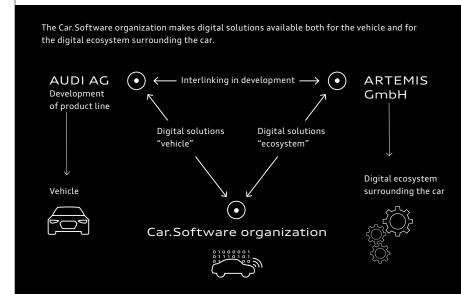
So how exactly does the new software unit operate? Currently, the Car.Software organization is surveying the sales and development requirements across brands to ensure a scalable end-toend system design. The close content-related collaboration with all brands is critical to the success of the Car.Software organization. As a premium brand, Audi sees this as its special responsibility. After all, premium for many customers is already defined today by digital technologies that are tailored to their needs. The Car.Software organization brings together these requirements and develops a comprehensive platform consisting of operating system, electrical/electronic architecture and cloud. The brands can adapt features and functions on this basis that will make them stand out from the competition. Audi can therefore offer its customers a premium experience – but at a lower cost.

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Г И		
Artemis		

Artemis is the Greek goddess of hunting – and a project in the Volkswagen Group that is aimed at using development products from the Car.Software organization.

ARTEMIS GmbH was created as an agile unit that advances innovative vehicle concepts and the digital ecosystem surrounding the car. An approach to vehicle development that focuses on software architecture and the integration of hardware and software facilitate the realization of new, software-based business models throughout the entire life cycle and the creation of a far-reaching ecosystem surrounding the car.

The first goal: a highly efficient, fully connected electric vehicle from the Audi brand that is scheduled to enter the market in 2024.



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How does Audi achieve

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CHICTAINIABI F SUSTAINABLE value creation

	S				B
	Talking Sustainable Business – Key Facts				
	At Audi, sustainability is strategically anchored along the value chain and in projects				
	Audi is involved in international collaboration as an important partner for sustainability standards				
	Audi endorses the goals of the Paris Climate Agree- ment and wants to be a net carbon-neutral ¹ company by 2050				
	Scoring with continuity: Audi continues to promote its own Mission:Zero environmental program world- wide and across departments				
-					
	aluı	-certified minum: li leads the	Page 222 Good chain reaction – greater sustainability together with suppliers	Page 230 The goal is zero – environmenta management in production	

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

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âŝicertified aluminum:

Audi leads the way

AUDI AG is the first car manufacturer to be awarded the Chain of Custody certificate of the Aluminium Stewardship Initiative (ASI) – a milestone for the company.

Text: C3 Creative Code and Content GmbH

In 2020, AUDI AG became the first car manufacturer to receive the Chain of Custody certificate of the Aluminium Stewardship Initiative (ASI). The certificate confirms that Audi can comply with the materials flow chain for sustainably produced aluminum in accordance with the ASI standard and can also input the correspondingly certified material to the Aluminum Closed Loop with its suppliers. In this way, the level of sustainability attested by the ASI is completely maintained, not just for vehicle components but also for the process scrap from Audi press plants that is retained in the loop.

"The responsible use of resources is self-evident for us. At Audi we see it as our duty to treat our planet's valuable resources with respect," says Josef Schön from the area of Corporate Responsibility. "We are convinced that we can bring about change. And Audi's use of aluminum is a really good example of how the company wants to play a role in achieving greater sustainability."

Sustainability is a focus for Audi in all stages of the value creation process, with particular emphasis on aluminum – whose production is especially energy-intensive. Here the company has a variety of approaches to enable sustainable use of the material in all its different facets. The economical use of resources is a



priority. This also means using the required material in the right place and in the right quantity. Lightweight construction with aluminum has been one of Audi's great strengths for decades. The company has particular expertise in the use of this material in vehicles and components.

Certified sustainability

Those involved with sustainability and aluminum will no doubt be familiar with the work of the Aluminium Stewardship Initiative. With 143 stakeholders, this organization has developed a global standard for handling aluminum that defines ecological, social and business ethics criteria along the entire aluminum value chain. Representatives of indigenous peoples are an established part of the organizational structure of the ASI, and dialogue with labor union representatives also plays an important role. As early as 2018, Audi became the first car manufacturer to receive the ASI Performance Standard certificate for its responsible use of aluminum for the battery housing of the Audi e-tron¹ – but that was just the start.

1 Audi e-tron: combined electric power consumption in kWh/100 km: 28.8–21.4 (NEDC); combined CO_2 emissions in g/km: 0

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Recently, the \rightarrow Chain of Custody (CoC) certificate of the Aluminium Stewardship Initiative was awarded for the Ingolstadt and Neckarsulm sites. Audi is therefore the first car manufacturer in the world with the right to bear this award to this extent. It certifies that the company can demonstrate its ability to input sustainably produced material into closed loops. "We heartily congratulate Audi on being awarded the ASI Chain of Custody certificate for its two press plants and for being the first OEM to introduce CoC into its own operations," said Fiona Solomon, CEO of the Aluminium Stewardship Initiative. "Over the course of 2020, we have identified growing interest among downstream aluminum users in sourcing responsibly produced aluminum for their products and being able to demonstrate this to their customers. Together with the Aluminum Closed Loop at these sites, CoC certification allows Audi to fulfill the expectations of consumers and the demand for more sustainable products." The next steps are already being planned, with further sites to be certified to the ASI standard in 2021.

"Certificates and standards help us ensure that our local suppliers comply with internationally recognized human rights and environmental standards," says Josef Schön. The cross-sector and industry-wide mechanisms of the ASI provide assistance here: Its Chain of Custody ensures that only ASI-certified material reaches Audi.



The Chain of Custody (CoC) documents where a company sources

what volume of aluminum and where it is sold. This ensures that the entire aluminum cycle of certified companies is traceable. The CoC is a recognized method of managing material based on its mass – because it is not outwardly obvious where aluminum comes from if, for example, it passed through a melting plant. Put simply: Before now, a roll of aluminum had no label to indicate origin and production, as is meanwhile typical with supermarket items like bananas. Now, traceability is achieved by awarding certificates, which are a central element of this method of accounting for materials.

Active involvement required

Even if the processing of aluminum is certified at various Audi sites over the coming months, the goal is still far from being reached. Josef Schön: "Certificates alone are not enough for us. A central pillar of Audi's sustainability strategy is its desire to improve continually and be actively involved. And our work in initiatives like the ASI – which is also required by the UN in the Sustainable Development Goals – is an important part of our commitment."

Yet, the sustainable use of aluminum is a complex endeavor, since it starts far from the AUDI AG factory gates. Work in the deeper tiers of the supply chain and beyond contractual relations requires intensive involvement. Audi has been a member of the Aluminium Stewardship Initiative since 2013 and Audi experts can be found around the (virtual) table when it comes to developing new standards and improving existing ones. As a member of the ASI, Audi is currently supporting the advancement of ASI certifications, some of which are to be adopted as early as 2021.

Longevity is another important component of Audi's commitment to the Aluminium Stewardship Initiative. Trust and strong partnerships ultimately have to grow too. According to Mathias Kellner, who heads up Metal Procurement at Audi: "We can do a lot more when we work together with other manufacturers, suppliers or stakeholders from the industry. Responsible action means engaging in dialogue with all the stakeholders, taking the interests of others seriously – and ensuring that no one is left behind." Industry-wide consensus must be reached, and binding standards and processes established that ideally apply to all.

Properties Aluminum has two main properties: It is lightweight

and does not rust. It there-

fore has many different uses

and is frequently used in

vehicle construction and in

aerospace applications. Alu-

QUICK FACTS about aluminum

Basics

Aluminum (Al) is a metal. It belongs to the

group of light metals and has a density of 2.7 g/cm³. This means: One liter weighs less than three kilograms. By comparison: A liter

and a liter of gold around 19.3 kilograms.

of steel weighs approximately 7.85 kilograms,



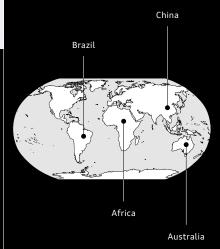
Extraction

A great deal of electrical energy is required to extract pure aluminum. Around 507,000 metric tons of primary aluminum was produced in Germany in 2019, requiring approximately 7.6 terawatt hours of energy - slightly less than a nuclear power plant generates per year. That is why it pays to collect and melt down used aluminum parts again.

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Occurrence

Aluminum is not manufactured, but extracted from bauxite. Bauxite is a mineral whose aluminum content can, among other things, be electrolytically melted. The name has its origins in the French village of Les Baux-de-Provence, where the ore was first found. Today, bauxite is mined primarily in Australia, China, Africa and Brazil.



Closed loops

Audi uses the purchased aluminum efficiently, with the volume of offcuts kept to a minimum and reused. So that even less primary aluminum is required in manufacturing in the future, Audi launched the Aluminum Closed Loop in 2017. It ensures that high-grade aluminum production offcuts are not simply sold on the scrap metal market, but are fed back into the material loop. "In this way we protect valuable resources," explains Alois Winkler, project manager in Procurement Strategy. "The Aluminum Closed Loop allows us to retain valuable raw material in the loop, with sustainable production guaranteed along the value chain based on the ASI Chain of Custody standard."

So, how does this work? Aluminum offcuts from the press shop go directly back to the supplier. The supplier can recycle the scrap and use it to produce new material that Audi then uses again in the press shop. In addition to the plant in Neckarsulm, the Ingolstadt plant joined the Aluminum Closed Loop process in January 2020; the plant in Győr in Hungary is set to follow in 2021.

Selected contribution by Audi to the SDGs of the United Nations



Audi considers it a duty to treat the planet's valuable resources carefully. 17 FOR THE GOALS Audi is committed to sustainability standards in international collaboration.

PARTNERSHIPS

 \rightarrow see page 289 for an overview of the SDGs

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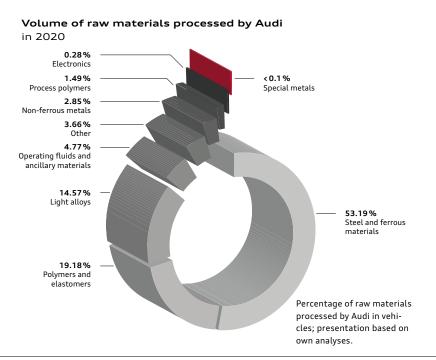
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chain reaction



Greater sustainability together with suppliers

Sustainability in the supply chain – this is both a challenge and an opportunity. Audi is present in more than 100 markets. The company's supply chain is therefore widely branched. It is also subject to constant change and is highly complex due to the wide array of process steps and materials. "We interact with more than 14,000 direct suppliers from more than 60 countries," says Marco Philippi, Head of Procurement Strategy. "That adds up to a large responsibility, but at the same time it offers enormous potential. If we succeed in steering the network in the right direction, then this not only has a positive effect on Audi, but also on our entire sector."

In 2020, Audi delivered 1,692,773 vehicles despite the coronavirus pandemic – each consisting of around 12,000 parts. "As a major industrial enterprise, we are very conscious of our responsibility for the environment and society. For Audi, the concept of being consistently sustainable means focusing holistically on processes that are as environmentally friendly as possible and on social working conditions," says Marco Philippi. After all, even if Audi manufactures many parts itself, a large part of the value creation takes place on the supplier side. "Our globally distributed supply chain plays a key role." And sustainability requirements are clearly defined for any suppliers and partners who want to collaborate with Audi.

"We take this duty seriously and work exclusively with partners who share our values. This is because we firmly believe that our suppliers play a key role in the sustainability performance of Audi," says Johanna Klewitz, coordinator for sustainability in the supply chain in Procurement Strategy. The company's commitment to ensuring responsible supply chains follows a clear strategy that can be split into three focal areas: environment, people and innovation.

> On-site inspections carried out Group-wide

822

Number of suppliers that have provided information (SAQ)

More than

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13,000

ion

225

226

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Sustainability rating for suppliers

A rating for more comparability and transparency: The sustainability performance of the Volkswagen Group's suppliers has been recorded since July 1, 2019, using the so-called S-Rating (Sustainability Rating). By filling in a self-assessment questionnaire (SAQ), suppliers report on how they act sustainably in terms of social and environmental aspects and corporate ethics. In addition to the answers provided in the questionnaire, documents and certificates confirming the information are required. If the results of the SAQ are not satisfactory, independent sustainability assessors visit the suppliers to carry out an inspection and judge whether the supplier "can be awarded a contract" or "cannot be awarded a contract." There are no gray areas. Suppliers have the opportunity of identifying potential for optimization and implementing improvements. Audi provides support here in the form of targeted training programs and workshops. In 2020, over 950 employees at supplier companies took part in online training. In addition, in 2020 the company established an information hub for suppliers on the topic $(\rightarrow$ www.s-rating.audi). Why? Because solution approaches are varied.

Environment: more than just individual measures

"The switch to electric mobility creates entirely new challenges within the supply chain. But at the same time, it also creates opportunities, and we want to make use of these," explains Marco Philippi. "Through the systematic electrification of the model range, a large part of the CO_2 emissions arise right here." Up to 2025, the supply chain and upstream production processes will account for almost one quarter of all CO_2 emissions at Audi. To counteract this, the company launched an Audi CO_2 program in the supply chain back in 2018, in which measures are identified for reducing CO_2 emissions together with suppliers. These measures not only contribute significantly to reducing the environmental impact of the brand's electric cars; the Aluminum Closed Loop project also plays a major role in reducing CO_2 emissions. Valuable primary raw materials are conserved at the same time with the intelligent closed loop.

As regards 2021, careful use of water is another example of the work being undertaken at Audi to conserve resources. "For our Water Stewardship Program, we work together with our suppliers to analyze potential risks in our supply chain – from both ecological and social perspectives. In this context, we identify processes for which excessively large amounts of water are required," explains Roland Dieling, who is part of the sustainability in the supply chain team. Site-specific concepts are to be developed together with the suppliers so that we can ultimately meet the demands of the Water Stewardship Program. "There are opportunities in potentially closed cycles here as well. However, in contrast to CO_2 emissions, sustainable water management works only at the local level because the conditions on site are crucial for success."

The chemical recycling of mixed plastic waste also harbors great potential in terms of intelligent closed loops in the supply chain and the efficient use of resources. This is why the Karlsruhe Institute of Technology (KIT) and Audi launched a pilot project in 2020 as part of the THINKTANK Industrial Resource Strategies. The objective is to recycle mixed automotive plastic waste in a resource-conserving closed loop. Audi provides plastic parts that are no longer needed for this purpose, such as fuel tanks, decorative wheel trims or radiator protective grilles from Audi models. These are turned into pyrolysis oil by means of chemical recycling. The quality of this oil corresponds to that of petroleum products, with the materials made from it offering the same high quality as new goods. In the medium term, parts made of pyrolysis oil can be reused in automobiles. "If plastic parts can be manufactured from pyrolysis oil instead of petroleum without loss of quality, then it would be possible to significantly increase the share of sustainably produced parts in automobiles. From a long-term perspective, this procedure can also play a role in recycling end-of-life vehicles," says Marco Philippi.

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Net saving of metric tons of CO₂ as a result of the Aluminium Closed Loop in 2020:

More than

165,000

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Net saving of metric tons of CO₂ in the supply chain in 2020:

More than **335,000**

People: improving working conditions globally

Audi continuously strives to improve working conditions for people, for example when handling critical raw materials in the supply chain. Sarah Schwellinger, expert for human rights duty of care in the supply chain at Audi, says: "Aside from environmental protection, our supply chain strategy also places a strong focus on social challenges. There are some 1,600 kilograms of different raw materials in an Audi. This leaves not only an ecological footprint, but a social one as well." The Volkswagen Group's \rightarrow <u>Code of Conduct</u> for Business Partners summarizes the requirements Audi places on all of its partners.

In this regard, the experts at Audi consider not just its direct suppliers: "We have to take responsibility and as a company, and as a relevant customer, take a firm stand as regards our standards," says Sarah Schwellinger. "We usually have indirect influence – sometimes even direct influence – on all the people involved in the supply chain, their work, lives and families." It is important to the company to take its responsibility seriously. There are numerous examples of this, such as the Sustainability Rating with its on-site inspections (\rightarrow <u>see page 225</u>), the activities of the company in the area of human rights (\rightarrow <u>see page 73</u>, Ethical operations), the formation of strong alliances and cooperation in initiatives (\rightarrow <u>see page 214</u>).

Innovation: promoting transparency and identifying sustainability risks

Apart from the direct suppliers, the upstream chain is also critical. "By collaborating closely with our partners, we want to make our supply chain increasingly transparent. This gives us a continuously better understanding of the measures we have to take to set the right course from the outset," explains Susanne Lenz, a member of the sustainability in the supply chain team.

The figure of around 14,000 direct suppliers is already impressive, but the topic becomes even more complex when the upstream chain is considered. Here Audi uses the latest technologies, for example to identify sustainability risks early on and intervene appropriately. "Thanks to the closer integration of artificial intelligence (AI), for instance, we want to continually increase transparency in the global and complex supply chains," says Susanne Lenz. "As an example, if AI detects critical new reports in media in relation to sustainability, we are informed and can act accordingly. Negative reports about suppliers or raw materials manufacturers are thus noticed at an early stage and we can process these systematically via our Supply Chain Grievance Mechanism where necessary," says the expert. This kind of approach to innovation can arise only through a continuous exchange with all stakeholders. Many of the ideas come from joint workshops and hackathons, which Audi is consolidating with other new approaches in the Act4Impact program.

Selected contribution by Audi to the SDGs of the United Nations

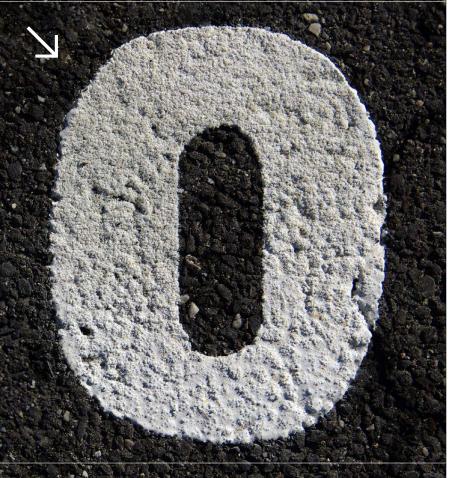


Audi continuously strives to improve working conditions for people in the supply chain. PARTNERSHIPS FOR THE GOALS Audi defines clear sustainability requirements for suppliers and partners.

 \rightarrow see page 289 for an overview of the SDGs

Audi Report 2020

The goal is zero –



Environmental management in Audi production

Climate change, water shortage and dwindling resources as well as the loss of biological diversity are among the greatest challenges today. Audi has recognized this and is taking action. The company is making an important contribution to greater sustainability with its Mission:Zero environmental program – at its sites globally, in production and in logistics.

Text: AUDI AG

It is clear to Audi: Economic success and environmental protection are not mutually exclusive; instead, they are inextricably linked and build on each other. Ideally, the one accelerates the success of the other, and does so along the entire value chain of the car. In this context, the Mission:Zero environmental program is an element of the corporate strategy.

As the name already suggests, the goal is to consistently reduce our ecological footprint in the direction of zero. Four action areas play a central role in this respect: decarbonization, water usage, resource efficiency and biodiversity. The Sustainable Development Goals (SDGs) of the United Nations and the environmental mission statement of the Volkswagen Group act as guiding principles.

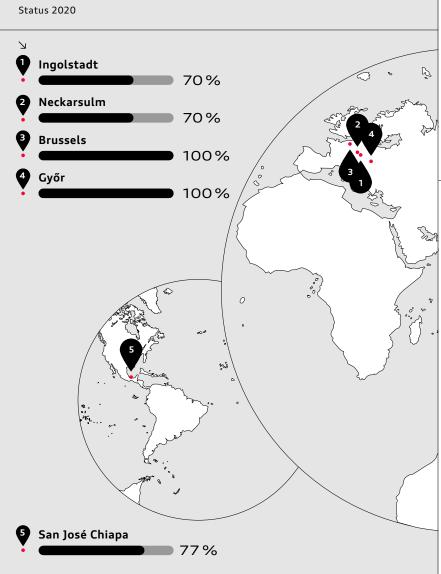
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Mission:Zero

BECARBONIZATION

Carbon-neutral¹ Audi sites²



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

2 The reported figures establish the amount of CO₂ emissions already saved at the sites through the use of renewable and low CO₂ energy sources in relation to theoretical maximum CO₂ emissions based on an energy supply that relies solely on fossil energy sources. Audi is aiming to achieve net carbon-neutral¹ production at all sites by 2025 as well as a gradual reduction in CO₂ emissions in logistics. This task is being enthusiastically undertaken by, among others, Markus Faigl, who heads up the "Decarbonization of sites" action area and Hans Rosicki, who heads up the "Decarbonization of logistics" action area.

Audi wants to achieve net carbon-neutral¹ operations at all its sites by 2025 as a means of contributing to meeting its target of offering carbon-neutral premium mobility. Four main approaches are being followed

Hans Rosicki, Head of the "Decarbonization of logistics" action area

to achieve this goal. First: a continual increase in energy efficiency in the context of energy management. Second: an expansion of the supply of renewable energies at the sites. Third: the purchase of renewable energies. And fourth: the offsetting of currently unavoidable CO_2 emissions through compensation projects.

"When it comes to decarbonization of the sites and production, our major challenge in 2021 is to implement the master plan defined for this purpose with the measures we have now prioritized," explains Markus Faigl, who heads up the "Decarbonization of sites" action area. Measures were preferred here that have the largest leverage in terms of reducing carbon emissions

¹ Audi regards net carbon neutrality as a state in which, following the exhaustion of other possible measures aimed at reducing the still remaining CO₂ emissions caused by the products or activities of Audi and/or currently unavoidable CO₂ emissions within the scope of the supply chain, manufacturing and recycling of Audi vehicles, at least quantitative compensation is provided through voluntary and globally conducted compensation projects. Throughout the utilization phase of a vehicle, meaning from when a vehicle is delivered to a customer, CO₂ emissions produced are not taken into account.

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Value Creation & Production

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Markus Faigl, Head of the "Decarbonization of sites" action area

Value Creation & Production



so that the goal of "net carbon-neutral¹ production sites by 2025" is clearly addressed. A special technical challenge is the integration of renewable energies into the existing infrastructures at the sites, some of which have evolved over decades, while at the same time keeping production up and running. Faigl: "What I especially like about my work is that Mission:Zero allows us to contribute substantially to the energy transition at Audi and, at the same time, prepare the energy and media infrastructure of the plants for the future." Good examples of this are not hard to find: In 2020, Audi Hungaria

became the second Audi site after Audi Brussels in 2018 to achieve net carbon neutrality.¹

"When I look back at the reduction in carbon emissions in transport logistics, I'm rather proud that we took a major step forward in 2020," explains Hans Rosicki, who heads up the "Decarbonization of logistics" action area. "We're utilizing the synergies

1 Audi regards net carbon neutrality as a state in which, following the exhaustion of other possible measures aimed at reducing the still remaining CO₂ emissions caused by the products or activities of Audi and/or currently unavoidable CO₂ emissions within the scope of the supply chain, manufacturing and recycling of Audi vehicles, at least quantitative compensation is provided through voluntary and globally conducted compensation projects. Throughout the utilization phase of a vehicle, meaning from when a vehicle is delivered to a customer, CO₂ emissions produced are not taken into account. in the supply chain through close collaboration between the plants and headquarters, working together within the Volkswagen Group and cooperating with external partners. The employees in transport planning, for example, have succeeded in switching transport to rail and making more intensive use of trucks with alternative fuels. In addition, we established and executed extensive training programs to raise awareness among all our employees of the topic of climate and environmental protection in logistics.

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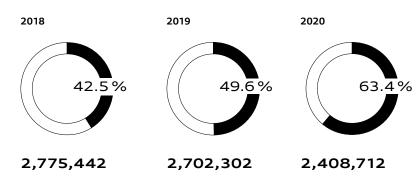
Energy intensity of the Audi Group – Automotive segment³ MWh/veh.



The energy intensity of the Group relating to automotive production including component manufacturing was 2.90 MWh per vehicle (MWh/veh.) for the year under review. The increase compared with 2019 arose primarily because Audi was unable to produce as many vehicles during the pandemic period, yet the base load in the plants remained the same. The base load refers to a constant level of energy consumption that is typically not undercut. One example of the base load is the electricity consumption of machines that had to be operated regardless of the number of vehicles produced.

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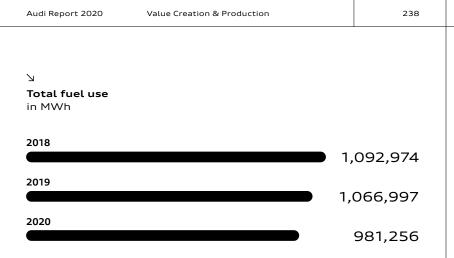
Energy consumption within the Group in total/by type⁴ in MWh



• from renewable energy sources

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

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



The decline in energy consumption (\rightarrow <u>see page 237</u>) in 2020 can be explained primarily by the coronavirus pandemic, which in turn had a significant impact on production. Vehicle production halted completely in numerous plants. The share of renewable energies across the entire Group was in turn increased substantially, which can be attributed to the increased sourcing of green electricity in Győr and Mexico. There was also a reduction in the use of fuels – Audi primarily uses natural gas – owing to the decrease in production.

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Direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions by the Audi Group in t

There are various reasons for the enormous reduction in CO_2 emissions. On the one hand, energy requirements in general declined, as did the use of fuels.

On the other hand, the purchase of energy from renewable sources at the sites progressed further with increased sourcing of green electricity in Neckarsulm and San José Chiapa and the purchase of biogas certificates in Győr.

	2018	2019	2020
Total CO₂ emissions	619,140	451,725	231,334
Direct CO₂ emissions (Scope 1) ⁵	202,031	198,730	172,387
Indirect CO₂ emissions (Scope 2) ⁶	417,110	252,995 ⁷	58,946

5 Direct CO₂ emissions: This figure is made up of CO₂ emissions generated by the use of fuel at the plant and CO₂ emissions produced by the operation of test rigs.

6 The process of selecting relevant emissions and the emission factors used are anchored in Volkswagen standard 98000 (→ <u>see page 248</u>), as is the entire key figure collection process. Generally, Audi uses the real emission factors of the energy suppliers. If this is not possible, calculations are conducted on the basis of the VDA's standard factors.

7 Correction in the recording of green electricity for 2019.

১ Intensity of greenhouse gas emissions (Scope 1 and Scope 2) in kg/veh.

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The intensity quotient – that is, the intensity of greenhouse gas emissions in relation to automotive production, including component manufacturing – dropped significantly owing to the switch to green electricity and was 276.10 kg per vehicle for the year under review.



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Audi Report 2020

Other air emissions

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As well as the CO_2 emissions at the production locations, Audi measures other emissions that are generated by painting work, by the operation of test rigs or by existing power generating facilities, for example. The reduction in emissions in the year under review can be explained by a coronavirus-related lower production figure since less vehicle surface was painted (VOC⁹ and total dust). In addition, however, process optimizations were carried out in the paint shops in the year under review that will continue to have a positive impact over the long term, not just in 2020.

	2018	2019	2020
Direct NO _x emissions ⁸	202	190	177
Sulfur dioxide (SO2)	2.14	2.05	2.03
VOC emissions ⁹	1,081	916	815
Total dust (PM)	58	41	33

8 Direct NOx emissions: This figure is made up of NOx emissions caused by the boiler houses at the plant, by paint shops and by the operation of test rigs.

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

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Mission:Zero

WATER USAGE



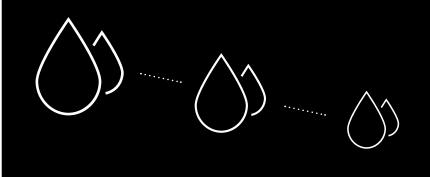
"What I like especially about my work is the variety of tasks," says Daniel König, who heads up the "Water usage" action area. "The big challenge of reducing freshwater usage and increasing recycling is a result of the different conditions that exist at the various sites with regard to water. Not every measure makes sense at every site."

↘
 Daniel König,
 Head of the "Water usage" action area

Preventing water shortage, protecting drinking water quality: In terms of its water usage, Audi uses efficient processes and a water cycle at its production sites for the sustainable production of its cars. "The careful use of a resource such as water is a key priority in the Audi environmental policy," says Daniel König. A good example of this is the sustainable water KPI introduced additionally throughout Audi in 2020 (KPI water^{AUDI}). It evaluates water consumption in accordance with the different site conditions and relates this to the units produced. Daniel König: "The new indicator allows us to control measures in such a way that they are implemented strategically where they are most effective for Audi as a whole."

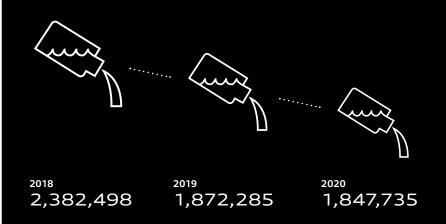
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Fresh water consumption in the Audi Group in $\ensuremath{\mathsf{m}}^{3}$



2018	2019	2020
4,159,236	3,428,689	3,132,780

لا Total volume of water discharge in m³



The efficient use of natural resources, such as water, is a key priority in the Audi environmental policy. In 2020, the Audi Group reduced its water consumption in comparison with the previous year. This reduction can be explained primarily by the drop in production owing to the coronavirus.

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"What I like especially about my work is that it is strategically important for the sustainable future of our company. The fact that I can contribute to a sustainable future through my work makes me passionate about what I do," says László Horváth who heads up the "Resource efficiency" action area.

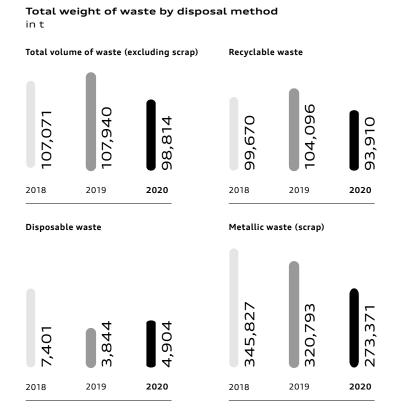
László Horváth, Head of the "Resource efficiency" action area

Natural resources are important production factors and a basis for industrial added value. Audi wants to use resources even more effectively and efficiently, and is also continuously developing its recycling expertise.

Resource efficiency is much more than just waste management. It starts with use of the right materials across the entire product emergence process and ends with reuse. "My vision is to establish a 100 percent cycle in our entire production chain," explains László Horváth.

Environmental protection is the sum of many small things, as clearly demonstrated recently by a project in Neckarsulm. Numerous packaging materials accrue when assembling a vehicle since suppliers package most parts in plastic film or wrap for protection. Audi collects waste films on a large scale, delivers these to a recycling company based in the region, which uses them to manufacture new films, and these are then used in the plant again. "This example has a dual effect: first, less impact on the environment by recycling rather than incinerating materials. And fewer CO_2 emissions owing to the short transport routes," explains László Horváth. The raw material thus remains for longer within the Audi closed loop. Horváth: "This is successful thanks to cutting-edge technology and strong partnerships. We can only achieve our goals by working together with other companies – such as our suppliers and recycling companies – and with their specific know-how."

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Audi closes material loops where possible in order to reduce waste. Group-wide, a total of 98,814 metric tons of waste (excluding scrap) were generated in the year under review. This year-on-year reduction is primarily due to the coronavirus pandemic and the fall in the number of vehicles produced. In relation to the recycling of hazardous waste – 42,074 metric tons in 2020 (2019: 40,782 metric tons – Audi is aware of the various framework conditions and local statutory requirements and complies with them. No major discharges of chemicals, oils or wastes to the environment occurred during the reporting period.

RESOURCE EFFICIENCY

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Mission:Zero

BIODIVERSITY



"What I like especially about my work is how the topic of biodiversity, which is relatively new in environmental protection at Audi, is being anchored in the company," says Antje Arnold, who heads up the "Biodiversity" action area. And she adds: "To me, biodiversity is synonymous with health and safety since unspoiled nature keeps germs at bay. This exciting topic area offers a sense of purpose, but also calls for innovative and creative action – paired with unceasing lobbying for the cause."

↘Antje Arnold,Head of the "Biodiversity" action area

Loss of biodiversity is one of the greatest ecological challenges alongside climate change. Audi is committed to preserving biodiversity and thus joined the "Biodiversity in Good Company" initiative several years ago. "Moreover, Audi is conducting biodiversity projects at all of its sites to play its part in helping preserve biological diversity," explains Antje Arnold. "What's wonderful about this is that the results of our work in this area are often visible – as we can see from one of our biodiverse flagship projects in the Audi production plant in Münchsmünster. The open spaces across the entire site have been turned over to nature. The number of species that are interesting and important for the region is growing constantly. It really is a lot of fun!"

Further biodiversity development projects are planned for 2021 on the site's grounds, such as facade greenery or the conversion of lawns to blooming meadows.

Environmental management at Audi

Audi carefully analyzes environmental aspects in its worldwide manufacturing network – with the vision of building its cars in net carbon-neutral¹ plants by 2025. Along with emissions, Audi looks at all other site-based environmental aspects of operational value creation.

The basis of environmentally compatible production at Audi is the environmental and energy management systems that the company has gradually introduced since 1995. The environmental management system of the European Union, EMAS (Eco-Management and Audit Scheme), is installed at almost all European car plants of the Audi Group. Six Audi sites in Germany and seven internationally have management systems accredited according to DIN EN ISO 14001¹⁰ or DIN EN ISO 50001.¹¹ The European sites, in particular, are validated additionally in accordance with the "EMAS premium standard" of the European Union. It requires that the sites in question demonstrate the sustained improvement of their environmental performance to specially accredited environmental experts, Compliance with legal requirements is the starting point for this.

11 ISO 50001: Ingolstadt, Neckarsulm, Győr, Brussels, San José Chiapa and Sant'Agata Bolognese sites.

¹ Audi regards net carbon neutrality as a state in which, following the exhaustion of other possible measures aimed at reducing the still remaining CO₂ emissions caused by the products or activities of Audi and/or currently unavoidable CO₂ emissions within the scope of the supply chain, manufacturing and recycling of Audi vehicles, at least quantitative compensation is provided through voluntary and globally conducted compensation projects. Throughout the utilization phase of a vehicle, meaning from when a vehicle is delivered to a customer, CO₂ emissions produced are not taken into account.

¹⁰ ISO 14001: Ingolstadt, Neckarsulm, Győr, Brussels, San José Chiapa, Sant'Agata Bolognese and São José dos Pinhais sites.

The Board of Management defines the environmental policy, which is binding for AUDI AG sites. Its requirements are reviewed periodically and amended as necessary.

This policy applies to all products, services and activities, and is implemented at all levels of the company. The Environmental Protection organizational unit coordinates the Audi Group's activities in the area of ecology and is the main point of contact for the respective environmental protection bodies of the Volkswagen Group. It develops overarching and strategic regulations and implements these in practice. Environmental protection at the sites comes under the responsibility of the respective environmental protection officer.

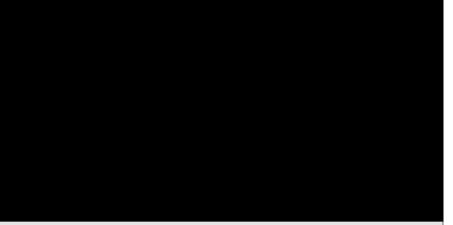
Scope of the key figures

Unless otherwise indicated, the environmental key figures are determined on the basis of Volkswagen standard 98000. This standard defines how operational environmental data is to be determined within the Volkswagen Group and its subsidiaries.

The aim is to collect and document all environmentally relevant data from all the plants in a comparable manner. The environmental data is primarily based on measurements and calculations. The figures may contain estimates if, for example, they are based on statements from energy suppliers that were not available when data was collected. If, during the following year, material deviations from actual values are determined in the reported data, they will be updated accordingly. The individual key figures for 2019 were updated in this report using the actual values for 2019. The scope of the environmental key figures relates to the production sites of the Audi Group. Unless otherwise indicated, these are the following plants: Ingolstadt, Münchsmünster, Neckarsulm, Brussels, Győr, San José Chiapa, Sant'Agata Bolognese (Lamborghini), Bologna (Ducati), Amphur Pluakdaeng (Ducati).

Only car-producing sites including component manufacturing are considered for the specific key figures.

In addition to the environmental data of the Audi Group (including Ducati motorcycle production at Bologna and Amphur Pluakdaeng), the environmental data of the car production locations (Ingolstadt, Munchsmunster, Neckarsulm, Brussels, Győr, and Sant'Agata Bolognese sites; including San Jose Chiapa) is also shown separately for better comprehensibility).



Selected contribution by Audi to the SDGs of the United Nations



Audi is continuously working on all site-based environmental aspects of operational value creation.



Audi is working to consistently reduce its ecological footprint in the direction of zero.

 \rightarrow see page 289 for an overview of the SDGs

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How does Audi make a social

IMPACT

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Talking Sustainable Business – Key Facts

- Standing strong during the coronavirus: cultural change makes further progress
- Team for the future: Strategic personnel planning links corporate and HR strategies
- ↗ Strong social commitment at all production sites
- Safe workplaces thanks to accident and health protection – for the last 100 years
- The transformation calls for new key competences: Thanks to the Audi Akademie, the company is well prepared

Page 253Page 266Page 276StandingOne goal –Responsibilitystrong duringone teamworldwide:the corona-Engage,Educate,virusEngage,Educate,pandemicEmpower

Standing



during the coronavirus pandemic

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The significance of corporate culture

The coronavirus has put Audi to a tough test and resulted in many changes both for the company and for its employees. Six employees from the areas of production, training and development, health care, corporate culture and human resources report on their experiences over the past months – and why Audi will emerge stronger from the pandemic in the long term. ン Oliver Schadow Leadership Programs/Training Ingolstadt

Oliver Schadow What eventful months we have had. They were challenging, but for this precise reason they were a time of discovery as well.

If anyone had asked a year ago whether and how managers can lead their teams from a distance – that is, without working together in one location most of the time – many people might still have been skeptical.

But now we know that "digital leadership" works – even as early as today. Why? Because the underlying bases for this are an openness for new things as well as trust. These are values we have been promoting at the Audi Akademie for many years through our interdisciplinary training and corporate culture initiatives. We extended our training program in the area of digital leadership to support specialists and leaders during the pandemic.

Looking back I can say that the coronavirus pandemic has accelerated both digitalization in the Group as well as the flexibility of our working world overall. What we experienced over the past months and have also driven forward ourselves would otherwise normally have taken years.

The coronavirus has changed our organization and will continue to do so. This includes a new mentality for dealing with challenges. Specifically: "Just do it" is sometimes a good approach! This boldness will make us faster as a company, and besides, some insights are only gained once the process has begun. This "Do it" approach has also proven successful with such a complex issue as the widespread introduction of mobile working. For me this is a reflection of "We are progress."

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Peter Biersack Learning process facilitator in Further Training Vehicle Technology Neckarsulm

Employees & Society

Peter Biersack When the pandemic hit, we in the Further Training Vehicle Technology department were no different from anyone else at the company - we asked ourselves: "What do we do now?" But when it became clear that the coronavirus wasn't going to disappear after a few days, it was time for solutions. In other words, we wanted to make our training services available to employees in digital form.

We benefited enormously in this regard from the wealth of experience available to us at the Audi Akademie. After all, the Akademie is the company's internal point of contact when it comes to skills development and training. We had already gathered a lot of knowledge about digital learning formats. The Akademie has focused on blended learning for some time, including a mix of face-to-face measures and digital training programs such as live online or web-based training. This enabled us to quickly prepare and conduct face-to-face training events in digital form, with some extending over several weeks.

It's important to note that not everything is possible virtually, and not everything makes sense digitally from a methodical and educational perspective. This is something that we as training experts always pay particular attention to. Our motto - "lifelong learning" – ultimately applies to us too. And I have to admit, as an experienced classroom trainer, I was initially unfamiliar with the virtual training format, but now I have become a real fan of live online training.

"The four linked rings in our logo are a good symbol for the collaboration between us employees."



Ζ Chris Metzger Production Ingolstadt

I celebrated 25 years of service on March 4, 2021. Chris Metzger Throughout all these years, I have experienced and seen a great deal. The company has changed enormously since my first day in 1996, but we have always come through both the good and difficult times together. The four linked rings in our logo are also a good symbol for the collaboration between us employees. Yet naturally nothing could really have prepared us for something like the coronavirus.

In production, we were hit hard by the negative impact of the pandemic. The assembly lines were down for five weeks in 2020 – something I had never witnessed before during my time at Audi. Normally there are around 44,000 people at the Ingolstadt site, and suddenly only about 2,000 Audi employees were keeping operations going at the plant. It was pretty eerie!

Since then, there have been a lot of changes in production. Numerous occupational health and safety measures have been introduced at the plants, with special safety precautions developed by Audi for group areas, plant entrances and exits, internal works transport and the staff canteens.

Much of what we regarded as self-evident in assembly is no longer so obvious. Work within the group the way some of us have experienced it for a very long time now is changing. There are new constellations because some employees with pre-existing medical conditions are deployed to other areas. Of course, we all know why, but it's still tough. We will definitely be very pleased in assembly when the coronavirus is finally behind us and we can take off the masks again.

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"The coronavirus has

shown us the impor-

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Daniela Huber The task of continually developing corporate culture at Audi is handled by our department. This is where we develop, test and evaluate special measures, formats and programs for this purpose. At the heart of this are the Audi leadership principles and the Audi corporate values of appreciation, openness, responsibility and integrity. We collaborate with employees from all the business divisions every day – very often through personal interaction. Events and workshops are part of our daily business: bringing people together, networking and leveraging synergies. And then came the coronavirus.

Suddenly everyone had to work from home where possible. Suddenly there were digital teams, leading from a distance and collaboration via Skype. But what does this mean for our corporate culture? Little or no personal contact within the team and lack of facial expressions and gestures in meetings mean that behaviors such as "reading between the lines" and asking more targeted follow-up questions are now playing a more important role. Openness and transparency are now more important than ever before in our predominantly digital communication. This takes courage – the courage to address things, and not just things relating to specific work topics, but also interpersonal matters. Together with appreciation and trust, this is the basis of a positive team culture. The lack of personal interaction during coffee breaks means that new and different ways have to be found to compensate for this.

The coronavirus has shown us the importance of the role played by shared fundamental values, and how they can communicate certainty and unite people. One thing has become clear: Culture is especially important when the pressure mounts in uncertain and complex environments, and a pandemic is naturally the ultimate example of this. At the same time, it was and is acting as the impetus for faster transformation. The cohesion between Audi employees has been noticeable everywhere and many exciting digital initiatives have emerged. I am convinced that with this Audi spirit, we will all emerge stronger from this challenging situation.

Hanna Kuschel The coronavirus is persisting stubbornly and changing the way we work at Audi. I personally already worked from home one day a week before the pandemic. My experience is that many tasks can even be completed more efficiently remotely. However, I was in the minority. Now many of us are familiar with the advantages of digital collaboration. I asked about this on our internal platform "Audi Team Community." Many Audi employees appreciate the fact that digital collaboration allows them to work more productively, more creatively and also more efficiently.

Employees & Society

Hanna Kuschel

HR Strategy

Ingolstadt

So what will change in the long term as regards working from home? Many of my colleagues would like a hybrid model, where they work remotely or away from the office on certain days or during certain weeks. However, we should retain as much flexibility as possible rather than adopting a rigid approach. All the survey respondents said that they did not want to work solely from home, but would prefer to go back to the office on certain days at least. Another finding is also worth noting: Some people realized during this intensive period that working from home is simply not for them and they prefer to work in the office.

Even so, we should expect that, thanks to the coronavirus, mobile working will become an accepted practice in areas where it is possible. We've learned a lot about digital collaboration in recent months and will also benefit from it in the long term. I welcome the new flexibility. tance of the role played by shared fundamental values, and how they can communicate certainty and unite people."

> Ŋ Daniela Huber Corporate Culture Ingolstadt

"Audi Occupational

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Health has been working in the crisis teams since January 2020 to ensure safe workplaces, to keep employees informed and to prevent or interrupt chains of infection."

> Anke Manthey Specialist for Health Promotion Ingolstadt

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Anke Manthey We've never had a situation like this before. First of all there is the disease itself, and by now most of us Audi employees know someone among our colleagues or acquaintances who has had Covid. Second, everyone is impacted by the pandemic: everyone at the site, all the Audi employees – literally everybody. Audi Occupational Health has been working in the crisis teams since January 2020 to ensure safe workplaces, to keep employees informed and to prevent or interrupt chains of infection.

For these reasons, the pandemic has been and is an important issue in my work at Audi Occupational Health, where the primary focus is on mental health. Or to put it in simple terms: If employees do nothing but read about the coronavirus and think about the disease, how can they enjoy their work or be productive?

We all know that conditions also need to be right in order for people to work well, and these conditions have changed significantly as a result of the coronavirus. This starts with simple situations, such as eating lunch together in the staff canteen or having a quick chat in the corridor. None of this is possible at the moment – and that can be quite stressful. So it's all the more important that we look after our mental health. Especially in a time when we have to forgo familiar daily routines and keep our social contacts to a minimum, psychological well-being can be thrown off-balance sometimes.

We began to offer individual consultations as early as April last year. I myself have held many conversations with colleagues, and sometimes just listened. I have shared some helpful tips and tricks for how to successfully get through a potential quarantine, and how people can make sure that the virus is not the only thing they think about. At the end of the day, we are all in this together – and the more we talk to each other, the faster the waves will subside.

☑ Occupational health and safety at Audi

Comprehensive health management and an integrated occupational safety system are two of the ways in which Audi seeks to minimize work-related accidents and improve the health resources of its employees, while also promoting their physical and mental performance. Group-wide standards are helpful in this regard. For all day-today operations, the company and Works Council representatives have developed measures to prevent accidents and damage to health as well as to design safe processes, equipment and vehicle components. The Board of Management bears overall responsibility for compliance with the statutory regulations on occupational health and safety. Furthermore, each operations leader is responsible for occupational safety in their supervisory and functional area. This is also laid down in a works agreement on occupational safety that covers all employees of AUDI AG.

Health and safety during the pandemic

A comprehensive safety concept was developed during the first lockdown along the "worker journey" – in other words, along the daily work routine. This concept includes both behavioral measures at home, such as checking one's own state of health, as well as on the way to work. Behavior at the workplace and during break times, as well as redesigning workplaces and work organization – distancing, segregation, working from home, provision of face masks, in other words – were also considered within the scope of the "worker journey." This safety concept was adapted continually in line with the latest findings concerning the pandemic and implemented in accordance with the incidence rate.

REDUCED

INEQUALITIES

Selected contribution by Audi to the SDGs of the United Nations



Development of a comprehensive safety concept along the "worker journey" during the coronavirus pandemic. Diverse backgrounds, abilities and skills: Audi promotes equal opportunity.

 \rightarrow see page 289 for an overview of the SDGs

Audi Report 2020 Employees & Society

One

one

R

team

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In sports, you need foresight and knowledge to assemble the right team for the game. But what if the team consists of just under 90,000 members? At Audi, the Strategic HR Planning department helps the company find the best lineup for the future.

Text: C3 Creative Code and Content GmbH

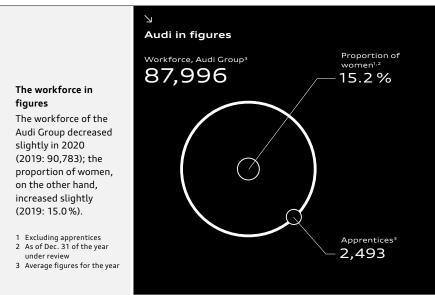
"We use a far-sighted approach when it comes to assembling the right team for the future of mobility," says Sebastian Döring, who heads Strategic HR Planning, HR Reporting. At Audi, the focus is on driving and promoting the transformation of mobility. "And for that, Audi employees need the right skills, abilities and competences, or we will be surpassed by technological and social developments. But we don't want to be the ones who are driven; we want to remain the ones who shape things."

Transformation of the company

This is a major task and requires new ways of thinking. Why? Because for decades, the automotive industry's growth trajectory was rather straightforward. Successful companies like Audi sold more vehicles and therefore needed more employees. These employees started out in already existing fields of competence. Audi knew exactly which professions were required to continue pursuing its successful path. A path lined with employees whose automotive manufacturing expertise is extremely high – after all, the people at the Four Rings are highly knowledgeable when it comes to developing, building and selling vehicles. This path is based on the development rhythm of the automotive industry and must now adapt to the increasingly rapid pace of software development, for instance. On top of that, we are in the midst of a transformation in which cars are increasingly becoming much more than just mechanical objects. Never before have the level of digitalization of this product and the share of value added by software been so high or so important. At the same time, Audi is transitioning from a car manufacturer to a provider of connected and sustainable premium mobility – which is why the knowledge and skills of the teams must also transform.

Women in leadership positions

AUDI AG has set itself goals aimed at increasing or ensuring the proportion of women at all management levels and on the Supervisory Board. The share of women on the Supervisory Board amounted to approximately 30 percent as of December 31, 2020. To ensure this proportion, the Supervisory Board has established a target value of 30 percent, which went into effect on January 1, 2021, and will continue until 2025, and must be separately fulfilled by both shareholders and employees. The Supervisory Board resolved a formal target quota of 25 percent for the Board of Management, also starting January 1, 2021. There were two women on the Board of Management, also of AUDI AG at the end of 2020. AUDI AG is also striving to increase the proportion of women below the Board of Management. By the end of 2021, women should comprise 8 percent of the first management tier below the Board of Management and 16 percent in the second management tier. As part of efforts to support and facilitate the advancement of women pursuing leadership positions, AUDI AG promotes special programs such as "Sie und Audi," in addition to flexible, innovative work models and diverse offers to enhance the compatibility of family life and work.



Audi Report 2020 Employees & Society	269	Audi Report 2020 Employees & Society	270	Audi Report 2020 Employees & Society	271
S AUDI AG Ideas Program Implementation & savings in 2020	Audi benefits from the ingenuity of its employees. The Ideas Program of AUDI AG collects suggestions for optimizing existing	to the current Audi workforce. Then the divis get vision of their future personnel requirem following three questions: Where should we ir we no longer invest and what stays the same	nents based on the nvest, where should	Age structure ² (AUDI AG, excluding apprentices) < 30 years 12.9 % 30-50 years 56.6 %	Diversity Equal opportunities – for every- one! Diverse backgrounds, abili- ties and skills are what make success possible in the first place. Audi ensures that people
 53.4% of the ideas submitted in 2020 were implemented. (2019: 54.4%) Closely interlocked "At Strategic HR Planning, we address the questi workforce of the future might look like and ou transformation can succeed in the long term," Se explains. "That's why we have interlocked the H 	on of what the Itline how our bastian Döring	Men and women on parental leave Total Women on parental leave 2020 1,598 2019 1,448 Men on parental leave 2020 2,190 2019	Family and career? No problem! Audi is strengthening the work-life balance. Employees can for instance work part- time or take caregiver leave to support fam- ily members. Many employees take up the option of parental leave. The company then facilitates their reintegration and gives employees on parental leave addi- tional job training that	30.5% Average age ² (excluding apprentices, excluding fixed-term employees) 41.2 years 41.5 41.8 years 41.8 years 41.8 years 2018 2019 2020	can unleash their maximum potential – at every level, regardless of cultural back- ground or other characteristics. Audi's goal is to create a diverse and inclusive community where gender makes no difference. Promotion of equal opportunity helps ensure continued eco- nomic success and reinforces social cohesion.
corporate strategy more closely and systematica corporate decisions such as site occupancy, sales p the personnel adjustments agreed under Audi.Zu lyze them together with the divisions. And we nat a close look at which new technologies or busines	lly. We look at anning or even kunft and ana- urally also take	2,305	makes it easier for them to resume their careers.	Identifying risks at an early stage Once the workforce and personnel depicted as job clusters, Audi uses sir form gap analyses. Sebastian Döring:	mulation software to per-
 investing in and which new jobs they will create This means the direction in which the company influences how and in which direction the work develop. Strategic HR planning is an annually recurring pro porates new impetus from the strategy and com ments: First of all, to obtain transparency of the Audi, thousands of job profiles across the Group condensed into just over 120 job clusters (groupin) 	in the future." s heading also force needs to cess that incor- prises two ele- e work done at were analyzed,	Structural data The average length of service (2019: 17.9) increased slightly, the turnover rate (2019: 0.7) was down.	0.6 18.3 9.0	the current job clusters with our future can identify surpluses and shortages a the situation transparent. We also kee influences and identify where the curre gram is taking effect, for example. In t ational HR team takes over and plans a based on our analyses." All of this is with the Works Council \rightarrow see page 2 partner throughout the entire process	e requirements so that we at an early stage and make ep an eye on demographic rent early-retirement pro- the action phase, the oper- staff changes and training done in close cooperation <u>73</u> , which is an important
· · · · · · · · · · · · · · · · · · ·		the employer and/or employee without a rein- statement guarantee 5 With respect to indirect employees		2 As of Dec. 31 of the year under review.	

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Developing and nurturing key competences

When putting together the right team, the focus is on providing transformational training for existing employees so that they can take on the identified jobs of the future (e.g. software developers or high-voltage technicians). In terms of recruiting, suitable candidates for positions are first sought internally at Audi and within the Volkswagen Group. The Audi Akademie (\rightarrow see page 275) plays a central role in this competence development - not just in Germany, but with regard to all Audi staff and Group employees worldwide. In the long term, the plan is to roll out the strategic human resource planning system to international AUDI AG sites as well. After all. the Four Rings team is a global player.



"Close collaboration between corporate and HR strategies enables the successful implementation of the transformation and the future-proof positioning of the company."

Andreas Zelzer,

Head of Human Resources, Transformation, Top Management 7

Works Council and working world: opportunities and risks of future forms of work

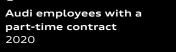
One building block of the Audi corporate culture is the principle of employee participation, which is also legally based on the German Workers Co-determination and Works Constitution Acts. At Audi sites and subsidiaries worldwide, the employees are organized into independent, democratically legitimized trade unions and employee representative bodies. One advantage of co-determination from the employer's point of view is that it motivates people – and only a motivated team will be able to achieve the transformation and build up expertise with the necessary innovative strength.

Main issues during the year under review included the joint efforts to overcome the coronavirus crisis, while focusing on protecting the health and safety of employees, and the further transformation of the company. In addition to these main issues, there was a particular focus in 2020 on further implementing Audi.Zukunft. With this general agreement, Audi is making a lasting commitment to greater efficiency, flexibility and, above all, job security with an extended employment guarantee until the end of 2029.

The sustained transformation of the automotive industry – digitalization, globalization, electrification, disruptive business models – presents major challenges for co-determination and thus for corporate culture. Works Council and trade union members, as well as the management at Audi, are called upon to take action in this area. The project "Vision Ingolstadt 2030: Digitalized work and the future of co-determination" led to the opportunity to take part in the EdA project – a joint initiative funded by the Federal Ministry of Education and Research entitled "Empowerment in the digital working world – developing sustainable concepts for digitalization." A key instrument that has emerged from this project are the corporate practice laboratories. These allow the company to set up learning and experimentation spaces and to shape the transition to the digital working world together with the workforce.

One of these laboratories was launched under the umbrella of the #womendigit research lab and was tasked with examining how employees can be deployed more flexibly in shift work in the future. A cross-functional lab team is working together on this and, among other things, conducting a pilot project with part-time employees in clocked production. The aim is to develop and test innovative and sustainable concepts that will enable new ways of making working hours on the shop floor more flexible. Peter Mosch, General Works Council Chairman: "If we want to achieve more gender equality in the working world, then we have to break up old structures - including in production. To do this, we need persuasive arguments, staying power, participation and solidarity between the social partners. And the effort is paying off, as demonstrated by the new flexible working time model for people working shifts at the AUDI AG paint shop in Ingolstadt."

Self-determined work Audi creates leeway for various different life phases to take account of employees' needs. This also includes modern working time models for employees.



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\ Audi Akademie	-	
developing and competences	d nurturing	

A transformation calls for new key competences, since skills and training needs change fundamentally. The Audi Akademie is responsible for the training of apprentices, employees, specialists and leaders. It bundles the comprehensive range of training courses offered by the Audi Group and thus helps cement the company's competence lead in collaboration with the divisions.

Audi invests up to EUR 80 million annually in training and developing its employees.

During the year under review, the Audi Group held 13,927 (20,694) training events worldwide with 1.1 million (1.7 million) participant hours. In the same period, over 25,000 (over 33,000) employees attended one or more of the 7,291 (10,866) training events in Germany.

Selected contribution by Audi to the SDGs of the United Nations

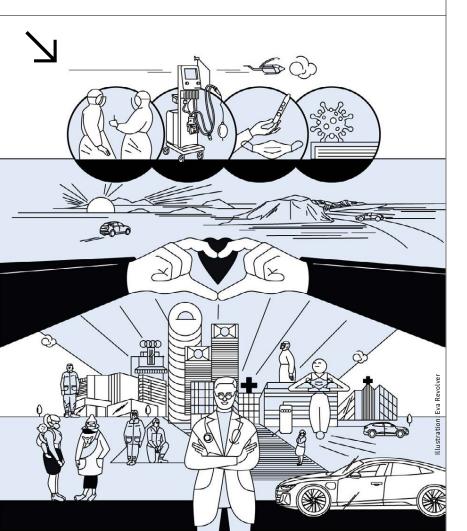


Audi invests up to EUR 80 million annually in training and developing its employees. \rightarrow see page 289 for an overview of the SDGs

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Responsibility worldwide: Engage, Educate, Empower



Audi takes responsibility – and not just during working hours.

Text: C3 Creative Code and Content GmbH

The company is active with a large number of corporate citizenship projects at its sites around the world. Here is a small sample of the brand's projects in 2020.

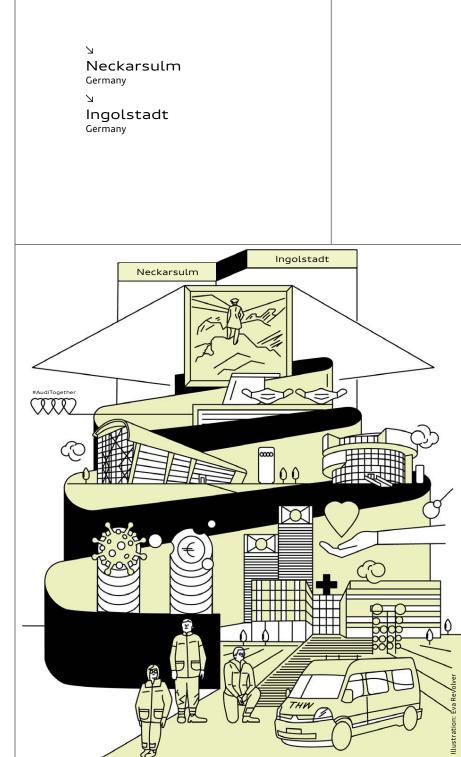
In times of need, the world pulls together: Audi has supported medical and social facilities at its sites and provided humanitarian aid throughout the coronavirus crisis. To this end, the company donated EUR 5 million in international emergency aid in 2020.

Local assistance is tailored to the circumstances of the region and can therefore vary greatly. Audi has defined global principles for corporate citizenship as a guide (\rightarrow see page 285). Through its local activities at the sites, the company wants to promote the development of individual regions and support positive neighborly relations by acting as a good corporate citizen.

Audi is also committed to helping people who are disadvantaged in society, supporting mobility projects and promoting education and training for children, adolescents and adults. In addition, Audi backs projects that allow the company to put its technical knowhow to good use.

Audi employees, too, frequently demonstrate solidarity in various campaigns and calls to raise funds.¹

1 For example, in the year under review, the Christmas appeal and the "Last Cents" campaign at the sites in Ingolstadt and Neckarsulm raised around EUR 1.28 million (EUR 1.297 million).



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Mexico

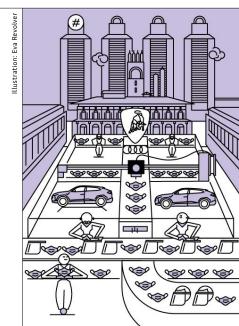
Audi Report 2020

🖌 Helping through know-how

The coronavirus pandemic had a devastating impact on the Emilia Romagna region in spring 2020. In March, Automobili Lamborghini converted some of the departments at its production facility in Sant'Agata Bolognese to allow surgical masks and medical protective visors to be manufactured. 1,400 masks left its upholstery workshop every day. In addition, 3D printers were used to produce 400 protective visors for medical staff daily.

Race against infectious disease

Ducati launched a fundraising campaign under the motto #RaceAgainstCovid. This called on the entire Ducati family to participate - from the employees to motorcycle enthusiasts around the world. The proceeds will be used to finance rehabilitation measures for patients with long-term effects of the coronavirus.



Sant'Agata Bolognese Italy

Support in all areas

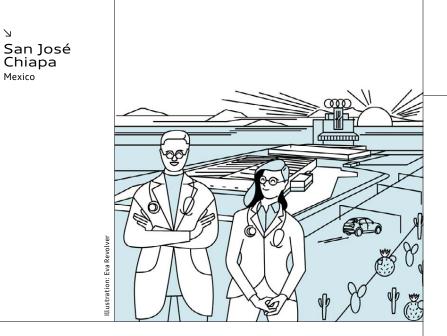
As a good corporate citizen, Audi assumes social responsibility, for example by supporting regional social projects and nonprofit organizations with donations or through campaigns as part of the "Audi Volunteers" initiative. The main focus in 2020 was on in-kind and cash donations in connection with the continuing coronavirus pandemic.

Research for children

The "COVID Kids Bavaria" study, funded by the Bavarian Ministry of Science, has been underway since July 2020, focusing on the pandemic situation at childcare facilities in Bavaria. Audi made a donation of EUR 50,000 here to help combat the pandemic in Bavaria and beyond.

Individual and unbureaucratic

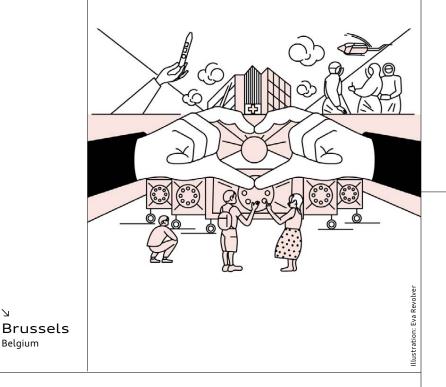
Donations totaling EUR 600,000 went to the German hospitals Klinikum Ingolstadt and SLK-Kliniken Heilbronn. Moreover, Audi produced 10,000 face shields for use in the healthcare sector. And when the major rescue organizations were faced with equipment shortages, Audi offered quick and targeted help in the form of protective materials, loan vehicles and cash donations.



🔰 Safe transport in a vast country

Mexico has been part of the Audi family since 2016. In a country almost six times the size of Germany, mobility holds a special significance. The distance between home and work is often greater, and public transportation is widely used. So that their travel to work would not become a source of infection, Audi Mexico spontaneously agreed to provide vehicles for doctors and nursing staff, enabling them to commute between their homes and workplaces. Audi Mexico also donated protective equipment to various hospitals and the local Red Cross.

USA

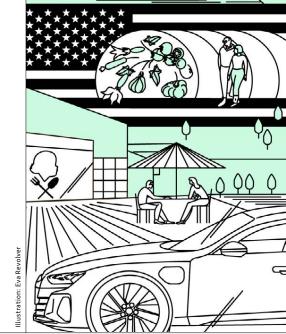


Help and commitment for the entire region

As one of the largest employers in Hungary, Audi Hungaria made a massive contribution to the fight against the coronavirus in 2020. The donation check that the company handed over in Győr as early as May last year was worth HUF 100 million (forints; around EUR 280,000). The money was used to purchase equipment that has further raised the standard of care and made the work of employees at medical and social facilities easier. Of course, the company and its employees remain true to their strong social commitment in other projects as well.

Ľ Győr Hungary 000

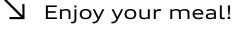
Audi of America



Audi Brussels volunteers

Belgium

Helping where help is desperately needed: In the fight against the coronavirus, Audi Brussels donated protective medical equipment to various hospitals and also made a cash donation to the Red Cross. In addition, the employees of the Belgian plant are supporting the StreetwiZE organization, which specializes in talent development and change management, investing primarily in educational projects for children in need.



In the USA, Audi of America gave its support to two economic groups that were particularly badly affected by the coronavirus pandemic: restaurants and small farmers. As well as providing vehicles to support the "LEE Relief Kitchens," the company donated USD 750,000 to the LEE Initiative. This initiative was co-founded by the award-winning chef Edward Lee and his business partner Lindsey Ofcacek, and aims to improve gender equality and increase diversity in the restaurant sector as well as promote a sustainable food chain. As part of the aid campaign, 19 pop-up kitchens were set up nationwide from which more than 400,000 meals have been distributed.

 \searrow

Audi

for a livable future

environmental commitment.

ENVIRONMENTAL FOUNDATION

Audi Environmental Foundation promotes green innovations

For ten years now, the Audi Environmental Foundation has been

making an active contribution to environmental protection, thus

shaping new paths for sustainable activity. The foundation's

commitment is multifaceted and of a long-term nature. AUDI AG established the foundation as a fully owned subsidiary on

December 1, 2009, with a view to strengthening its social and

In the projects it supports, the Audi Environmental Foundation

focuses not only on nature and the environment, but also works

toward a sustainable human-environment system.

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Three fields of action can be derived from it:

GREENOVATION – combining traditional environmental protection with innovative technologies and using the knowledge gained to make a valuable open source contribution to society.

ENTHUSIASM – using a variety of projects and formats to get people excited about the environment, encourage them to join in and thus motivate them to make a contribution themselves.

RESPONSIBILITY – taking on social and ecological responsibility through targeted projects and thus giving back to society and the environment.

The 2020 reporting year saw a noteworthy technology project related to the recycling of electronic waste: the German-Indian startup Nunam, which is funded by the Audi Environmental Foundation. Nunam manufactures stationary energy storage systems from discarded batteries, thus exploring potential applications for second-life batteries. Its aim is to supply rural areas of India, in particular, with green electricity. This multifaceted electricity storage project can help people in addition to saving CO_2 .

More information on this sponsorship project as well as other initiatives and publications by the Audi Environmental Foundation can be found \rightarrow <u>here</u>.

Selected contribution by Audi to the SDGs of the United Nations



Audi is active with a large number of corporate citizenship projects at its sites around the world.



Audi has supported medical and social facilities at its sites throughout the coronavirus crisis.

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Social responsibility at Audi

Employees & Society

Engage covers volunteering and donations. It also encompasses social sponsorship, events, cooperations with nonprofit organizations and the promotion of projects with a positive social impact. Addin that scien beyon and do

Audi has a vision of sustainable mobility that everyone can use with a clear conscience. That is why the company goes beyond manufacturing premium vehicles and offering innovative mobility solutions: Audi also takes responsibility for the future of our planet – in other words, for how we must shape the environment, the economy and society so that future generations can also live well.

The company considers sustainability in all its facets. Besides ecological and economic aspects, social sustainability is also of great importance. To ensure that its commitment makes a significant contribution to society, Audi follows a threefold approach: Engage, Educate and Empower.



Educate unites all the training and education programs that Audi offers or supports. The company focuses not only on its employees, but also on customers, business partners and society as a whole – in the latter case, especially initiatives in the vicinity of Audi sites. Audi also cooperates with numerous national and international universities to help shape progress in research and teaching.

because Audi acts as a multiplier here. Through various innovation and cooperation projects, the company empowers other players to make the world as a whole more sustainable. These sustainability agents, as they are called, include employees, customers and other stakeholders. They are actively encouraged by Audi to advocate sustainable practices and lifestyles. Here, the company plays the role of a "change agent." The aim of this commitment is to bring about even more far-reaching and long-term changes – albeit without the direct involvement of the Four Rings, as is the case with the Engage and Educate programs.

Empower is an instrument with a strong impact

 \rightarrow see page 289 for an overview of the SDGs

Agenda 2030 17 goals for sustainable development

Appendix



At the 2015 United Nations (UN) General Assembly, 193 states adopted Agenda 2030, which lays out 17 goals – the "Sustainable Development Goals" (SDGs).

SDGs combine the social, environmental and economic dimensions of sustainable development and thus link the battle against poverty with the protection of natural resources. After all, social progress is not possible in the long run if the limits of the planet are not respected.

Agenda 2030 stands for a global understanding of prosperity that extends beyond the constricting concept of per capita income. At issue is reshaping economies toward more sustainable development, for example through responsible consumption and production patterns and clean as well as affordable energy. It is becoming clear that climate policy, sustainable development and the eradication of poverty are inseparably connected.

Appendix

Audi recognizes and observes the Sustainable Development Goals. Internal workshops were conducted to identify the SDGs to which Audi can make the greatest contribution with its core business. For this purpose, the topics and results of the materiality analysis were compared with the SDGs, making it possible to determine where the company can make the greatest impact. As a result, the following five SDGs have been pinpointed:



Of course, Audi endeavors to make a comprehensive contribution and can therefore also work toward SDGs other than the five listed above. The stories in each chapter of the Audi Report provide examples of SDG-relevant activities at Audi. At each of these points, reference is made to the relevant Sustainable Development Goals, with a brief explanation of how our activities relate to them.

Audi Sustainability Program

Operations and Integrity

(Table 1 of 2)

The Audi sustainability program combines strategic goals in the area of sustainability with specific measures. It is divided into the four core topics "Operations and Integrity," "Products and Services," "Value Creation and Production," and "Employees and Society."

Goal	Measure	Date	Comparison of SDGs
9 to 11 percent operating return on sales by no later than 2025	Implementation of the Audi Transfor- mation Plan and the Audi Strategy	Continuous development	8 Internet and
21 percent return on investment (ROI) by no later than 2025	Implementation of the Audi Transfor- mation Plan and the Audi Strategy	Continuous development	8 International Balance
6.0 to 7.0 percent research and development ratio by no later than 2025 ¹	Implementation of the Audi Transfor- mation Plan and the Audi Strategy	Continuous development	8 mini uni uni Mini uni uni uni uni uni uni uni uni uni
4.0 to 5.0 percent ratio of capex by no later than 2025 ²	Implementation of the Audi Transfor- mation Plan and the Audi Strategy	Continuous development	8 Interest and
Self-finance the transfor- mation to provider of sustainable, individual premium mobility	Implementation of the Audi Transfor- mation Plan and the Audi Strategy	Continuous development	8 intervention
EUR 15 billion measure potential through the Audi Transformation Plan on the cost and revenue side 2018–2022	Programs already set up with Project Management Office (PMO) and work packages from the Board of Manage- ment. Flanked by ongoing monitoring and control.	20223	8 meneta
Reinforce Group-wide compliance and integrity	Implementation of the Group-wide compliance and integrity program Together4Integrity in all companies through 2025	2025	8 etterester 16 returner 16 r
	Accompanying communication cam- paign Together4Integrity	2025	8 Estimated autors Estimated autors Market States Market States

1 5.0 to 6.0 percent adjusted to 6.0 to 7.0 percent; in light of the sweeping transformation of the automotive industry, the Audi Group is stepping up its upfront expenditure for products and technologies of the future.

2 5.0 to 6.0 percent adjusted to 4.0 to 5.0 percent; this is based on continued investment discipline and a reduction in

structural investments. 3 The pandemic-induced drop in volumes may result in a slight delay.

Audi Sustainability Program

Operations and Integrity

(Table 2 of 2)

Goal	Measure	Date	Comparison of SDGs
Global protection and responsible handling of personal data	Definition of data processing principles applicable worldwide	2020 (completed)	16 rusi same antinor
	Establishment of a data protection organization within the Audi brand group	20204	9 month metering Sector and metering Sector and a state of the sector an
	Binding measures in the Audi brand group, e.g. maintaining a procedure directory, internal reporting processes for data protection violations, ensuring the rights of parties concerned or establishing an appropriate risk management system	Continuous development	9 minute Second Second

Audi Sustainability Program

Products and Services

(Table 1 of 3)

Goal	Measure	Date	Comparison of SDGs
Reduce CO_2 emissions from the Audi EU new car fleet by 27 percent (base year 2012)	Reduce consumption by using new tech- nologies from the modular efficiency platform	20205	
Reduce environmental impact across the entire life cycle compared with the predecessor model	Prepare product-based life cycle assess- ments for new vehicle models; validate and certify life cycle assessments; pub- lish the data	Continuous development	9 mm mm 20 mm
Significantly reduce fuel consumption for every new vehicle compared with the predecessor model	Switch 70 percent of new vehicles sold with combustion engines to mild hybridization or plug-in hybridization	2022	
Expand the range of elec- tric drive concepts	Expand the range of plug-in hybrids to seven models	2020 (completed)⁵	9 STREET
	Availability of at least one plug-in hybrid in every core segment from com- pact class or higher (Audi A3)	2023	
	40 percent of new Audi vehicles feature an electric drive (availability of at least one battery electric vehicle for each core segment)	2025	9
	Extension of the product portfolio to a total of five electric cars	2020 (completed) ⁷	

5 As things stand at present, this goal was narrowly missed in 2020 and is expected to be achieved in 2021. The successful launch of the e-tron and the plug-in hybrids in 2020 could not fully compensate for the opposing effects brought about by supply- and demand-driven shifts in the model portfolio. Nonetheless, the statutory targets have been exceeded.

by supply- and demand-driven shifts in the model portfolio. Nonetheless, the statutory targets have been exceeded.
 Following the successful launch of the Q8 and A3 successor as plug-in hybrids, seven Audi models featuring this tech-

nology were available in 2020.

7 With the start of production of the e-tron GT, Audi had five electric models in its portfolio in 2020.

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Audi Su	stainability I	Progra	am	Audi Su	ıstainability I	Progra	am	Audi Su	Istainability I	Progra	am
Products and (Table 2 of 3)	d Services	_		Products an (Table 3 of 3)	d Services	_		Value Creati (Table 1 of 3)	on and Production	-	
Goal	Measure	Date	Comparison of SDGs	Goal	Measure	Date	Comparison of SDGs	Goal	Measure	Date	Comparis SDGs
Ensure availability of charging systems for domestic charging to coin- cide with the market intro-	Provide competitive charging lineup for electrified Audi models for domestic charging, including: > Charqing equipment – smart charging	20208	× 🚓	Expand the range to include fuel cell drive concepts ¹¹	Continue to develop fuel cell technology	2022	9 3 13 10 (3)	into supplier relationships	Training for all procurement employees to raise awareness of sustainability standards in supplier relationships	Continuous development	8 mm mm m 12 mm
duction of the first fully electric series-production model from Audi	 Charging equipment - shart charging functions, e.g. photovoltaic-optimized charging Joint projects on home energy man- agement systems (HEMS) Innovative technologies 		³ ≡		Tiered implementation and roll out of fuel cell technology across the Group brands with the focus on commercial vehicles for initial market entry	2026	9 3 3 5 5 6		Training for suppliers to raise aware- ness of sustainability standards in the	Continuous development	13 tor 28 total and 8 total and 13 tor 13 tor 13 tor 13 tor 13 tor 13 tor 13 tor 13 tor 13 tor 14
Further development of the charging lineup for electrified Audi models in relation to the smart integration of electric vehicles into power grids to promote the compatibility between electric vehicles and the grid, including		9 mm	Provide carbon-neutral energy sources from renewable energy to reduce greenhouse gas emissions ¹²	Promote the development of synthetic liquid fuels together with suitable part- ners. Additional focus on the technol- ogy readiness of products within AUDI AG	Continuous development	9 13 		supply chain		13 ::::	
	promote the compatibility between electric vehicles and the grid, including piloting of services to network the vehi-		13 HER	cooperation agreements regarding research and development of renew-	Continuous development	9 contractions 13 cm		mandatory criterion for awarding con- tracts	Continuous development	8 ittem and and iterating cannot	
Ensure the availability of fast-charging infrastruc- with partners, e.g. IONITY joint ventu	Infrastructure expansion in cooperation with partners, e.g. IONITY joint venture in Europe and Electrify America in the	e.g. IONITY joint venture	re 🛛 🔏 🙇		able energies	17		Involvement in industry standards and Group tools to ensure compliance with environment-related and social stan- dards in the supply chain	Continuous development	8 mm and a market	
	13 att 17 att 12 & 19 & 19 & 19 & 19 & 19 & 19 & 19 &		Integrate a CO_2 capturing plant (capturing CO_2 from the air) in a power-to-gas or power-to-liquid plant	202113	9 (1) (13 cm) (13		Further development of our supply	Continuous	17 references		
Extend the charging infra- structure at the Audi sites infrastructure	Set up and operate cross-site charging infrastructure at Audi sites for the start of production (SOP) of the Audi e-tron; ¹⁰	rastructure at Audi sites for the start	9	Responsibility for the	Portfolio of predictive assistance and	Continuous	17 herein: 2 minute: 3 minute: 9 minute:		chain grievance mechanism	development	8 and a second s
	additional needs-based expansion for processes in the plant as well as provid- ing 10 percent electrified parking lots			safety of customers and other road users Enhance road safety	safety systems Further development of technologies	development		Integrate sustainability	Development of circular economy con-	202014	
	for company cars and employee leasing vehicles by the middle of 2022	e leasing		ciliance road safety	Further development of technologies toward assisted/automated driving	2025		into the supply of raw materials	cepts for the supply chain		
Global protection and responsible handling of personal data	Fine-tune the organizational processes to validate privacy by design, privacy by default		16 Ann ann Ann ann Ann ann	Develop an attractive mobility portfolio	Develop new business models	2022	9 minutesia		Adaptation of existing processes through successive implementation of human rights duty of care for critical raw materials in the supply chain	Continuous development	3 ADDI MICH INTE

			SDGs
rate sustainability upplier relationships	Training for all procurement employees to raise awareness of sustainability standards in supplier relationships	Continuous development	8 and and a second seco
	Training for suppliers to raise aware- ness of sustainability standards in the supply chain	Continuous development	8 mm and 12 mm 13 mm CO
	Sustainability rating (S-Rating) as a mandatory criterion for awarding contracts	Continuous development	8 Etemeterse Etemeterse 12 Imme I
	Involvement in industry standards and Group tools to ensure compliance with environment-related and social stan- dards in the supply chain	Continuous development	8 mm m 12 mm 12 mm 1
	Further development of our supply chain grievance mechanism	Continuous development	8 mm m 10 mm 11 mm 12 mm 13 mm 14 mm 15 mm 15 mm 16 mm 17 mm 17 mm 17 mm 17 mm 18 mm 18 mm 19 mm 1
rate sustainability he supply of raw rials	Development of circular economy con- cepts for the supply chain	202014	12 arman Reserve Reserve
	Adaptation of existing processes through successive implementation of human rights duty of care for critical raw materials in the supply chain	Continuous development	3 mention →→→→ 10 mention +→→→ 12 mention 12 mention mention 12 mention men

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Comparison of

- 8 The compact charging system is now available in the main target markets affected. Goal achieved. The connect charging system was launched in calendar week 48/2020 with a starting configuration of smart charging functions. Our cooperation partners' interoperable range of home energy management systems was launched at the same time. An extended range of functions is planned for the end of 2021.
- 9 A joint research project with external partners on grid-compatible charging with smart communication between the grid operator and the Audi e-tron was successfully completed in 2020.
- 10 Audi e-tron: combined electric power consumption in kWh/100 km, 28.8-21.4 (NEDC); combined CO2 emissions in g/km: 0 11 Goal and measures with considerable change compared with the previous year. Small-series stop and realignment of
- strategy/initial implementation in the direction of commercial vehicles.

12 Strategic shift to carbon-neutral energy sources currently under review.

13 The plan is to evaluate potential technologies and possibly undertake basic engineering in 2021. Installation of the technology in 2022.

14 The action "Development of circular economy concepts for the supply chain" with a focus on aluminum and HV batteries was successfully completed in the year under review. Since the Procurement Strategy is still working on innovative circular economy concepts, the action - minus the above focal topics - will remain in place.

Audi Report 2020	Appendix		297	Audi Report 2020	Appendix		298	Audi Report 2020	Appendix
	Istainability on and Production	Progra	am		Istainability	Progra	am	Audi Su Employees a (Table 1 of 3)	stainabilit and Society
Goal	Measure	Date	Comparison of SDGs	Goal	Measure	Date	Comparison of SDGs	Goal	Measure
Integrate environmental measures into the supply chain ¹⁵	Performance of CO ₂ workshops with selected hotspot suppliers to identify measures with potential to reduce CO ₂ emissions	Continuous development	12 2000 13 200 17 100000 17 100000 18 200 19 200	Systematic reduction in energy consumption	Reduction in overall energy consump- tion through targets derived from prior-year consumption and the corre- sponding concrete, implemented and documented individual measures in the operator and planning areas	Continuous development	7 == ♥ ●	Make working hours and place of work more flexible Update methodology and content of vocational and	Establishment of mobile working Extension of digital learning meth
	Rollout of the Aluminum Closed Loop in other plants	2025	12 and a set of the se	All plants net carbon- neutral ¹⁷	Detailed planning and implementation of site-specific packages of measures for achieving targets	2025	7 constant ****	advanced training	Modification of content of vocatic
	Anchoring the use of green electricity in the supply chain	Continuous development	12 mmm COO				13 :::::		and advanced training in relation strategic future-oriented topics
	Development of a responsible water stewardship program for the supply chain	Continuous development	6 state V 12 state V 12 state V 12 state V 12 state V 13 state 13 state 14 state 15 state 15 state 16 state 17 state 17 state 18 state 18 state 19 sta	Implementation of the performance standard/ chain of custody of the Aluminum Stewardship Initiative (ASI)	Verification of the ASI performance cri- teria and implementation of the neces- sary audit to renew the ASI certification of the aluminum components in the Audi e-tron ¹⁸ high-voltage storage device		9 3 3 5 5 7 7 10 10 10 10 10 10 10 10 10 10 10 10 10	Promote employee health	Maintaining vocational training fig and advanced training days at a hi level (three-year forecast) Further development of occupatic health and safety at international
Act4Impact	Development and establishment of an Audi Act4Impact program to make a positive impact together with our part-	Continuous development			Extension of the ASI performance stan- dard/chain of custody to include other aluminum components and production sites of AUDI AG	Continuous development	9 mm mene 3 mm mene 12 mm mene 13 mm 17 mm mene 13 mm 17 mm mene		Setup of digital offerings as part of company health promotion
For the German sites Ingol-	ners Detailed planning and implementation	2020	7				13 cm 17 / WWW262	Promote equal opportunity	Increase in the proportion of wom the first management tier below t Board of Management to 8 percer
stadt and Neckarsulm, we have set ourselves a reduc- tion target of 40 percent for CO₂ per reference unit	of site-specific packages of measures for achieving Group-wide reduction targets	(completed) ¹⁶		Integration of sustainabil- ity in the supplier chain and own added value of high-voltage storage	Development of sustainability princi- ples and support of the establishment of standards for high-voltage batteries in the working groups "Circular Econ-	Continuous development	9 within marked 9 within marked 12 transmitting 12 tra		to 16 percent in the second mana ment tier
through 2020 as part of energy supply (base year 2010)				nign-voltage storage devices at Audi	in the working groups Circular Econ- omy" and "Innovation" of the Global Battery Alliance, hosted by the World Economic Forum		13 km 17 / Ministeric () () () () () () () () () ()	Strengthen cultural diversity	Expansion of the proportion of int tional managers within AUDI AG, employee rotation, international talent programs, intercultural aw
Achievement of the target figure for the environmen- tal impact reduction pro- duction per unit (UEP) of 35 percent. The environ- mental impact reduction production is a vehicle- specific variable. From 2010 through 2025, the development of the five key figures is analyzed, CO ₂ emissions, overall energy consumption, disposable waste, fresh water consumption and VOC emissions.		2025		tion of other possible measu	arbon-neutral; Audi regards net carbon neutral ures aimed at reducing the still remaining CO₂ er avoidable CO₂ emissions within the scope of thu	missions caused by the	e products or activities		ness and training

15 The action "Successive decarbonization of the supply chain together with suppliers" has been changed due to the expan-sion of its scope. Successive decarbonization of the supply chain remains one of the strategic focus areas of the Responsible Supply Chain Strategy.

16 100 percent green power sourced in Ingolstadt and Neckarsulm.

ity Program

Goal	Measure	Date	Comparison o SDGs	
Make working hours and place of work more flexible	Establishment of mobile working	Continuous development	8 Internet and Research Landers	
Update methodology and content of vocational and advanced training	Extension of digital learning methods	2025	4 mer	
	Modification of content of vocational and advanced training in relation to strategic future-oriented topics	2025	4 men Mil	
	Maintaining vocational training figures and advanced training days at a high level (three-year forecast)	2020 (completed)	4 men Mil	
Promote employee health	Further development of occupational health and safety at international sites	2020 (completed)	3 100 million 100 100 100 100 100 100 100 100 100 10	
	Setup of digital offerings as part of company health promotion	2022	8 tobar and an	
Promote equal opportunity	Increase in the proportion of women in the first management tier below the Board of Management to 8 percent and to 16 percent in the second manage- ment tier	2021	5 888	
Strengthen cultural diversity	Expansion of the proportion of interna- tional managers within AUDI AG, global employee rotation, international young talent programs, intercultural aware- ness and training	2025		

or Augi and/or currently unavoidable CO₂ emissions within the scope of the supply chain, manufacturing and recycling of Audi vehicles, at least quantitative compensation is provided through voluntary and globally conducted compensation projects. Throughout the utilization phase of a vehicle, meaning from when a vehicle is delivered to a customer, CO₂ emissions produced are not taken into account. 8 Audi e-tron: combined electric nover consumption is held to be accessible to a customer.

18 Audi e-tron: combined electric power consumption in kWh/100 km, 28.8–21.4 (NEDC); combined CO₂ emissions in g/km: 0

Audi Sustainability Program

Employees and Society

(Table 2 of 3)

Goal	Measure	Date	Comparison of SDGs
Promote work-life balance	Expansion of childcare	Continuous development	5 total
	Focus on the issue of care as part of employee information events	Continuous development	8 man and a second a
	Expansion and development of urban services, offerings and services for daily requirements at the interface between home and work at the Ingolstadt and Neckarsulm sites	Continuous development	3 sector and
	Promotion of employee mobility by strengthening the provision of job tickets and promoting carpooling	Continuous development	
Further develop voluntary programs	Needs survey through annual events/ formats at the Audi sites	Continuous development	
Promote a corporate culture along the lines of the Volkswagen Group Essentials, the Audi corpo-	Group-wide execution of the role- model program for managers and supervisors	Continuous development	8 millioner cave
rate values and the Audi leadership principles	Establishment of the Essentials Indicator to sustainably anchor the VW Group Essentials and to measure the progress in terms of culture	Continuous development	8 Hitle Mark
	Support of the change of culture through initiatives, formats and events under the "KulturZeit" umbrella	Continuous development	8 manual and
Increase employer attrac- tiveness	Initiation and promotion of future- oriented events with the focus on corporate citizenship/innovation (e.g. MQ! Innovation Summit)	Continuous development	8 State and we
Provide access to educa- tion for the public	Public "Wissenschaft im Dialog" (Academia in Dialogue) events at the Ingolstadt & Neckarsulm sites	Continuous development	4 million
Further develop research and teaching in future- oriented fields at univer- sities	Support of universities through endowed professorships	Continuous development	4 mm

Audi Sustainability Program

Employees and Society

(Table 3 of 3)

Goal	Measure	Date	Comparison of SDGs
Promote mental health	Stages II & III, Expansion of support services and establishment of a physical and mental health network and holistic care structures	2023	3 (1000 0000)
Promote flexible coopera- tion within the company	Creation and establishment of new cooperation formats, such as, agile process workshop, think tank in Berlin	Continuous development	8 decisi none an economic convex
Digitalize HR processes	Launch and establishment of an HR app to make it even easier for employees to access personal data (e.g., working hours, calendar, wages, etc.)	2020 (completed)	8 tooli inter an tooling const
Extend attractive working conditions	Implementation of the extended wage agreement (T-ZUG) with a choice between having the additional wages paid out or converted to paid leave	2020 (completed)	8 attent mark and tenter to the second

Audi Sustainability Key Figures

Audi uses key figures to make its sustainability activities measurable and present them in a transparent way. The key figures are valid for the relevant calendar year and refer to the Audi Group. If key figures refer to individual Audi Group companies only, this is specified accordingly. Key figures are rounded up or down, which may result in slight deviations from the totals stated. Auditing firm Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft performed a limited assurance engagement on selected sustainability key figures for 2020 in the overview for the period from January 1, 2020, to December 31, 2020. The key figures audited are identified by the "

→ The Independent Auditor's Report can be found \rightarrow see page 323.

✓= Key figures for 2020 were subjected to a limited assurance engagement.

Operations and Integrity

	Unit	2018	2019	2020
Revenue ¹⁸	EUR million	59,248	55,680	49,973
Operating result	EUR million	3,529	4,509	2,569
Profit before tax	EUR million	4,361	5,223	4,187
Profit after tax	EUR million	3,463	3,943	3,774
Total capital investments	EUR million	5,552	4,223	3,654
Research and development activities	EUR million	4,178	4,426	3,662
Operating return on sales ¹⁸	Percent	6.0	8.1	5.1
Return on investment ¹⁸	Percent	10.0	12.7	7.4
Ratio of capex ^{18, 19}	Percent	5.9	4.9	3.8
Net cash flow ¹⁸	EUR million	2,141	3,160	4,589
Equity ratio	Percent	45.3	42.5	36.1

18 2019 values influenced by the deconsolidation of multi-brand sales companies as at January 1, 2019. Further information on this is included in the → Financial Report 2019.

19 The ratio of capex includes investments in property, plant and equipment, investment property and other intangible assets according to the cash flow statement in relation to revenue. Audi Report 2020 Appendix

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Audi Sustainability Key Figures

Products and Services

Production	Unit	2018	2019	2020
Automotive segment	Cars ²⁰	1,871,386	1,802,073	1,664,265
	Engines and electric drives	1,955,532	1,969,731	1,662,481
Motorcycles segment	Motorcycles	53,320	51,723	44,827
Deliveries to customers	Unit	2018	2019	2020
Automotive segment ^{18,21} Audi brand ²¹ Germany Outside Germany Lamborghini brand Other Volkswagen Group brands ¹⁸ Motorcycles segment	Cars Cars Cars Cars Cars Cars Cars Motorcycles	2,081,418 1,812,485 260,456 1,552,029 5,750 263,183 53,004	1,853,833 1,845,573 271,613 1,573,964 8,205 55 53,183	1,700,258 1,692,773 214,427 1,478,346 7,430 55 48,042
Product-related CO ₂ emissions	Unit	2018	2019	2020
CO2 emissions of the European (EU 27+3) fleet of new passenger cars for the Audi brand	g CO₂/km (NEDC)	129	131	102.9 ²²
Fleet consumption, China (FBU) ²³	l/100 km (NEDC)	7.5	5.9	7.9 🗸

Audi Sustainability Key Figures

Value Creation and Production²⁴

Energy	Unit	2018	2019	2020
Total energy consumption ²⁵	MWh	2,775,442	2,702,302	2,408,712 ✓
Automotive segment	MWh	2,751,234	2,678,671	2,385,912 ✓
(incl. components)	MWh/Veh.	2.69	2.70	2.90 ✓
From renewable energy sources	MWh	1,179,503 ²⁶	1,339,256	1,525,801 ✓
Automotive segment	MWh	1,177,199 ²⁶	1,337,062	1,523,897 ✓
(incl. components)	MWh/Veh.	1.15 ²⁶	1.35	1.85 ✓
Electricity	MWh	1,666,649	1,598,809	1,404,445 🗸
Automotive segment	MWh	1,650,932	1,583,286	1,389,730 🗸
(incl. components)	MWh/Veh.	1.61	1.59	1.69 🗸
Heating (incl. district heating)	MWh	779,967	788,416	736,905 ✓
Automotive segment	MWh	771,475	780,308	728,820 ✓
(incl. components)	MWh/Veh.	0.75	0.79	0.88 ✓
of which district heating	MWh	340,474	352,836	321,535 ✓
Automotive segment	MWh	340,158	352,364	321,140 ✓
(incl. components)	MWh/Veh.	0.33	0.35	0.39 ✓
Combustion gases for production processes Automotive segment (incl. components)	MWh MWh MWh/Veh.	328,345 328,345 0.32	314,759 314,759 0.32	267,089 ✓ 267,089 ✓ 0.32 ✓
Refrigeration (externally sourced)	MWh	482	318	273 ✓
Automotive segment	MWh	482	318	273 ✓
(incl. components)	MWh/Veh.	0.0005	0.0003	0.0003 ✓
Exported energy ²⁷ Automotive segment ²⁷ (incl. components) ²⁷	MWh MWh MWh/Veh.			3,291 ✓ 2,777 ✓ 0.0034 ✓

Audi Sustainability Key Figures

Appendix

Fuels	Unit	2018	2019	2020
Total fuel use	MWh	1,092,974	1,066,997	981,256
Automotive segment	MWh	1,059,128	1,033,811	949,643
(incl. components)	MWh/Veh.	1.03	1.04	1.15
From renewable energy sources ²⁷ Automotive segment ²⁷ (incl. components) ²⁷	MWh MWh MWh/Veh.			135,189 135,189 0.16
Natural gas	MWh	961,486	946,821	864,833 ✓
Automotive segment	MWh	929,858	915,693	835,327 ✓
(incl. components)	MWh/Veh.	0.91	0.92	1.01 ✓
Heating oil	MWh	8,782	6,813	15,905 🗸
Automotive segment	MWh	8,782	6,813	15,905 🗸
(incl. components)	MWh/Veh.	0.009	0.007	0.019 🗸
Diesel (test rigs)	MWh	30,753	24,537	18,740
Automotive segment	MWh	30,753	24,537	18,740
(incl. components)	MWh/Veh.	0.03	0.02	0.02
Gasoline (test rigs)	MWh	91,953	88,825	81,778
Automotive segment	MWh	89,736	86,769	79,670
(incl. components)	MWh/Veh.	0.09	0.09	0.10

18 2019 values influenced by the deconsolidation of multibrand sales companies as at January 1, 2019. Further information on this is included in the → <u>Financial Report 2019</u>.

20 This includes Audi models built locally by the associated company FAW-Volkswagen Automotive Company, Ltd., Changchun (China).

21 This includes delivered vehicles built locally by the associated company FAW-Volkswagen Automotive Company, Ltd., Changchun (China).

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

- 23 Subject to official publication by the Minstry for Industry and Information Technology (MIIT) in the annual CO₂ fleet monitoring report.
- 24 Figures refer to the Ingolstadt, Münchsmünster, Neckarsulm, Brussels, Györ, San José Chiapa, Sant'Agata Bolognese (Lamborghini), Bologna (Ducati), Amphur Pluakdaeng (Ducati) sites. Only car-producing sites including component manufacturing are considered for the specific key figures. The environmental key figures for the current year are data as of February 24, 2021. The figures may contain estimates if they are based on statements from energy suppliers that were not available when data was collected, for example. If significant deviations between the actual values and the reported data are identified in the following year, the data will be updated. The individual key figures for 2019 were updated in this report using the actual values for 2019.
- 25 Total energy consumption: This figure is made up of electricity and heat consumption as well as the use of fuel gases for production processes and externally supplied refrigeration at the plant.

26 Correction to the data collection process for 2018.

27 The key figure is being published for the first time in 2020, which is why no data exists for 2018 and 2019.

Audi Report 2020 Appendix

Total nitrogen as nitrogen (N)

Zinc

307

308

Audi Sustainability Key Figures

Emissions	Unit	2018	2019	2020
Total CO ₂ emitted (Scope 1 and Scope 2)	t	619,140	451,725	231,334 ✓
Automotive segment	t	615,009	447,713	227,497 ✓
(incl. components)	kg/Veh.	600.57	451.02	276.10 ✓
Of which direct (Scope 1) CO ₂ emissions ²⁸	t	202,031	198,730	172,387 🗸
Automotive segment	t	198,564	195,409	169,218 🗸
(incl. components)	kg/Veh.	193.90	196.85	205.37 🗸
Of which indirect (Scope 2) CO ₂ emissions ^{29,30} Automotive segment (incl. components)	t t kg/Veh.	417,110 416,444 406.66	252,995 ³⁰ 252,304 254.17	58,946 ✓ 58,278 ✓ 70.73 ✓
VOC emissions ³¹	t	1,081	916	815 ✓
Automotive segment	t	1,081	913	815 ✓
(incl. components)	kg/Veh.	1.06	0.92	0.99 ✓
Direct NO _x emissions ³²	t	202	190	177 ✓
Automotive segment	t	195	184	173 ✓
(incl. components)	kg/Veh.	0.19	0.19	0.21 ✓
Sulfur dioxide	t	2.14	2.05	2.03
Automotive segment	t	2.1376	2.05	2.03
(incl. components)	kg/Veh.	0.002	0.002	0.002
Total dust	t	58	41	33
Automotive segment	t	58	41	32
(incl. components)	kg/Veh.	0.06	0.04	0.04
CO ₂ reductions in logistics ^{33,34}	t CO₂e	13,712	13,525	-
Intensity quotients for greenhouse gas emissions (Scope 1 and 2)	kg/Veh.	600.57	451.02	276.10

Audi Sustainability Key Figures

Water	Unit	2018	2019	2020
Total fresh water consumption Automotive segment (incl. components)	m³ m³ m³/Veh.	4,159,236 4,091,377 4.00	3,428,689 3,360,040 3.38	3,132,780 🗸 3,059,403 🗸 3.71 🗸
Fresh water consumption, internal catchment	m³	2,609,368	2,057,909	1,887,602 🗸
Automotive segment (incl. components)	m³ m³/Veh.	2,566,473 2.51	2,014,522 2.03	1,831,589 🗸 2.22 🗸
Rainwater used	m³	394,041	165,207	172,926 🗸
Surface water from lakes, rivers, oceans	m³	722,499	611,311	572,606 🗸
Groundwater	m³	1,492,828	1,281,391	1,142,070 🗸
Fresh water consumption, externally sourced Automotive segment (incl. components)	m³ m³ m³/Veh.	1,549,868 1,524,904 1.49	1,370,780 1,345,518 1.36	1,245,178 🗸 1,227,814 🗸 1.49 🗸
Wastewater	Unit	2018	2019	2020
Volume of wastewater Automotive segment (incl. components)	m³ m³ m³/Veh.	2,382,498 2,357,551 2.30	1,872,285 1,847,827 1.86	1,847,735 ✓ 1,818,369 ✓ 2.21 ✓
Direct discharge ³⁵	m³	11,228	18,529	8,918
Indirect discharge ³⁵	m³	2,346,324	1,829,298	2,438,198
Wastewater load ³⁵	Unit	2018	2019 ³⁶	2020
Chemical oxygen demand	kg	617,759	360,154	309,271 🗸
Total phosphorous content as phosphorous (P)	kg	3,493	3,247	3,901 🗸

kg

kg

36,026

284

31,648

160

26,339 🗸

85 🗸

Audi Sustainability Key Figures

Waste	Unit	2018 ³⁷	2019 ³⁷	2020
Total volume of waste	t	107,071	107,940	98,814
(excluding scrap)				
Automotive segment	t	105,777	106,692	97,654
(incl. components	kg/Veh.	103.29	107.48	118.52
Recyclable waste	t	99,670	104,096	93,910
Automotive segment	t	98,475	102,940	92,826
(incl. components)	kg/Veh.	96.16	103.70	112.66
Other recyclable waste	t	56,342	56,936	46,289
Automotive segment	t	55,232	55,873	45,291
(incl. components)	kg/Veh.	53.94	56.29	54.97
Hazardous recyclable waste	t	37,553	40,782	42,074
Automotive segment	t	37,505	40,729	42,023
(incl. components)	kg/Veh.	36.62	41.03	51.00
Non-production-specific	t	5,776	6,378	5,547
recyclable waste				
Automotive segment	t	5,737	6,338	5,512
(incl. components)	kg/Veh.	5.60	6.38	6.69
Disposable waste	t	7,401	3,844	4,904
Automotive segment	t	7,302	3,751	4,828
(incl. components)	kg/Veh.	7.13	3.78	5.86
Other disposable waste	t	289	414	1,192
Automotive segment	t	244	383	1,150
(incl. components)	kg/Veh.	0.24	0.39	1.40
Hazardous disposable waste	t	6,112	3,170	3,365
Automotive segment	t	6,059	3,109	3,331
(incl. components)	kg/Veh.	5.92	3.13	4.04
Non-production-specific	t	1,000	260	347
disposable waste				
Automotive segment	t	999	259	347
(incl. components)	kg/Veh.	0.98	0.26	0.42
Metallic waste	t	345,827	320,793	273,371
(scrap; completely recyclable)				
Automotive segment	t	345,228	320,200	272,835
(incl. components)	kg/Veh.	337.12	322.56	331.13

28 Direct CO₂ emissions: This figure is made up of CO₂ emissions generated by the use of fuel at the plant and CO₂ emissions produced by the operation of test rigs.

- 29 The process of selecting relevant emissions and the emission factors used are anchored in the Volkswagen 98000 standard (→ see page 248), as is the entire key figure collection process. Audi uses the real emission factors of the energy suppliers in principle, and the standard factors of the VDA in cases where this is not possible.
- 30 Correction in the recording of green electricity for 2019.
- 31 VOC emissions (volatile organic compounds): This figure is made up of emissions from the paint shops, test rigs and other facilities.
- 32 Direct NO_x emissions: This figure is made up of NO_x emissions caused by the boiler houses at the plant, by paint shops and by the operation of test rigs.
- 33 Transportation of vehicles from Ingolstadt to Emden, the port of loading on the North Sea coast; since October 2012, also from Neckarsulm; since 2015, the figure is given in t CO2e. Since July 2017, rail transport in Germany has been handled by DB Schenker entirely carbon-neutral. All shipments from and to the German production locations Ingolstadt and Neckarsulm operated by DB Schenker are CO2-free.
- 34 In the future, the key figure "CO₂ reductions in logistics" will only be reported in the following year. The reason for this is the change in the reporting process, as a result of which the key figure cannot be evaluated on the publication date at present.

35 Direct dischargers: Münchsmünster site; indirect dischargers: Ingolstadt, Münchsmünster, Neckarsulm, Brussels, Győr, Sant'Agata Bolognese (Lamborghini), Bologna (Ducati), Amphur Pluakdaeng (Ducati) sites. 36 Correction to the data collection process for 2019. Audi Report 2020 Appendix

Audi Sustainability Key Figures

Employees and Society

Workforce	Unit	2018	2019	2020
Workforce, Audi Group ^{38, 39}	Unit	91,477	90,783	87,996 🗸
Domestic companies ^{38,39} of which AUDI AG Ingolstadt plant Neckarsulm plant	Unit Unit Unit Unit	59,754 58,813 42,784 16,029	60,083 58,940 42,904 16,036	58,432 ✓ 57,437 ✓ 42,131 ✓ 15,306 ✓
Foreign companies ^{38, 39, 40} Audi Brussels S.A./N.V. Audi Hungaria Zrt. Audi México S.A. de C.V. Automobili Lamborghini S.p.A. Ducati Motor Holding S.p.A.	Unit Unit Unit Unit Unit Unit	28,702 2,768 12,825 5,682 1,643 1,278	27,669 2,922 13,079 5,268 1,788 1,290	26,612 3,052 12,391 5,233 1,769 1,337
Apprentices ³⁸	Unit	2,582	2,585	2,493 🗸
Temporary workforce, Audi Group ⁴¹	Unit	2,527	1,957	1,326
Average length of service, AUDI AG ^{39,41}	Years	17.5	17.9	18.3 🗸
Turnover rate, AUDI AG ^{38, 39, 42}	Percent	0.9	0.7	0.6 🗸
New hires, Audi Group	Unit	5,004	4,214	2,181
New hires, AUDI AG	Unit	1,628	1,310	920
Average age ^{39,41,43}	Years	41.2	41.5	41.8 🗸
Share of production employees ⁴¹	Percent	48.4	48.5	48.4
Share of non-production employees ⁴¹	Percent	48.6	48.5	48.7
Age structure, AUDI AG ^{39,41}	Unit	2018	2019	2020
< 30 years	Percent	15.7	14.3	12.9 🗸
30–50 years	Percent	54.9	55.1	56.6 🗸
> 50 years	Percent	29.4	30.6	30.5 🗸

Audi Sustainability Key Figures

Proportion of women ⁴¹	Unit	2018	2019	2020
Audi Group ³⁹	Percent	14.9	15.0	15.2 🗸
AUDI AG of which apprentices of which industrial apprentices of which clerical apprentices Management ^{44,45}	Percent Percent Percent Percent Percent	15.4 27.2 24.2 81.1 10.9	15.6 25.5 22.3 80.6 11.9	15.8 23.8 20.3 74.2 12.5
Audi Brussels S.A./N.V.	Percent	6.7	6.9	7.0 🗸
Audi Hungaria Zrt.	Percent	12.8	13.0	12.8 🗸
Audi México S.A. de C.V.	Percent	13.8	14.2	14.8 🗸
Automobili Lamborghini S.p.A.	Percent	20.2	20.5	20.2 🗸
Ducati Motor Holding S.p.A.	Percent	18.4	19.0	17.6 🗸
Average training time per employee AUDI AG ⁴⁶	Unit	2018	2019	2020
Training time, total	Hours	13.7	13.0	9.0
Production employees	Hours	8.6	8.3	5.6
Non-production employees	Hours	18.2	16.7	11.7
Employees in management positions	Hours	21.1	23.8	15.6

Audi Sustainability Key Figures

Appendix

Other structural data	Unit	2018	2019	2020
Attendance rate, AUDI AG ^{38, 39, 49}	Percent	95.2	95.3	95.5 🗸
Frequency of accidents, AUDI AG ^{41,50}	-	5.6	6.2	6.2 🗸
Proportion of academics, AUDI AG ^{39,41,46}	Percent	50.9	51.4	52.3 🗸
Proportion of foreign nationals, AUDI AG ⁴¹	Percent	8.4	8.3	8.3 🗸
Proportion of people with severe disabilities, AUDI AG ^{39,41,48}	Percent	6.5	6.7	6.0 🗸
Contracts to workshops for people with disabilities, AUDI AG	EUR million	7.9	7.3	6.7 🗸
AUDI AG profit share per employee47	EUR	3,630	3,880	1,080 🗸
Employee donations ^{51, 52}	EUR	1,283,502	1,296,507	1,284,240 🗸
Expenditure on corporate citizenship ^{52, 53}	EUR million	16.5	17.5	15.1 🗸
Part-time employees, AUDI AG ⁴¹	Unit	3,924	4,448	4,327
Employees on parental leave, AUDI AG ⁴¹	Unit	3,439	3,753	3,788
Number of female employees on parental leave, AUDI AG	Unit	1,229	1,448	1,598
Number of male employees on parental leave, AUDI AG	Unit	2,210	2,305	2,190
Average duration of parental leave	Months	9	9	10
AUDI AG Ideas Program	Unit	2018	2019	2020
Savings	EUR million	109.1	101.3	94.5 🗸
Implementation quota	Percent	55.5	54.4	53.4 🗸

	38 Annual average figure.
	39 Excluding apprentices.
	41 As of Dec. 31 in the year under review.
	43 Excluding fixed-term employees.
	46 With respect to non-production employees.
	47 Payment in the following year; average figure for a skilled worker at AUDI AG.
	48 Up to 2019, the severe disability quota was calculated based on the Social Code (SGB) and, from 2020, based on the percentage of employees with severe disabilities and equal opportunities.
	49 The attendance rate is calculated using the formula 100 – (sick days/payment-relevant days) × 100.
	50 The accident frequency figure indicates how many industrial accidents involving one or more days' work lost occur per million hours worked.
	51 AUDI AG Christmas donation and "Last Cents" campaign.
entage of	52 Included respectively in the year 2020: Company top-up to the Christmas donation EUR 268,216.00. 53 Includes expenditure in the fiscal year in the areas of education, science, foundations; including donations; not including sponsorship and research.
	sponsorship and research.

38 Annual average figure. 39 Excluding apprentices.

40 Excluding staff employed from other Volkswagen Group companies not belonging to the Audi Group.

41 As of Dec. 31 in the year under review.

42 The employee turnover takes into account: terminations by the employer and/or employee without a rehire guarantee. 43 Excluding fixed-term employees.

38 Annual average figure. 39 Excluding apprentices.

41 As of Dec. 31 in the year under review.

44 Excluding leave on partial retirement phase.

45 AUDI AG has management, senior management and top management levels. The key figure reports the percer women in all three management groups collectively.

46 With respect to non-production employees.

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Fuel/electric power consumption and emission figures

(All data apply to features of the German market.) As of: February 19, 2021

Model	Combined fuel consumption (l/100 km)	Combined CO₂ emissions (g/km)
Audi A1 Sportback	5.0-4.6	115-106
Audi A1 citycarver	5.2-4.9	119-112
Audi Q2	7.7-4.0	176-107
Audi Q3	9.0-4.5	205-118
Audi Q3 Sportback	9.0-4.5	206-119
Audi A3 Sportback	7.4-3.9	170-102
Audi A3 Sedan	7.3-3.8	166-97
Audi TT Coupé	8.5-6.0	194–137
Audi TT Roadster	8.7-6.4	200-147
Audi A4 Sedan	7.1-4.0	167-104
Audi A4 Avant	9.2-4.0	211-106
Audi A4 allroad quattro	7.3-4.8	168-126
Audi A5 Sportback	8.8-4.0	200-105
Audi A5 Coupé	8.7-4.0	199–104
Audi A5 Cabriolet	8.2-4.2	188-112
Audi Q5	7.5-4.7	185-123
Audi Q5 Sportback	7.6-4.7	186-123
Audi A6 Sedan	7.6-4.3	173-114
Audi A6 Avant	11.6-4.5	265-118
Audi A6 allroad quattro	7.8-5.0	178-132
Audi A7 Sportback	11.6-4.4	265-117
Audi Q7	12.1-6.9	278-181
Audi Q8	12.3-6.9	281-182
Audi A8	10.8-6.5	248-170

Fuel/electric power consumption and emission figures

Model	Combined fuel consumption (l/100 km)	Combined CO₂ emissions (g/km)
Audi R8 Coupé	13.5-13.0	310-297
Audi R8 Spyder	13.6-13.2	311-303
Lamborghini Urus	12.6	292
Lamborghini Huracán	14.5-14.0	329-324
Lamborghini Aventador	20.1-18.8	499-452
Lamborghini Sián	19.8	449

Vehicles with natural gas drive	Combined CNG consumption (kg/100 km)	
Audi A3 Sportback g-tron	3.6-3.5	99-96
Audi A4 Avant g-tron	4.1-3.9	111-105
Audi A5 Sportback g-tron	4.1-3.8	111-104

Plug-in hybrid vehicles	Combined fuel consumption (l/100km) and combined electric power consumption (kWh/100 km)	
Audi Q3 TFSI e	1.7/16.0-1.4/14.4	39-32
Audi Q3 Sportback TFSI e	1.7/15.9–1.4/14.6	38-33
Audi A3 Sportback TFSI e	1.5/14.1-1.4/13.0	34-30
Audi Q5 Sportback TFSI e	2.0/19.6-1.8/19.3	45-42
Audi Q5 TFSI e	1.9/19.5-1.8/19.3	44-41
Audi A6 Sedan TFSI e	1.6/17.8-1.4/16.7	36-31
Audi A6 Avant TFSI e	1.6/18.1-1.5/17.5	37-34
Audi A7 Sportback TFSI e	1.6/17.9-1.4/16.9	36-32
Audi Q7 TFSI e	3.0/22.4-2.6/21.7	64-59
Audi Q8 TFSI e	2.8/22.9-2.6/21.9	63-59
Audi A8 TFSI e	2.4/19.0-2.2/18.7	54-50

Fuel/electric power consumption and emission figures

Fully electric vehicles	Combined electric power consumption kWh/100 km	
Audi Q2 L e-tron	13.9	0
Audi e-tron	28.8-21.4	0
Audi e-tron Sportback	28.3-20.9	0
Audi e-tron GT quattro	19.6-18.8	0
Audi RS e-tron GT	20.2-19.3	0

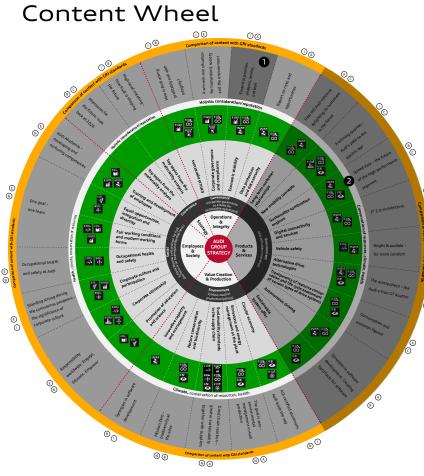
The indicated consumption and emissions values were determined according to the legally specified measuring methods. Since September 1, 2017, type approval for certain new vehicles has been performed in accordance with the Worldwide Harmonized Light Vehicles Test Procedure (WLTP), a more realistic test procedure for measuring fuel consumption and CO₂ emissions. Since September 1, 2018, the WLTP has gradually replaced the New European Driving Cycle (NEDC). Due to the realistic test conditions, the fuel consumption and CO₂ emission subject than the values measured according to the NEDC. Additional information about the differences between WLTP and NEDC is available at \rightarrow www.audi.de/wltp.

At the moment, it is still mandatory to communicate the NEDC values. In the case of new vehicles for which type approval was performed using WLTP, the NEDC values are derived from the WLTP values. WLTP values can be provided voluntarily until their use becomes mandatory. If NEDC values are indicated as a range, they do not refer to one, specific vehicle and are not an integral element of the offer. They are provided only for the purpose of comparison between the various vehicle types. Additional equipment and accessories (attachment parts, tire size, etc.) can change relevant vehicle parameters, such as weight, rolling resistance and aerodynamics and, like weather and traffic conditions as well as individual driving style, influence a vehicle's electric power consumption, CO₂ emissions and performance figures.

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 $(\rightarrow www.dat.de)$.

Content Wheel

The aim of the Audi Report 2020 is to ensure that all readers truly understand why these topics are being reported on. There are internal reasons for this (e.g. strategies) as well as external ones (e.g. guidelines, materialities). The Content Wheel gives an at-a-glance view of how the topics are derived and what the underlying strategy is. It shows the key topics in the five chapters "Strategy," "Operations and Integrity," "Products and Services," "Value Creation and Production" and "Employees and Society." In addition, it ensures that all those involved constantly have their sights set on corporate strategies, reporting standards of the Global Reporting Initiative (GRI) and the United Nations Sustainable Development Goals (SDGs) when it comes to the topic of sustainability.

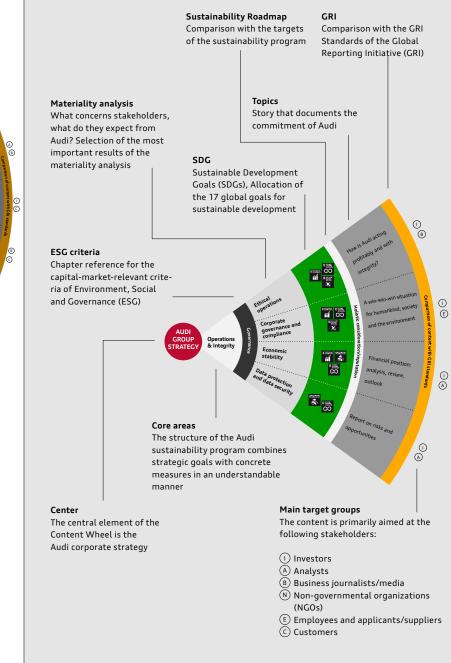


- Interactive, Click on the topic of a segment to access the story
- O To find out more about the individual segments of the Content Wheel → see page 318 - page 322.

Note

The allocation of materialities in this graphic is based on the chapters of the Audi Report 2020 so that they are easier to find. The materialities may be allocated to other core topics in the materiality matrix (\rightarrow see page 10).

Content Wheel



Audi Report 2020 Appendix

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Content Wheel

Strategy

() Investors

C Customers

The articles in the "Strategy" chapter illustrate and explain the corporate strategy, recent developments, background information and challenges. The six members of the Board of Management of AUDI AG have ample opportunity to express their thoughts. They discuss their most pressing issues, which can also be found on the subsequent pages of the Audi Report 2020.

Content Wheel

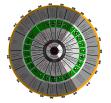
Operations & Integrity

The materiality analysis (\rightarrow see page 10) provides information on the relevance of defined action areas for Audi stakeholders. In the core area of "Operations & Integrity," high priority is given to the topics of "ethical operations," "economic stability," "corporate governance and compliance" and "data privacy and security." The corresponding articles start on \rightarrow page 63.



Content Wheel

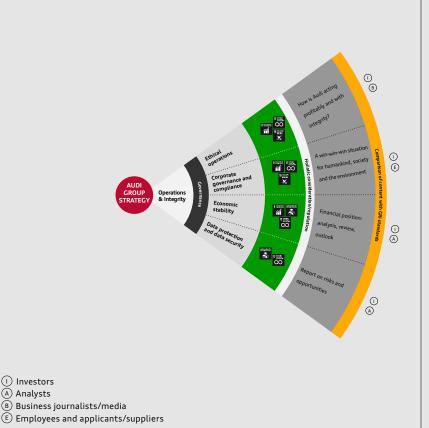
Appendix

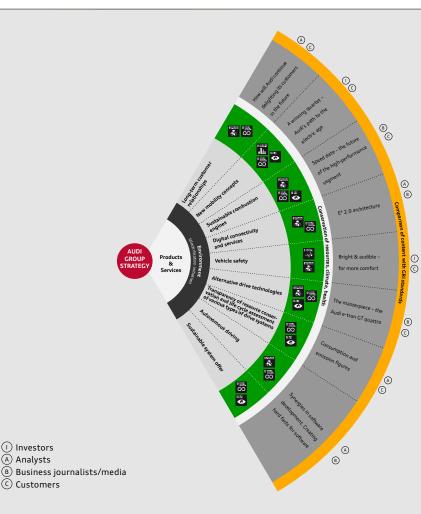


Products & Services

In the core area of "Products & Services," according to the materiality analysis (\rightarrow see page 10), the greatest relevance is afforded to the topic of "vehicle safety," followed by "alternative drive technologies." The topics "sustainable combustion engines" and "sustainable system offer" are also rated as important. The corresponding articles start on \rightarrow page 134.







1 Investors

Analysts

Audi Report 2020 Appendix

Content Wheel

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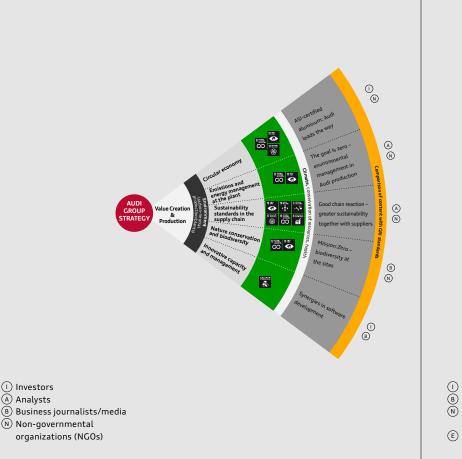
Value Creation & Production

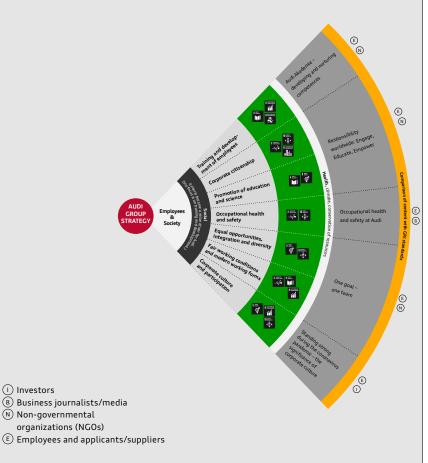
In the core area "Value Creation & Production," the following topics are important for Audi stakeholders according to the materiality analysis performed (\rightarrow see page 10), "circular economy," "emissions and energy management (in the plant)" and "sustainability standards in the supply chain." The stories on these topics are featured in this report starting on \rightarrow page 212.

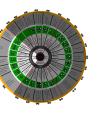


Employees & Society

According to the materiality analysis (\rightarrow see page 10), the topics of "fair working conditions and modern working forms," "equal opportunities, integration and diversity" and "occupational health and safety" are of particular importance to Audi stakeholders in the area of "Employees & Society." You can read about these topics starting on \rightarrow page 251.







Independent Auditor's Limited Assurance Report

The assurance engagement performed by Ernst & Young (EY) relates exclusively to the German PDF-version of the "Audi REPORT | combined annual and sustainability report" of AUDI AG. The following text is a translation of the original German Independent Assurance Report.

To AUDI Aktiengesellschaft, Ingolstadt

We have performed a limited assurance engagement on selected sustainability key figures in the overview "Audi Sustainability Key Figures" for the year 2020 in the "Audi REPORT | combined annual and sustainability report" of AUDI AG, Ingolstadt, for the reporting period from 1 January 2020 to 31 December 2020 (hereafter the report).

Our engagement exclusively relates to the selected key figures in the overview "Audi Sustainability Key Figures" in the annex of the "Audi REPORT | combined annual and sustainability report" of AUDI AG and to the German PDF-version of the report. The assured selected key figures are marked with the symbol " \checkmark " (hereafter selected key figures). The report is published as PDF-version under \rightarrow www.audi.com/de/company/sustainability.html.

Independent Auditor's Limited Assurance Report

Management's responsibility

The legal representatives of AUDI AG (hereafter: "the Company") are responsible for the preparation of the report in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (hereafter "GRI criteria") as well as the selection of the criteria to be assessed.

This responsibility includes the selection and application of appropriate methods to prepare the report as well as making assumptions and estimates related to individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the legal representatives are responsible for such internal controls that they have considered necessary to enable the preparation of a report that is free from – intended or unintended – material misstatement.

Auditor's declaration relating to independence and quality control

We are independent from the Company in accordance with the provisions under German commercial law and professional requirements, and we have fulfilled our other professional responsibilities in accordance with these requirements.

Independent Auditor's Limited Assurance Report

Our audit firm applies the national statutory regulations and professional pronouncements for quality control, in particular the by-laws regulating the rights and duties of Wirtschaftsprüfer and vereidigte Buchprüfer in the exercise of their profession [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer] as well as the IDW Standard on Quality Control 1: Requirements for Quality Control in audit firms [IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1)].

Auditor's responsibility

Our responsibility is to express a limited assurance conclusion on the selected key figures that are marked with the symbol " \checkmark " in the report based on the assurance engagement we have performed.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB). This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether the selected key figures that are marked with the symbol "<" in the report of the Company for the reporting period from 1 January 2020 to 31 December 2020 have been prepared, in all material respects, in

Independent Auditor's Limited Assurance Report

accordance with the GRI criteria. In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the auditor's professional judgment.

Within the scope of our assurance engagement, which has been mainly conducted between November 2020 and February 2021, we performed amongst others the following assurance and other procedures:

- Inquiries of employees concerning the sustainability strategy, sustainability principles and sustainability management of AUDI AG,
- > Inquiries of employees of the Company's headquarters as well as the employees responsible for the data capture and consolidation as well as the preparation of the report in order to assess the sustainability reporting system, the data capture and compilation methods as well as internal controls to the extent relevant for the limited assurance engagement on the selected key figures that are marked with the symbol "<" in the report,
- > Identification of likely risks of material misstatement regarding the selected key figures,
- > Inspection of the relevant documentation of the systems and processes for compiling, aggregating and validating data, on which the selected key figures that are marked with the sym-

Independent Auditor's Limited Assurance Report

bol "</" are based in the reporting period and testing such documentation on a sample basis,

- > Inquiries and inspection of documents on a sample basis relating to the collection and reporting of the selected key figures that are marked with the symbol "
- > Analytical measures at group level and on the level of selected sites regarding the quality of the reported data,
- > Conducting virtual site visits to evaluate the processes for collecting, aggregating, and validating the data as well as the reliability of the reported data at group level,

AUDI AG (Ingolstadt, Germany) AUDI AG (Neckarsulm, Germany) Audi Brussels S.A./N.V. (Brussels, Belgium)

- > Evaluation of the presentation of the selected key figures that are marked with the symbol "\sqrt" in the report,
- > Critical review of the draft report to assess plausibility and consistency.

Assurance conclusion

Based on our assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the selected key figures that are marked with the symbol "</ >
 "" in the report for the period from 1 January 2020 to 31 December 2020 have not been prepared, in all material respects, in accordance with the GRI criteria.

Independent Auditor's Limited Assurance Report

Intended use of the assurance report

We issue this report on the basis of the engagement agreed with AUDI AG. The assurance engagement has been performed for the purposes of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement and must not be used for purposes other than those intended. The report is not intended to provide third parties with support in making (financial) decisions.

Engagement terms and liability

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated 1 January 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (\rightarrow <u>www.de.ey.com/general-engagement-terms</u>). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We assume no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we do not update the assurance report to reflect events or circumstances arising after it was issued unless required to do so by law. It is the sole responsibility of anyone taking note of the result of our assurance engagement summarized in this assurance report to decide

Independent Auditor's Limited Assurance Report

whether and in what way this result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Munich, 17 March 2021

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft

Nicole Richter Hans-Georg Welz

WirtschaftsprüferinWirtschaftsprüfer(German Public Auditor)(German Public Auditor)

Appendix

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GRI content index



The Audi Group is reporting on its sustainability performance for the year 2020 pursuant to the international standard of the Global Reporting Initiative (GRI). This report was prepared in accordance with the "core" option of the GRI Standards.

The information in this report was chosen on the basis of a materiality analysis performed in 2019. The report was submitted to GRI for the performance of the GRI Materiality Disclosures Service. GRI confirmed the proper positioning of the materialityrelated disclosures (102-40 to 102-49). The German version of the Sustainability Report was used for this service.

		Page	Statement/comment
Universal stan	dards		
GRI 101: Found	dation 2016		
GRI 102: Gene	ral Disclosures 2016		
Organizationa	al profile		
GRI 102-1	Name of the organization	32	
GRI 102-2	Activities, brands, products, and services	32 ff. 40 ff.	
GRI 102-3	Location of headquarters	32	
GRI 102-4	Location of operations	32 ff.	
GRI 102-5	Ownership and legal form	32	
GRI 102-6	Markets served	32 ff.	
GRI 102-7	Scale of the organization	32 ff. 309	
GRI 102-8	Information on employees and other workers	114 f. 309 f.	
GRI 102-9	Supply chain	222 ff.	

GRI Standards		Page	Statement/comment
GRI 102-10	Significant changes to the organization and its supply chain	32 ff.	
GRI 102-11	Precautionary principle or approach	65 ff. 120 ff.	
GRI 102-12	External initiatives	312 ff. 212 ff.	→ Sustainibility Roadmap
GRI 102-13	Membership of associations and interest groups		Audi works in a variety of initiatives, associations and work groups to discuss ecological, economic and social issues in partnership with stakeholders. The list (see below) of mem- berships and activities exemplifies the company's dialogue with industry, politics, science and society. This is only a selec- tion of our numerous involvements that also reflect the inter- ests of the company's stakeholders. This depiction was created using the five chapters of this report to illustrate the connec- tions to the topics reported in the Audi Report 2020. Strategy > eNOVA Strategykreis Automobile Zukunft, Berlin > VDA Verband der Automobilindustrie e.V., Berlin > DDA Verband der Automobilindustrie e.V., Berlin > Cesellschaft für Datenschutz und Datensicherung e.V. (GDD), Bonn > Zentrum für Wirtschaftsethik gGmbH (ZfW), Berlin Products & Services > Deutsches Verkehrsforum e.V., Berlin Value Creation & Production > Biodiversity in Good Company Initiative e.V., Berlin > Cosncept plus - Verband der Wirtschaft für Emissionshandel und Klimaschutz e.V., Munich Employees & Society > Deutsche Gesellschaft für Arbeitsmedizin und Umwelt- medizin e.V. (DGAUM), Munich > Stiftung "Jugend forscht" e.V., Hamburg
Strategy			> Verein zur Förd. kult. Belange in der Region IN, Ingolstadt
GRI 102-14	Statement from senior	2 f.	
	decision-maker		
GRI 102-15	Key impacts, risks, and opportunities	40 ff. 81 ff. 120 ff.	
Ethics and ir	ntegrity		
GRI 102-16	Values, principles, standards, and norms of behavior	65 ff. 40 ff. 120 ff.	
GRI 102-17	Mechanisms for advice and concerns about ethics	72 75	→ www.audi.com/en/company/integrity-compli- ance-and-risk-management/whistleblower-system.html

GRI Standards		Page	Statement/comment
Governance			
GRI 102-18	Governance structure		The Annual General Meeting, the Supervisory Board and the Board of Management make up the executive bodies AUDI AG. The Annual General Meeting of a stock corpora- tion is the meeting of the corporation's shareholders or owners at which they exercise their rights with regard to the stock corporation's affairs. The Board of Managemen manages the business of AUDI AG and of the Audi Group i accordance with the law, the Articles of Incorporation and Bylaws of AUDI AG and the Rules of Procedure issued by t Supervisory Board. Corporate governance also gives due consideration to the corporate goals and to shared inter- ests within the Volkswagen Group network. At the time the report was completed, the Board of Man- agement of AUDI AG consisted of six members. The Super visory Board oversees and advises the Board of Manage- ment's running of the business. The Supervisory Board AUDI AG comprises ten shareholder representatives and ten employee representatives as provided for by law. The composition of the Supervisory Board and Board of Man- agement of AUDI AG as well as the dates on which mem- bers took up office are provided on the website of AUDI AG → <u>here</u> .
GRI 102-19	Delegating authority		→ www.audi.com/en/company/sustainability/core-topics operations-and-integrity/firmly-anchored-responsibili <u>html</u>
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics		→ www.audi.com/en/company/sustainability/core-topics operations-and-integrity/firmly-anchored-responsibili <u>html</u>
GRI 102-21	Consulting stakeholders on economic, environmental, and social topics		→ www.audi.com/en/company/sustainability/stakeholde management.html
GRI 102-22	Composition of the highest governance body and its committees		→ www.audi.com/en/company/profile/company-manage ment.html
GRI 102-23	Chair of the highest governance body		→ www.audi.com/en/company/profile/company-manage ment.html
GRI 102-24	Nominating and selecting the highest governance body		→ www.audi.com/en/company/investor-relations/capi- tal-market-compliance-and-corporate-governance/cor- porate-governance/diversity-concept.html
GRI 102-25	Conflicts of interest		 → www.audi.com/en/company/profile/company-manage ment/methods-and-practices-of-the-board-of-manage ment-and-supervisory.html → www.audi.com/en/company/integrity-compli- ance-and-risk-management/whistleblower-system.htm → www.audi.com/en/company/profile/company-manage ment/methods-and-practices-of-the-board-of-manage ment-and-supervisory.html → www.audi.com/en/company/profile/company-manage ment-information-on-corporate-governance-practices html
GRI 102-26	Role of highest governance body in setting targets, values, and strategies		→ www.audi.com/en/company/sustainability/core-topics operations-and-integrity/firmly-anchored-responsibili html

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GRI Standards		Page	Statement/comment		GRI Standards		Page	Statement/comment		GRI Standards		Page	Statement/comment				
GRI 102-27	Collective knowledge of highest governance		→ www.audi.com/en/company/sustain operations-and-integrity/firmly-ancl		GRI 102-43	Approach to stakeholder	7	Audi Group meet at least twice a year in	r in the framework of		GRI content index	330 ff.					
	body		html			engagement		the Audi Committee to advise on topics importance for the Group as a whole an			External assurance	323 ff.					
GRI 102-28	Evaluating the highest governance body's		Volkswagen Sustainability Report 2020 $(\rightarrow \text{ see page 10f. and page 60f.})$	כ				exchanges in this regard with the Audi I ment. In addition, individual support is	Board of Manage-	Topic-specifi	ic disclosures						
	performance		Annual Report 2019, Corporate Govern	ance Report				respective sites on specific topics. The s the Audi Committee is the Chair of the C	spokesperson for	Economic Pe	erformance						
			$(\rightarrow \underline{see page 45 ff.})$					Council of AUDI AG, Peter Mosch, with S	Supervisory Board	GRI 103	Management Approach	2016					
GRI 102-29	Identifying and managing economic, environmental, and social impacts	10 7						mandates in Volkswagen AG and AUDI A On the Supervisory Board of AUDI AG, t elected representatives perform duties executive management, approving imp	:he employees' s such as monitoring ortant corporate	GRI 103-1	Explanation of the material topic and its boundary	7 10 315 ff. 291 ff.					
GRI 102-30	Effectiveness of risk management processes	123 f.						processes and appointing the members Management. The intention is to give a tional colleagues in this and other key c to represent the interests of the emplo	voice to interna- committees too and	GRI 103-2	The management approach and its components	291 ff.					
GRI 102-31	Review of economic, environmental, and	10 7						interests of the domestic sites. The Soc will also be implemented in the future amended at the end of 2020 and follow	at AUDI AG, was	GRI 103-3	Evaluation of the management approa	120 ff. ch	→ www.audi.com/en/company/sustair management.html	ability/stakeholder-			
	social topics							defines economic efficiency and job pro equal-ranking corporate goals. In addit	otection as	GRI 201	Economic Performance	2016					
GRI 102-32	Highest governance body's role in sustainability reporting	7	→ www.audi.com/en/company/sustain operations-and-integrity/firmly-ancl html								Charter, there is also a Charter on Labo ter on Temporary Work and a Charter on tion, which set out guiding principles or ics for the entire Group.	a Charter on Labor Relations, a Char- ork and a Charter on Vocational Educa- uiding principles on the respective top-	GRI 201-1	Directly generated an distributed economic value		The bargaining partners consider the r level wages to the statutory local mini structuring compensation as part of th ing process.	mum wage when
GRI 102-33	Communicating	123 f.						There are also elected youth and appres		GRI 201-2	Financial implication	s 120 ff.	51				
GRI 102-34	critical concerns Nature and total number of critical	65 ff.	In 2020, 450 reports of possible regula received. The number is somewhat low								bodies as well as disabled employee rep AUDI AG who specifically take up the co employee groups that they represent.			and other risks and opportunities due to climate change	136 ff.		
	concerns		year's figure of 694 reports. Short-time the coronavirus is among the reasons fo	e work as a result of	GRI 102-44	Key topics and concerns raised	7 10			GRI 201-3	Defined benefit plan obligations and othe						
			The continued high number of non-ano 2020 and the fact that a large number	nymous reports in of the tip-offs	Reporting pr	actice					retirement plans						
			received were reported directly to the A Office show that a high level of trust re	Audi Investigation	GRI 102-45 Entities included i					Market Prese							
			whistleblower system.			consolidated financial statements	7			GRI 103	Management Approach						
Stakeholder	engagement List of stakeholder	7			GRI 102-46	Defining report content and topic boundaries	7 10 315 ff.			GRI 103-1	Explanation of the material topic and its boundary	315 ff. 10 32 ff.					
GRI 102-41	groups Collective bargaining agreements	273 f.	The Audi Works Council plays an active future at Audi. For example, all works a		GRI 102-47	List of material topics	7 10 315 ff.			GRI 103-2	The management approach and its components	32 ff. 266					
			reached jointly with the employee repro AUDI AG. The latter also oversee compl ble legislation, directives, accident pre	esentatives at liance with applica- vention regulations,	GRI 102-48	Restatements of information	7 ff.			GRI 103-3	Evaluation of the management approa		→ www.audi.com/en/company/sustair management.html	ability/stakeholder-			
			wage agreements and works agreemen of the employees.	its reached in favor	GRI 102-49	Changes in reporting	7 ff.			GRI 202	Market Presence 2016						
GRI 102-42	Identifying and	7				Reporting period	9			GRI 202-1	Ratios of standard		The bargaining partners consider the r				
	selecting stakeholders				GRI 102-51	Date of most recent report	9				entry level wage by gender compared wi local minimum wage		level wages to the statutory local mini structuring compensation as part of th ing process.				
					GRI 102-52	Reporting cycle	9			GRI 202-2	Proportion of senior		Audi fundamentally supports the emp				
						Contact point for questions regarding the report	350				management hired from the local community		cation of local employees. The Group is these employees are knowledgeable al the local market, and have good netwo for the further development of their lo tion of foreign nationals at AUDI AG wa	pout the region and orks that are helpful cations. The propor-			
					GRI 102-54	Declaration on reporting in accordance with the GRI Standards	330						2020.				

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GRI Standards	5	Page	Statement/comment		GRI Standards		Page	Statement/comment		GRI Standards		Page	Statement/comment	
Indirect Eco	nomic Impacts				GRI 205-2	Communication and		In the year under review, 44 national an	nd international par-	GRI 301	Materials 2016			
GRI 103	Management Approach 2	016				training about anti- corruption policies an procedures	nd	ticipations were supported in the comp anti-corruption in the course of consult implementation of policies and the exe	ancy inquiries, the	GRI 301-1	Materials used by weight or volume	222 ff. 225		
GRI 103-1	Explanation of the material topic and its boundary	315 ff. 10 248 f. 276 ff.				procedures		Fundamentally, all those entities where majority interest or management respo	e AUDI AG holds a	GRI 301-2	Recycled input materials used	222 ff. 214 ff.		
GRI 103-2	The management approach and its components	276 ff.						of particular importance are included in addition, the proper implementation of fied as part of on-site inspections and e	n the process. In f measures is veri-	GRI 301-3	Reclaimed products and their packaging materials	308		
CDI 102 2		120.65	N					Companies can also report risks, proble		Energy				
GRI 103-3	Evaluation of the management approach	120 ff.	→ www.audi.com/en/company/sustair management.html	hability/stakenolder-				the area of corruption, among others, t Integrity department as part of hot top hot topic in relation to corruption was r	oic reporting. One	GRI 103	Management Approach 2	1		
GRI 203 GRI 203-1	Indirect Economic Impact	248 ff. 276 ff.			GRI 205-3	Confirmed incidents of corruption and action		Within the scope of the whistleblower s Audi Investigation Office received two c	system, in 2020 the	GRI 103-1	Explanation of the material topic and its boundary	315 ff. 10 296 ff. 230 ff.		
GRI 203-2	services supported Significant indirect economic impacts	275				taken		reports of a regulatory violation with re for which further investigative steps we reports are still under investigation at p possible suspected cases of corruption	egard to corruption ere initiated. These present. Two further	GRI 103-2	The management approach and its components	296 ff. 230 ff.		
Procuremen	nt Practices							2020, which had already been received system in 2019. In one case, no regulat	in the whistleblower ory violation was	GRI 103-3	Evaluation of the management approach	120 1	→ www.audi.com/en/company/sustain management.html	ability/stakeholder-
GRI 103	Management Approach 2	016						identified, while appropriate personnel taken in another.	i measures were	GRI 302	Energy 2016			
GRI 103-1	Explanation of the material topic and its boundary	315 ff. 10 222 ff.			Anti-compet	titive Behavior Management Approach	2016			GRI 302-1	Energy consumption within the	304	302-1 f: The process of collecting key fi nition of scope is anchored in the Volks	wagen 98000 stan-
GRI 103-2	The management approach and its	222 ff. 225	Volkswagen Sustainability Report 202 (\rightarrow see page 59f. and page 64f.)	0	GRI 103-1	Explanation of the material topic and its	315 ff.			CDI 202 2	organization	220 #	dard (\rightarrow see page 248 ff.) and does not olation at overall site level.	provide for extrap-
GRI 103-3	components Evaluation of the	120 ff.	→ www.audi.com/en/company/sustair	nability/stakeholder-	GRI 103-2	boundary The management	291 f. 291 f.			GRI 302-3	Energy intensity	230 ff. 304		
GRI 204	management approach Procurement Practices 20		management.html			approach and its components	2511.			GRI 302-4	Reduction of energy consumption	230 ff. 304		
GRI 204-1		1	→ www.audi.com/en/company/sustair	a hilitu (ata ka haldar	GRI 103-3	Evaluation of the	120 ff.	→ www.audi.com/en/company/sustaina	ability/stakeholder-	Water and E	ffluents			
GRI 204-1	Proportion of spending on local suppliers		management.html	ability/stakenolder-		management approa		management.html		GRI 103	Management Approach 2	2016		
Anti-corrup	tion				GRI 206	Anti-competitive Behav	/ior 2016			GRI 103-1	Explanation of the material topic and its	315 ff. 10		
GRI 103 GRI 103-1	Management Approach 2 Explanation of the	315 ff.			GRI 206-1	Legal actions for anti- competitive behavior, anti-trust, and monopoly practices		Cases of actual and suspected compliar anti-trust law are isolated cases. The to is not reported for confidentiality reaso	otal number of cases		boundary	296 ff. 230 ff. 226 ff.		
	material topic and its boundary	10 65 ff.			Materials					GRI 103-2	The management approach and its	296 ff. 230 ff.		
GRI 103-2	The management approach and its	65 ff.			GRI 103	Management Approach	2016			CDI 102 2	components	226 f.		
GRI 103-3	components Evaluation of the	65 ff.			GRI 103-1	Explanation of the material topic and its boundary	293			GRI 103-3	Evaluation of the management approach		→ www.audi.com/en/company/sustain management.html	adility/stakenolder-
CDI 207	management approach					-	114 ff.			GRI 303	Water and Effluents 201	1		
GRI 205 GRI 205-1	Anti-corruption 2016 Operations assessed for risks related to	65 ff.	The Audi Group places a high priority c tion. Within our company, the departm	nent Compliance	GRI 103-2	The management approach and its components	296 ff. 214 ff.			GRI 303-1	Interactions with water as a shared resource	240 ff. 307 ff. 226 f.		
	corruption		AUDI AG/Management System, Integri ensure sustainable prevention of corru ICRA (Internal Compliance Risk Assess cess, compliance risk profiles – in the a among others – are created for each co pany has to implement appropriate ino once the risk profile has been created, gate the risk.	uption. As part of the ment) standard pro- area of corruption ompany. Each com- dividual measures	GRI 103-3	Evaluation of the management approac		→ www.audi.com/en/company/sustaina management.html	ability/stakeholder-	GRI 303-2	Management of water discharge-related impacts	240 ff.		

Audi Rep	ort 2020 Ap	pendix		339	Audi Rep	ort 2020 Ap	pendix		340	Audi Rep	ort 2020 App	pendix		341
GRI Standards		Page	Statement/comment		GRI Standards		Page	Statement/comment		GRI Standards		Page	Statement/comment	
GRI 303-4	Water withdrawal	240 ff.	303-4 c: The site in Mexico was the onl	y site where water	GRI 305	Emissions 2016				Environmen	tal Compliance			
		307	pollution was identified, although the wastewater-neutral.	site is 100 percent	GRI 305-1	Direct (Scope 1) GHG	230 ff.	305-1 e: Audi fundamentally uses the r	real emission factors	GRI 103	Management Approach 2	016		
			303-4 d-e: As with the entire process f ures, the process for identifying the re load and wastewater limits is anchored 98000 standard (→ see page 248 ff.). the Group, Audi sites are subject to diff	levant wastewater I in the Volkswagen Dwing to the size of		emissions	306	of the energy suppliers. If this is not pr are conducted on the basis of the VDA'. As with the entire process for collectin process is anchored in the Volkswagen (→ <u>see page 248 ff.</u>).	s standard factors. Ig key figures, this	GRI 103-1	Explanation of the material topic and its boundary	315 ff. 10 296 ff. 230 ff. 226 f.		
			Some incidents are dealt with at a loca Group data available on incidents at pr son.	l level. There is no	GRI 305-2	Energy indirect (Scope 2) GHG emissions	230 ff. 306	305-2a: As with the entire process for ures, the process for selecting the rele well as the emissions factors used are Volkswagen 98000 standard (→ see pa	vant emissions as anchored in the	GRI 103-2	The management approach and its components	296 ff. 230 ff. 226 f.		
Biodiversity								fundamentally uses the real emission f suppliers. If this is not possible, calcula	factors of the energy	GRI 103-3	Evaluation of the	120 ff.	→ www.audi.com/en/company/sustaina	ability/stakeholder-
GRI 103	Management Approach	2016						on the basis of the VDA's standard fact	tors. All Audi manu-		management approach		management.html	ability/stakenolder
GRI 103-1	Explanation of the	315 ff.						facturing sites were converted extensive tricity as of January 1, 2020. Owing to	the size of the	GRI 307	Environmental Complian	ce 2016		
GRI 103-2	material topic and its boundary The management	10 296 ff. 230 ff. 296 ff.						Group, a disproportionately high level required to manually calculate all locat as a reference. No reporting therefore reason.	tion-based emissions	GRI 307-1	GRI 307-1, Non- compliance with environmental laws and regulations	69 65 ff. 23 128		
UKI 103-2	approach and its	230ff.						305-2 e: As with the entire process for		Supplier Env	ironmental Assessment	.20		
GRI 103-3	components Evaluation of the	120 ff.	→ www.audi.com/en/company/sustain	a bilitu /atalea balalar				ures, the process for selecting the rele well as the emissions factors used are	anchored in the	GRI 103	Management Approach 2	016		
GRI 103-3	management approac		management.html	ability/stakenotder-				Volkswagen 98000 standard (\rightarrow see pa fundamentally uses the real emission f	factors of the energy	GRI 103-1	Explanation of the	315 ff.		
GRI 304 GRI 304-1	Biodiversity 2016 Operational sites	246 f.			GRI 305-4	GHG emissions	306	suppliers. If this is not possible, calcula on the basis of the VDA's standard fact			material topic and its boundary	10 296 ff. 222 ff.		
	owned, leased, managed in, or				GRI 303-4	intensity	300			GRI 103-2	The management	296 ff.		
	adjacent to protected areas and areas of hig biodiversity value	n			GRI 305-5	Reduction of GHG emissions	230 ff. 306				approach and its components	222 ff.		
	outside protected areas				GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx),	306	305-7 b: As with the entire process for ures, the process for selecting the rele well as the emissions factors used are	vant emissions as	GRI 103-3	Evaluation of the management approach		management.html	ability/stakeholder-
GRI 304-2	Significant impacts of activities, products,	246 f.				and other significant air emissions		Volkswagen 98000 standard (→ see page 248 ff.).	age 248 ff.). Audi	GRI 308	Supplier Environmental A			
	and services on biodiversity							fundamentally uses the real emission f suppliers. If this is not possible, calcula on the basis of the VDA's standard fact	ations are conducted	GRI 308-1	Explanation of the material topic and its boundary	222 ff.	Volkswagen Sustainability Report 2020	(→ <u>see page 64 f.</u>)
GRI 304-3	Habitats protected or restored		→ www.audi.com/en/company/sustain management.html	ability/stakeholder-	Effluents and	d Waste				GRI 308-2	The management	222 ff.	Volkswagen Sustainability Report 2020	$(\rightarrow \text{see page 65 f.})$
Emissions					GRI 103	Management Approach 2	2016				approach and its components			
GRI 103	Management Approach 3	2016			GRI 103-1	Explanation of the material topic and its	315 ff. 10			Employment	t			
GRI 103-1	Explanation of the	315 ff.				boundary	296 ff. 230 ff.			GRI 103	Management Approach 2	016		
	material topic and its boundary	10 296 ff.					226 f.			GRI 103-1	Explanation of the	315 ff.		
		230 ff.			GRI 103-2	The management	296 ff.				material topic and its boundary	10 299 ff.		
GRI 103-2	The management approach and its	296 ff. 230 ff.				approach and its components	230 ff. 226 f.					266 ff.		
GRI 103-3	components Evaluation of the		→ www.audi.com/en/company/sustain	ability/stakeholder-	GRI 103-3	Evaluation of the management approach	120 ff.	→ www.audi.com/en/company/sustain management.html	nability/stakeholder-	GRI 103-2	The management approach and its components	299 ff. 266 ff.		
	management approac		management.html		GRI 306	Effluents and Waste 201	6			GRI 103-3	Evaluation of the	120 ff.		ability/stakeholder-
					GRI 306-1	Water discharge by quality and destination	230 ff. 226 f. 308				management approach		management.html	
					GRI 306-2	Waste by type and disposal method	230 ff. 308							
					GRI 306-3	Significant spills	230 ff. 308							

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GRI Standards		Pa	ige Sta	atement/comment		GRI Standards		Page	Statement/comment		GRI Standards		Page	Statement/comment	
GRI 401	Employment 2016				GRI 403	Occupational Health and	Safety 201	8		GRI 403-9	Work-related injuries	264 f.	403-9: As in the past, the current scop		
GRI 401-1	GRI 401-1 New employee hires and employee turnov		09 ab ab	401-1 a: Data on the rate of new employee I able since this key figure is not collected. A absolute number of employees in relation t hires. The following are taken into account employee turnover, terminations, resignati employee's own request without a rehire go service termination agreements. Absolute used as an internal control and are therefor	d. Audi uses the on to new employee	GRI 403-1	Occupational health and safety management system	264 f.					311	data relates to AUDI AG. The possibilit reporting to the production sites is bei ent. Due to conversion of the process t which is published earlier than before, production sites could not yet be publi	ing examined at pres- o a combined report, the figures for all
			en en se		gnations at the GRI 4 ire guarantee and blute figures are not	GRI 403-2	Hazard identification, risk assessment, and incident	264 f.						403-9 a ii: The data is not available in r yet; collection is being examined prese	eportable format as
			in	a reportable format.		GRI 403-3	Occupational health services	262 f. 264 f.					403-9 a iii: The data is used to calculate the frequency accidents; publication is being examined presently.		
			sy wo pa be th fa	11-1 b: The data for the entire Audi Gro stematically at present. Collecting thi ould be highly complex due to the auto nies, and a disproportionately high le required owing to the size of the Gro erefore takes place for these reasons a ct that the figure is not relevant for co	is data manually onomy of the com- evel of effort would up. No reporting and also due to the	GRI 403-4 Worker participatic consultation, and communication on occupational health and safety		264 f.	As part of the Audi ergonomics strategy, the company pro- motes intelligent work organization along with measures to apply the standards on an international scale, for exam- ple. Through targeted consultations, Audi raises its employees' awareness of the issue and encourages them to put forward their own suggestions, thus allowing them to design their own workplace. The ergonomics coordinators					 403-9a iv: Injuries are categorized at Audi on the basis of the catalog of the professional association. No evaluation of the data is available at present in reportable form; pub cation is being examined. 403-9a v: The data is used to calculate the frequency of accidents; publication is being examined presently. 	
GRI 401-2	Benefits provided full-time employe that are not provi to temporary or p time employees	ees ided	56 ff.			GRI 403-5	Worker training on occupational health	262 f. 264 f.	at all Audi sites discuss measures and c eral times a year.	developments sev-				403-9b: The current contractual situat nies working for Audi does not permit required information.	tion with the compa-
GRI 401-3	Parental leave	26	56 ff.				and safety	2041.						403-9 c-d: Audi fulfills the statutory re	
		31				GRI 403-6	Promotion of worker health	264 f.						forms risk assessments for all activitie vant standard works. Details are not pr dentiality reasons.	
-	jement Relations					GRI 403-7	Prevention and mitigation of	262 f. 264 f.			Training and	Education		1	
GRI 103 GRI 103-1	Management Approach 2016 Explanation of the 315 ff.						occupational health	2041.			GRI 103	Management Approach 2	016		
GRI 103-1	Explanation of th material topic and boundary	d its 10					and safety impacts directly linked by business relationships Workers covered by an	262.6			GRI 103-1	Explanation of the material topic and its boundary	315 ff. 10 299 ff.		
GRI 103-2	The management approach and its		99 ff. 53 ff.			GRI 403-8	occupational health and safety	262 I. 264 f.					275 266 ff.		
GRI 103-3	components Evaluation of the management app			www.audi.com/en/company/sustaina management.html	ability/stakeholder-		management system				GRI 103-2	The management approach and its components	299 ff. 275 266 ff.		
GRI 402	Labor/Managemen	nt Relations	2016								GRI 103-3	Evaluation of the management approach	120 ff.	→ www.audi.com/en/company/sustair management.html	nability/stakeholder-
GRI 402-1	Minimum notice periods regarding	-		the event of operational changes, the kes to inform the employees of these i							GRI 404	Training and Education 20	016		
Occupational	operational chang	ges	ld	ces to morn the employees of these	in a timety manner.						GRI 404-1	Average hours of training per year per	310 275	Information by gender is not currently	available.
GRI 103	Management Appro											employee	266 ff.		
	Explanation of th material topic and boundary	ne 31 dits 10	15 ff.								GRI 404-2	Programs for upgrading employee skills and transition assistance programs	275 266 ff.		
GRI 103-2	The management approach and its components	26 t 29	54 f. 99 ff. 54 f.								GRI 404-3	Percentage of employees receiving regular performance and career development reviews	266 ff.		
GRI 103-3	Evaluation of the management app			www.audi.com/en/company/sustaina management.html	ability/stakeholder-								I	1	

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GRI Standards			Page	Statement/comment		GRI Standards		Page	Statement/comment		GRI Standards		Page	Statement/comment	
Diversity and Equal Opportunity					GRI 412-2	Employee training on human rights policies		Audi uses a range of training measures tion on the topic of human rights in the		Supplier Soc	cial Assessment				
GRI 103						or procedures		example, a chapter of the "Audi Code of cal Decision-Making" WBT has been use	f Conduct and Ethi-	GRI 103	Management Approach 2	2016	1		
GRI 103-1	Explanation o material topic boundary	and its	315 ff. 10 299 ff. 266 ff.						years now to provide a basic understan obligatory for the entire workforce. As of December 31, 2020, 98.6 percen had completed the approx. 45-minute likewise anchored in the form of basic 30-minute WBT on "Compliance Aware been available on a voluntary basis sin 2020. Around 400 employees took par the past year. The 90-minute face-to-f ness and human rights in the corporat	t of all employees training. The topic is knowledge in the eness," which has ce the beginning of rt in this training in ace training on "Busi-	GRI 103-1	Explanation of the material topic and its boundary	315 ff. 10 296 ff. 276 ff. 214 ff.		
GRI 103-2	The managem approach and components	its	299 ff. 266 ff.								GRI 103-2	The management approach and its components	296 ff. 276 ff. 214 ff.		
GRI 103-3	Evaluation of management		120 ff.	→ www.audi.com/en/company/sustain management.html	ability/stakeholder-						GRI 103-3	Evaluation of the	120 ff.		nability/stakeholder-
GRI 405	Diversity and E							ing human rights" took place for the fir 2020. This training course can be book although it is specifically aimed at emp	rst time at the end of ed by all employees,	GRI 414	management approact Supplier Social Assessme		management.html		
GRI 405-1	Diversity of governance bo employees			405-1: The data for the entire Audi Grou since this information is not relevant for owing to the autonomy of the compani- the Group. Collection and publication a	or control purposes es and the size of				direct responsibility for or heightened impact in their everyday work. This training will be in ther in 2021. Participation in the obligatory WBT Code of 0 98.6 percent In figures: Actual participation: 54,087 Target participation: 54,837 (As of Dec. 31, 2020)	impact on the topic Il be intensified fur- de of Conduct:	GRI 414-1	New suppliers that were screened using social criteria	222 ff. 225	Volkswagen Sustainability Report 202	0 (→ <u>see page 64 f.</u>)
				presently. 405-1 b ii: Only the key figure for AUDI control purposes owing to the size of the autonomy of the companies. The scop AUDI AG data for this reason. Collectic	e of the Group and the scope is limited to						GRI 414-2	Negative social impacts in the supply chain and actions taken	222 ff. 225	Volkswagen Sustainability Report 202	0 (→ <u>see page 64 f.</u>)
				are being examined presently.				Participation in voluntary Life Online Tr	aining on Human	Customer H	ealth and Safety				
GRI 405-2	Ratio of basic and remunera		266 ff.						Rights: 13 participants (As of Dec. 31, 2020)		GRI 103	Management Approach 2	2016	1	
	women to me								(Note: One training course took place in	2020)	GRI 103-1	Explanation of the material topic and its	315 ff. 10		
Human Rights Assessment				400 participants		Participation in the voluntary WBT Com 400 participants including repeat partic			boundary	293 ff. 76 f.					
GRI 103 Management Approach 2016							(As of Dec. 31, 2020)		GRI 103-2	The management	293 ff.				
GRI 103-1	Explanation o material topic boundary	and its	315 ff. 5 10 299 ff.			agreements and contracts that inc human rights clau	contracts that includ	225 clude		nability/s-rating.html		approach and its components	76 f.		
GRI 103-2	The managem		73 f. 299 ff.					S			GRI 103-3	Evaluation of the management approacl		→ www.audi.com/en/company/sustair management.html	nability/stakeholder-
	approach and components	d its 73 f.					screening				GRI 416	Customer Health and Sat	fety 2016	1	
GRI 103-3	Evaluation of	the	120 ff	→ www.audi.com/en/company/sustain	ability/stakeholder-	Local Comm					GRI 416-1	Assessment of the health and safety		Audi's commitment to quality is based on social change, customer requireme	
0.0.100.0	management			management.html		GRI 103 Management Approach 2016						impacts of product and service categories		regulatory requirements as well as internal company poli- cies and a binding Code of Conduct. The process-driven	
GRI 412	Human Rights /	Assessment	2016			GRI 103-1	Explanation of the material topic and it							quality management system defines re	system defines regulations in this
GRI 412-1	Operations th been subject t rights reviews impact assess	to human s or		Volkswagen Sustainability Report 2020	D (→ <u>see page 64 f.</u>)	GRI 103-2	boundary The management approach and its components	276 ff.						respect that are to be applied by the organizational un their tasks, projects and associated processes for the p pose of organization, implementation and continuous enhancement. All divisions formulate their quality req ments in goals, control these independently based on	
					GRI 103-3 Evaluation of the 120 ff. $\rightarrow w$			→ www.audi.com/en/company/sustainability/stakeholder- management.html					figures, are subject to independent controls and contribut to the achievement of corporate goals. Audi attaches par- ticular importance to producing high-quality and safe veh cles. And it continues to keep an eye on its products even		
													after they have been delivered to custo product monitoring obligations. On th	e request of the	
						GRI 413-1	Operations with loca community engagement, impact assessments, and development programs	222 ff.						Board of Management, the Product Sa (APS) examines topic-related reports f and products and initiates measures if as to their product safety or if a regula pected. In addition, the APS answers of authorities and consumer associations uct safety.	for delivered vehicles there are any doubts ntory violation is sus- uestions from

Audi Rep	oort 2020 App	endix		348	Audi Rep	oort 2020 App	endix		349	
GRI Standards	5	Page	Statement/comment		GRI Standards		Page	Statement/comment		
GRI 416-2	Incidents of non-		In addition to interfaces to the Environ	mental Compliance	GRI 418	Customer Privacy 2016				
	compliance concerning the health and safety impacts of products and services		Management System (ECMS) and Produ agement System (PCMS), the interface Management System (CMS) should also terms of continuous development and i Objectives in this respect include excha	to the Compliance be highlighted in improvement. nging information	GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		As in the previous year, there were no s plaints concerning breaches of custom		
			on process weaknesses, initiating impro when necessary and therefore minimizi	zing compliance risks.	Socioeconor	nic Compliance				
			Product integrity is the obligation to m		GRI 103	Management Approach 20	016			
			safety and product conformity. In 2020, Audi began estab- lishing product integrity and the Product Compliance Man- agement System (PCMS) as a regulatory framework for ensuring product integrity in the company.		GRI 103-1	Explanation of the material topic and its boundary	material topic and its 10			
			Every employee plays their part in ensu integrity risks are minimized by comply in the Corporate Policy U_059.		GRI 103-2	The management approach and its components	296 ff.			
Marketing a	and Labeling				GRI 103-3	Evaluation of the	120 ff.	→ www.audi.com/en/company/sustain	ability/stakeholder-	
GRI 103	Management Approach 20	16				management approach		management.html	•	
GRI 103-1	Explanation of the material topic and its	10 76 f.			GRI 419 GRI 419-1	Socioeconomic Compliance	e 2016	Any known cases of actual and suspect	ed compliance viola-	
GRI 103-2	boundary The management approach and its components	76 f.				laws and regulations in the social and economic area		tions are isolated cases. The total num reported for confidentiality reasons.		
GRI 103-3	Evaluation of the management approach	120 ff.	→ www.audi.com/en/company/sustain management.html	ability/stakeholder-						
GRI 417	Marketing and Labeling 20	016								
GRI 417-1	Requirements for product and service information and labeling	312 ff.								
GRI 417-2	Incidents of non- compliance concerning product and service information and labeling		AUDI AG never provides general inform of field measures.	ation on the scope						
GRI 417-3	Incidents of non- compliance concerning marketing communications	72								
Customer Pi	rivacy									
GRI 103	Management Approach 20	16								
GRI 103-1	Explanation of the material topic and its boundary	315 ff. 10 296 ff. 204 ff.								
GRI 103-2	The management approach and its components	296 ff. 204 ff.								
GRI 103-3	Evaluation of the management approach	120 ff.	→ www.audi.com/en/company/sustain management.html	ability/stakeholder-						



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