

## **Audi Dialog 2020**

January 28 and 29, 2020  
Audi Conference Center, Munich Airport

**Documentation**

## Our Vision:

# Unleash the Beauty of Sustainable Mobility

### Sustainable mobility means:

- › We will offer carbon-neutral premium mobility on a long-term basis.
- › We will offer the strongest lineup of electric models among the premium competitors over the medium-term
- › By the middle of the coming decade, we will sell around one million electrified cars per year.
- › By 2025, we will reduce the corporate carbon footprint of the Audi fleet by around 30% over the entire life cycle. As a result, we will improve the ecological balance.
- › We want the entire company to be completely carbon-neutral by 2050 at the latest.

## Our Mission:

# Consistently



Audi Dialog 2020 took place in the context of the company strategy, which was newly decided in 2019. Audi has formulated a clear vision here: The company wants to have a neutral carbon footprint by 2050. Responsible handling of resources, expansion of sustainable electric mobility, and many further measures make a key contribution when it comes to acting consistently more sustainably.

### WHAT:

Consistently  
**customer**

Consistently  
**electric**

Consistently  
**connected**

Consistently  
**sustainable**



### HOW:

Consistently  
**team**

Consistently  
**focused**

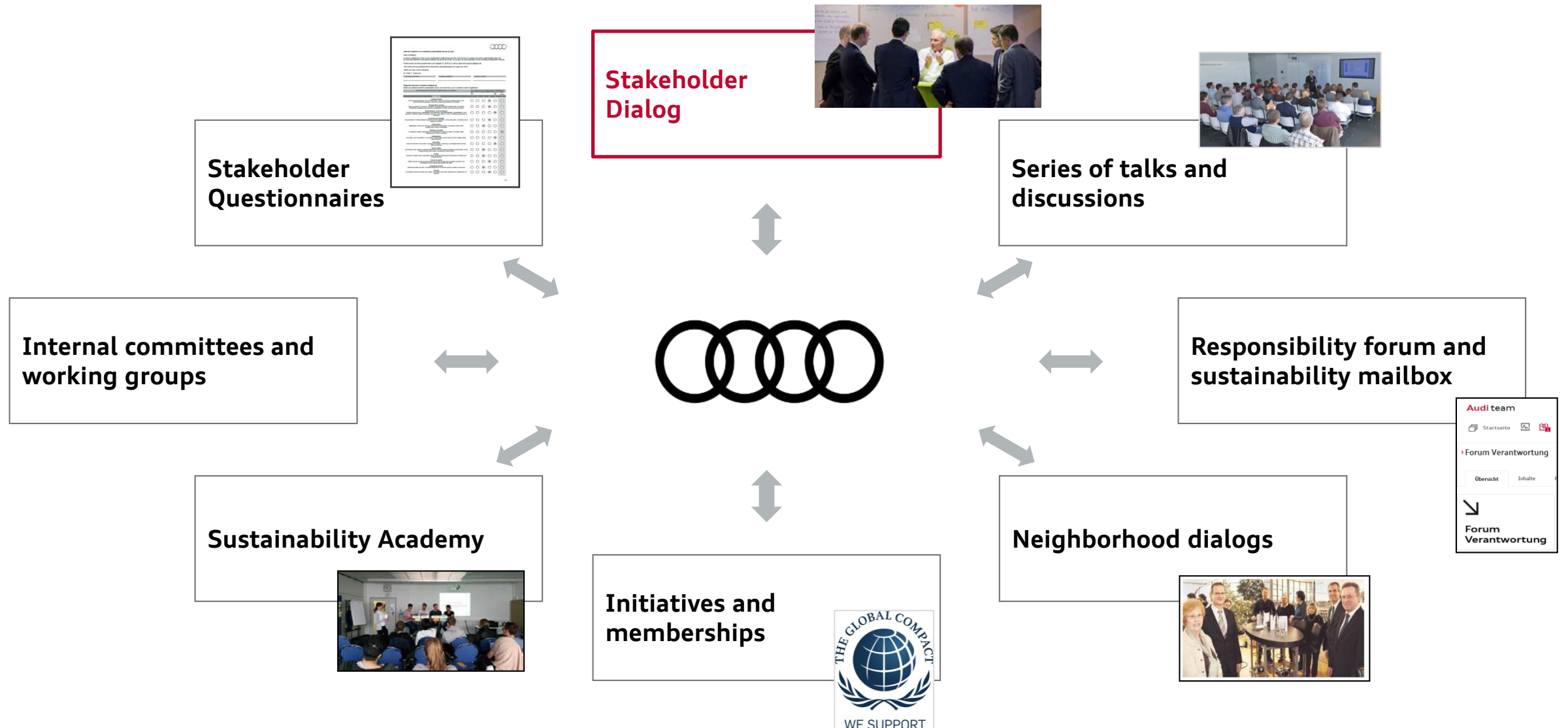
Consistently  
**synergetic**

Consistently  
**profitable**



# We Actively Involve Our Stakeholders in Central Issues.

We do so by using a variety of dialog formats, one-to-one discussions, and other means of communication.



# Audi Dialog 2020 Continues the Tradition of a Trusting, Constructive Exchange with Our Stakeholder Groups.

## Neighborhood dialogs, Neckarsulm

For over ten years:  
Regular exchange with people living close to the plant premises

## Audi Stakeholder Forum 2014, Berlin

Connected vehicles – how will Audi shape the future of mobility?

## Audi Dealer Dialog 2016, Ingolstadt

Sustainability at Audi and our expectations of the dealers and their expectations of us

## International Audi Stakeholder

What will drive us tomorrow. Opportunities and challenges of electric mobility in Europe.

## Audi Stakeholder Forum 2018, Ingolstadt

The Region in Dialog II



## Audi Stakeholder Forum 2012, Ingolstadt

Strategic expectations and requirements of corporate responsibility

## Audi Stakeholder Forum 2015, Győr

Vocational training conference: "Opportunities of dual education in Hungary"

## Audi Stakeholder Forum 2016, Puebla

Regional responsibility at the Puebla location

## Audi Stakeholder Forum 2017, Ingolstadt

The Region in Dialog – Social Commitment

## Audi Stakeholder Forum 2018, Berlin

Sustainable electric mobility

**Audi Dialog 2020**  
January 28 and 29, 2020

# Audi Dialog 2020 Took Place in the Form of Four Thematically Focused Round Tables with Stakeholders from Relevant Professions.

Audi Conference Center// Munich Airport



Day 1: January 28, 2020

Day 2: January 29, 2020

## Charging Infrastructure

8:30 a.m. to 1:00 p.m.

## Human Rights

8:30 a.m. to 1:00 p.m.

## Digital Responsibility

1:30 p.m. to 6:00 p.m.

## Circular Economy

1:30 p.m. to 6:00 p.m.

### Motivation:

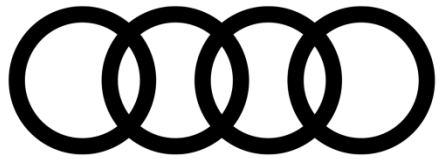
Audi is consistently advancing the topic of sustainable mobility on many levels. For the continuous development of our sustainability strategy, an honest assessment and an outside view are essential.



# Summary

1. Charging Infrastructure
2. Digital Responsibility
3. Human Rights – Complaints Mechanisms
4. Circular economy





# **1. Charging Infrastructure**

# The Program at a Glance

<b>Procedure</b>
<p><b>Welcome, presentation, and thematic introduction</b></p> <p>Josef Schön, sustainability corporate strategy, AUDI AG Frank Sprenger, fors.earth</p>
<p><b>Group discussion</b></p> <p><b>Audi Insights: Home charging solutions and public charging infrastructure</b></p> <p>Anno Mertens and Martin Dehm, AUDI AG</p> <p><b>Introduction of work orders and distribution of groups</b></p>
<p><b>Break</b></p>
<p><b>Work phase in groups on the topics of home charging solutions and public charging infrastructure</b></p> <p>Key questions:</p> <ul style="list-style-type: none"> <li>– What are the greatest risks/obstacles for Audi concerning the implementation?</li> <li>– What are the greatest opportunities/drivers for Audi concerning the implementation?</li> <li>– Which cooperations should Audi enter?</li> </ul>
<p><b>Presentation of the results and discussion in the plenary assembly</b></p> <p>Central question:</p> <ul style="list-style-type: none"> <li>– What expectations can be derived for Audi?</li> </ul>
<p><b>Wrap-up/prospect &amp; dismissal</b></p>
<p><b>Get-together &amp; snacks</b></p>

We used an app to survey participants about their expectations and also involved the participants in the discussions during the event by having several live surveys.

The focus of Audi Dialog 2020 – Charging Infrastructure was on an exchange between energy industry representatives, business partners, representatives of scientific institutions, and experts from various business units of AUDI AG that are involved in aspects of charging infrastructure.

The following overarching issue was at the heart of the open dialog: What expectations do our stakeholders have concerning the topic of charging infrastructure at Audi, and what role can Audi take on for the development of sustainable solutions?

Moderation by Frank Sprenger, fors.earth GmbH



# Charging Use Cases



## PRIVATE



CHARGING  
AT HOME

**~85%**  
of charging procedures

Private space

## PUBLIC



CHARGING  
ON THE ROAD

**5-10%**  
of charging procedures

Along the route



CHARGING AT  
DESTINATION

**5-10%**  
of charging procedures

Customer parking  
spaces

Public parking  
spaces

At the workplace

# Working Groups

## Key questions:

**What are the greatest risks/obstacles for Audi concerning the implementation?**

**What are the greatest opportunities/drivers for Audi concerning the implementation?**

**Which cooperations should Audi enter?**

**Collect ideas – form clusters – prioritize the topics**

**Private charging infrastructure**

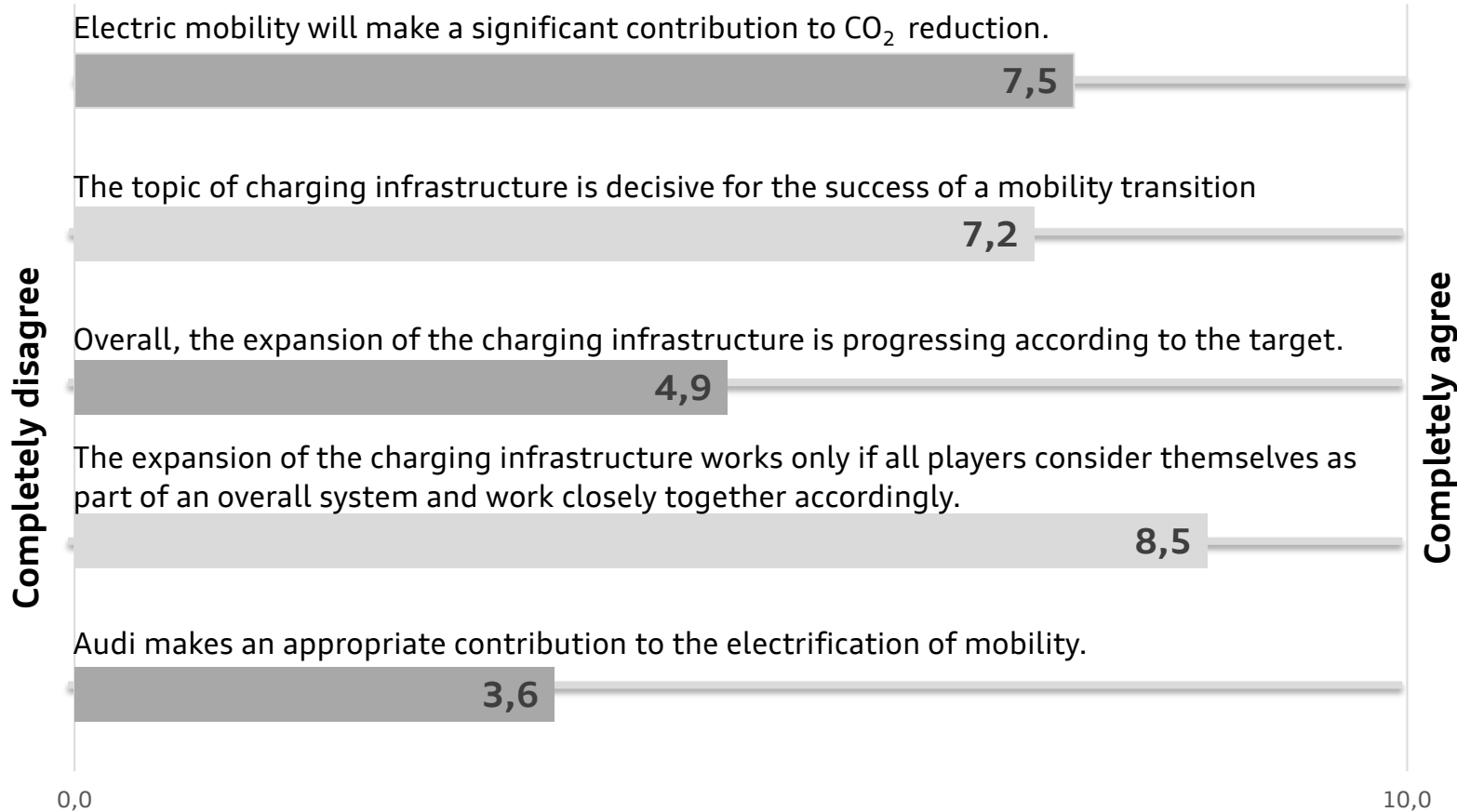
**Public charging infrastructure**





# Results of Live Survey – Charging Infrastructure\*

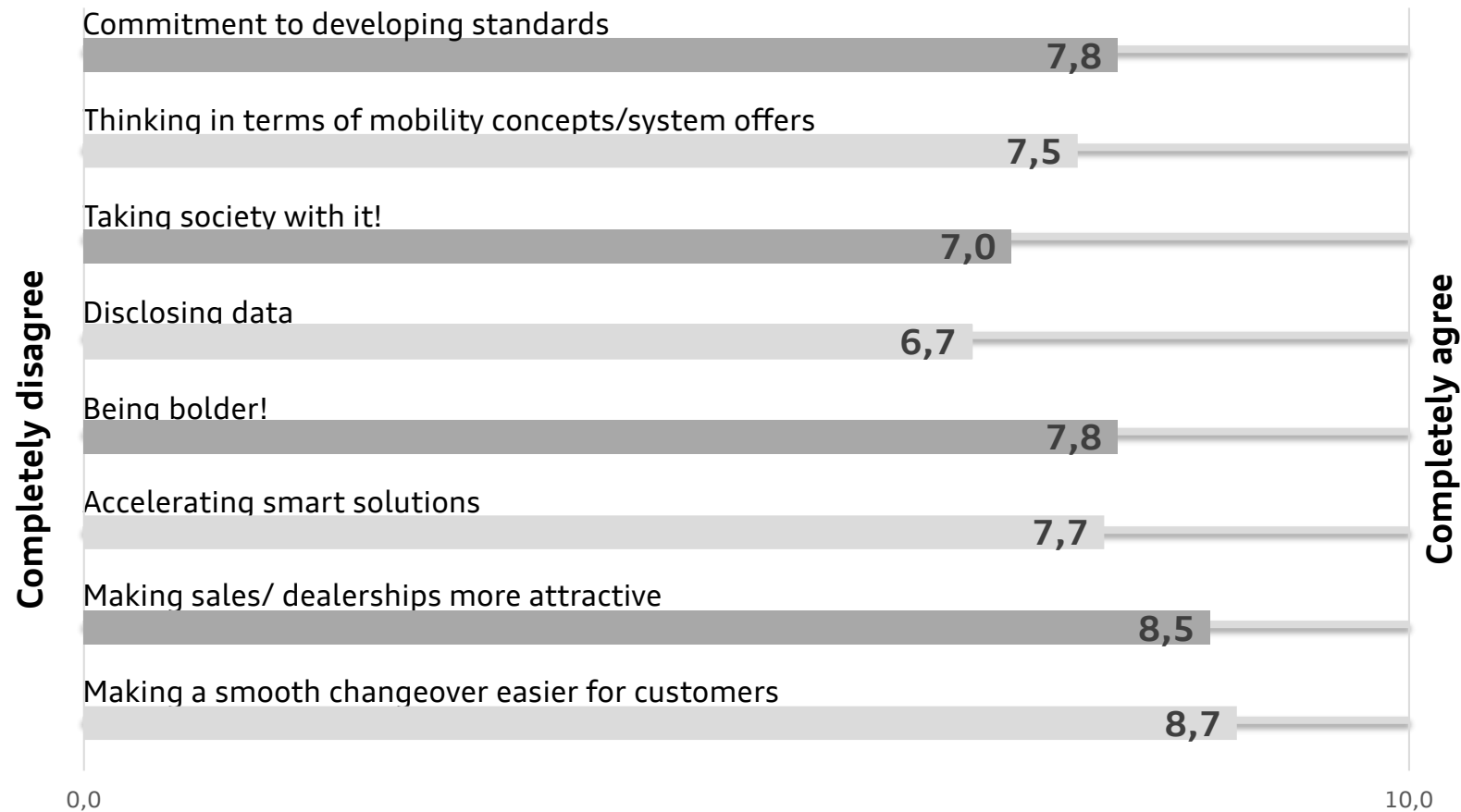
Please evaluate the following statements



\*Assessment exclusively by external participants

# Results of Live Survey – Your Expectations of Audi\*

I have high expectations of Audi concerning:



*“Understanding E-mobility not as an extreme expansion of automobility.”*

*“Promoting systematic thinking and breaking up existing structures.”*

*“Not solving topics by force but with care.”*

*“Drawing lessons from the energy industry.”*



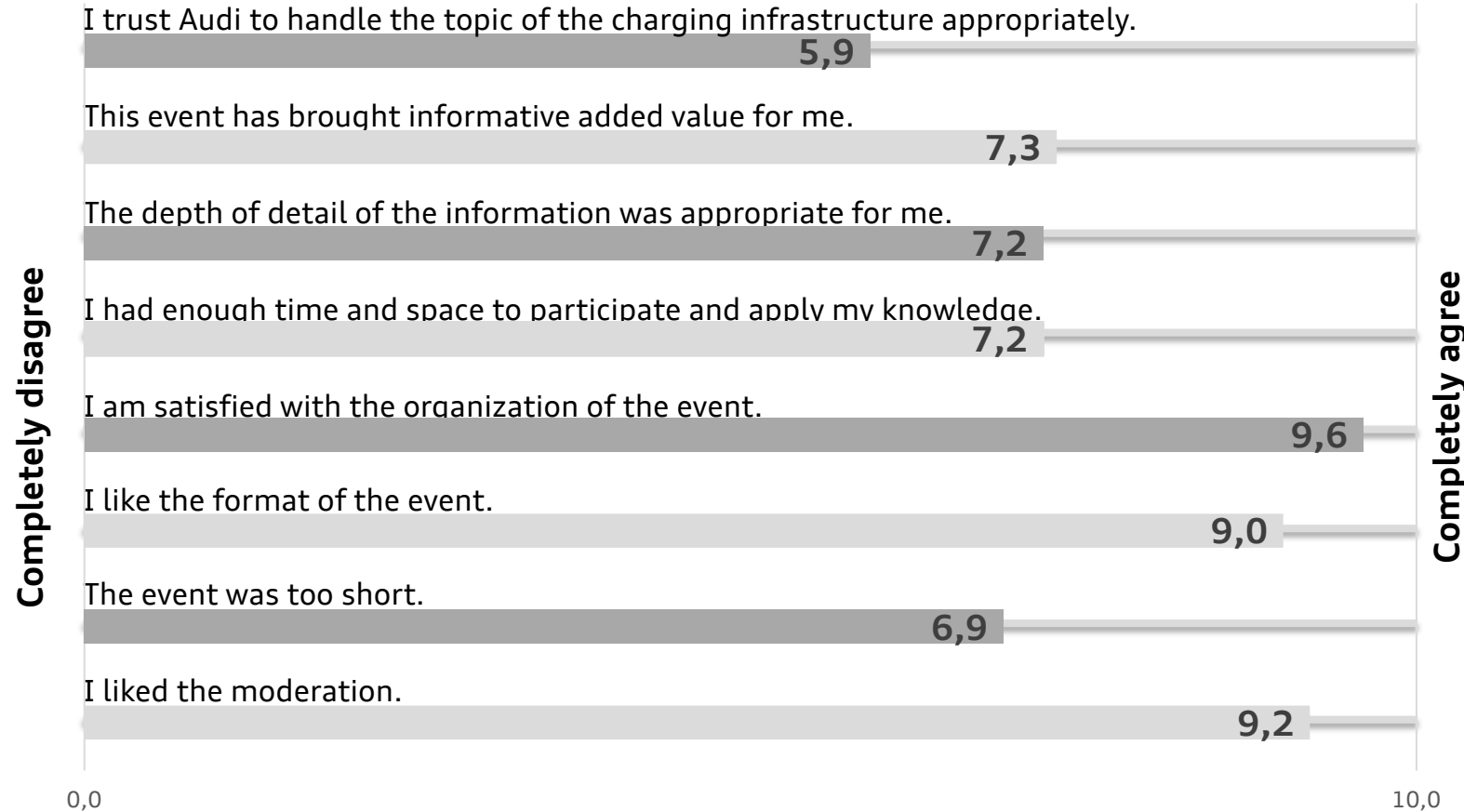
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\*Assessment exclusively by external participants

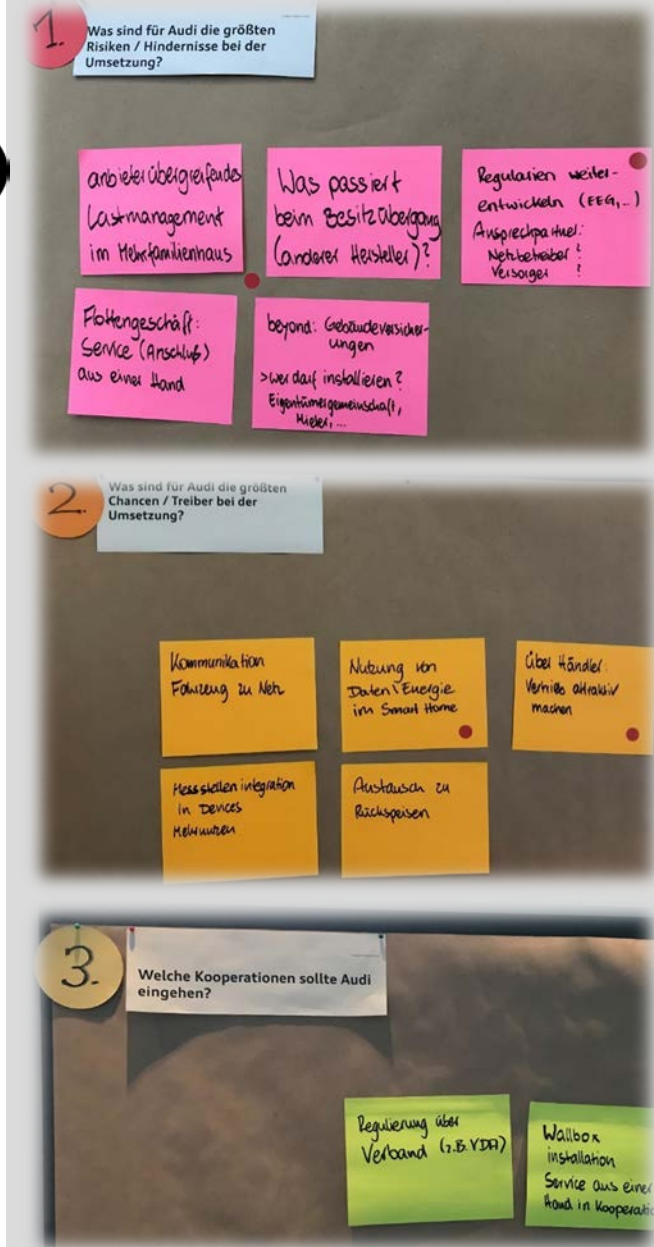


# Results of Live Survey – Feedback\*

Your feedback on Audi Dialog 2020: Please evaluate the following statements:

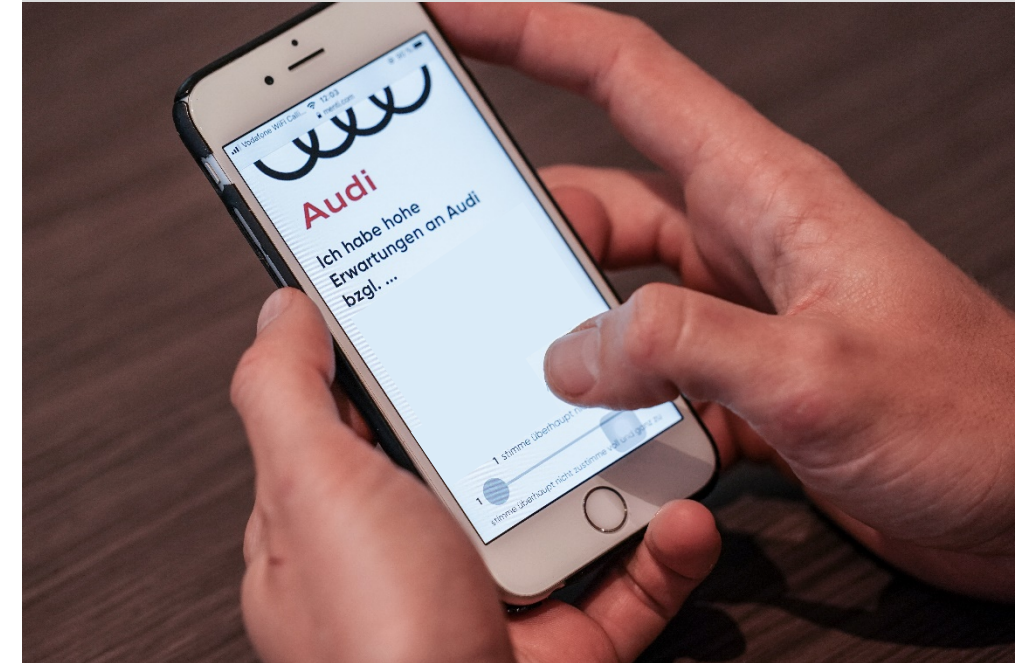


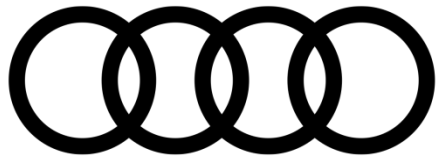
10 \*Assessment exclusively by external participants



## Results & Insights from Audi's View

- › Systematic thinking in mobility concepts and breaking away from existing structures are essential for the future of Audi.
- › Audi should enter more cooperations (e.g. with gas stations, cities, charging infrastructure operators, municipalities, and start-ups).
- › Commitment to developing standards (including with regard to regulated data exchange).
- › Sales & dealership network as an important key factor for the acceptance of electric mobility: creating positive and competent messages, overcoming obstacles.
- › Urban development perspective: Electric mobility should not be understood just as a new drive form. It is necessary to embed mobility concepts while looking beyond individual transport.





## **2. Digital Responsibility**

# The Program at a Glance

Procedure
<p><b>Welcome &amp; introduction</b>  <b>Introduction of the Audi strategy and digital responsibility</b>            Peter F. Tropschuh, Head of Sustainability Strategy AUDI AG, Stefan Herrler AUDI AG</p> <p><b>Presentation of the Audi Digital Strategy</b>            Stefan Herrler AUDI AG</p>
<p><b>Live survey &amp; discussion on Audi Digital Strategy and digital responsibility</b></p>
<p><b>Audi Insights: Presentation of the Digital Platform and Insights initiatives</b>            Stefan Herrler, Lorenzo Schürmann AUDI AG</p> <p><b>Introduction of work orders and distribution of groups</b></p>
<p><b>Coffee and snacks</b></p>
<p><b>Interactive work phase</b></p> <p>Group I: Digital Platform, Stefan Herrler AUDI AG            Group II: Insights, Lorenzo Schürmann AUDI AG</p>
<p><b>Presentation of results from group I and II</b></p> <p>Presentation of groups and live survey on the results of all participants</p>
<p><b>Summary of the day and feedback</b></p> <p><b>Prospect &amp; dismissal</b></p>
<p>Get-together and snacks</p>

We used an app to survey participants about their expectations and also involved the participants in the discussions during the event by having several live surveys.

With this event, we want to offer a platform for discussing the fundamental issues of digitalization. Therefore, the knowledge and experiences of other companies and institutions that deal with similar issues is of particular relevance. Political, business, and scientific representatives discuss with Audi experts the challenges and responsibility of Audi concerning the topic of digitalization.

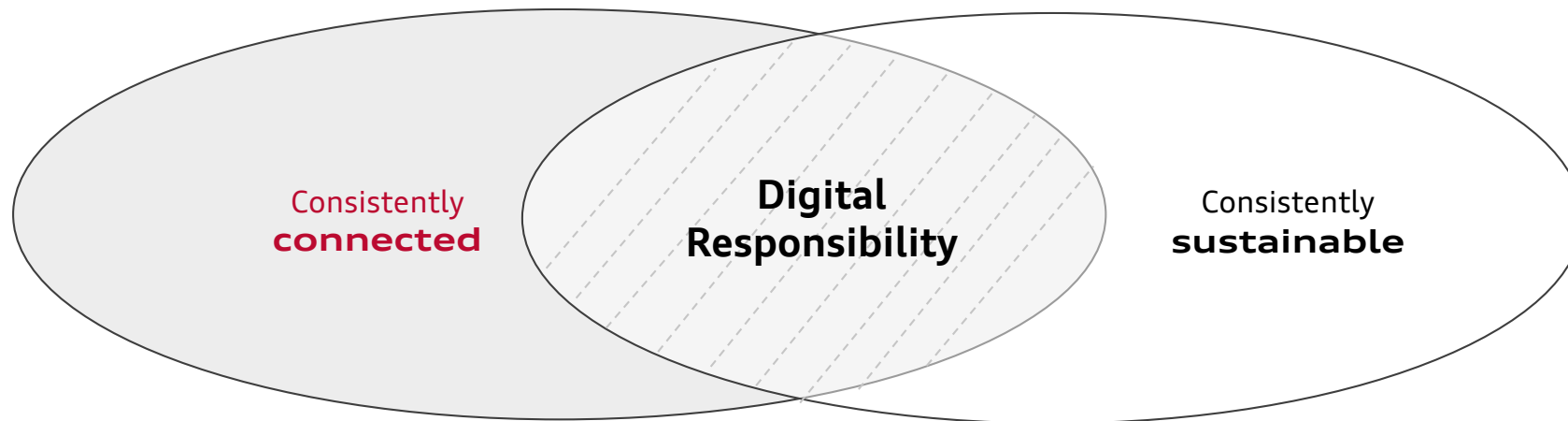
The following overarching issue was at the heart of the open dialog: What does responsible handling of data mean for our stakeholders? Where can we use the effective potential of data processing to make a contribution to more sustainable mobility?

Moderation by Frank Sprenger,  
fors.earth GmbH



Our Mission:

# Consistently



Consistently  
**customer**

Consistently  
**electric**

**HOW:**

---

Consistently  
**team**

Consistently  
**focused**

Consistently  
**synergetic**

Consistently  
**profitable**

# Working Groups

## Key questions:

- › What do you consider to be the greatest risks/taboos concerning this initiative?
- › Where do you see opportunities and innovation and business potential in this initiative?
- › How can we create trust here (cooperations, collaboration, communication)?
- › How and at what time (in development) should the customer be involved?
- › What expectations explicitly result from this for Audi?

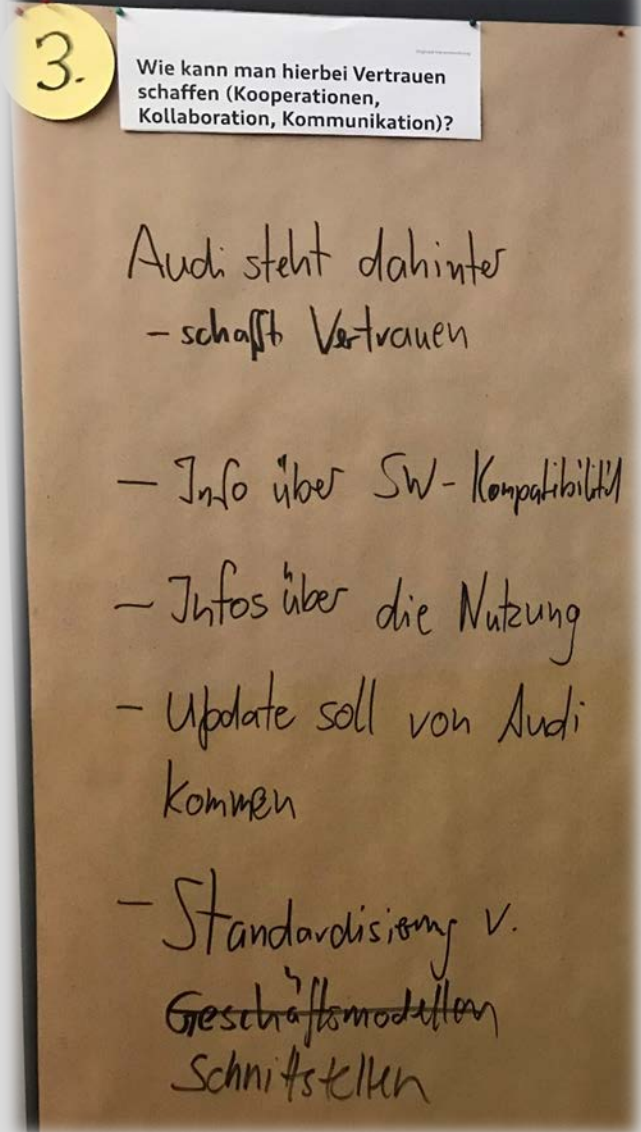
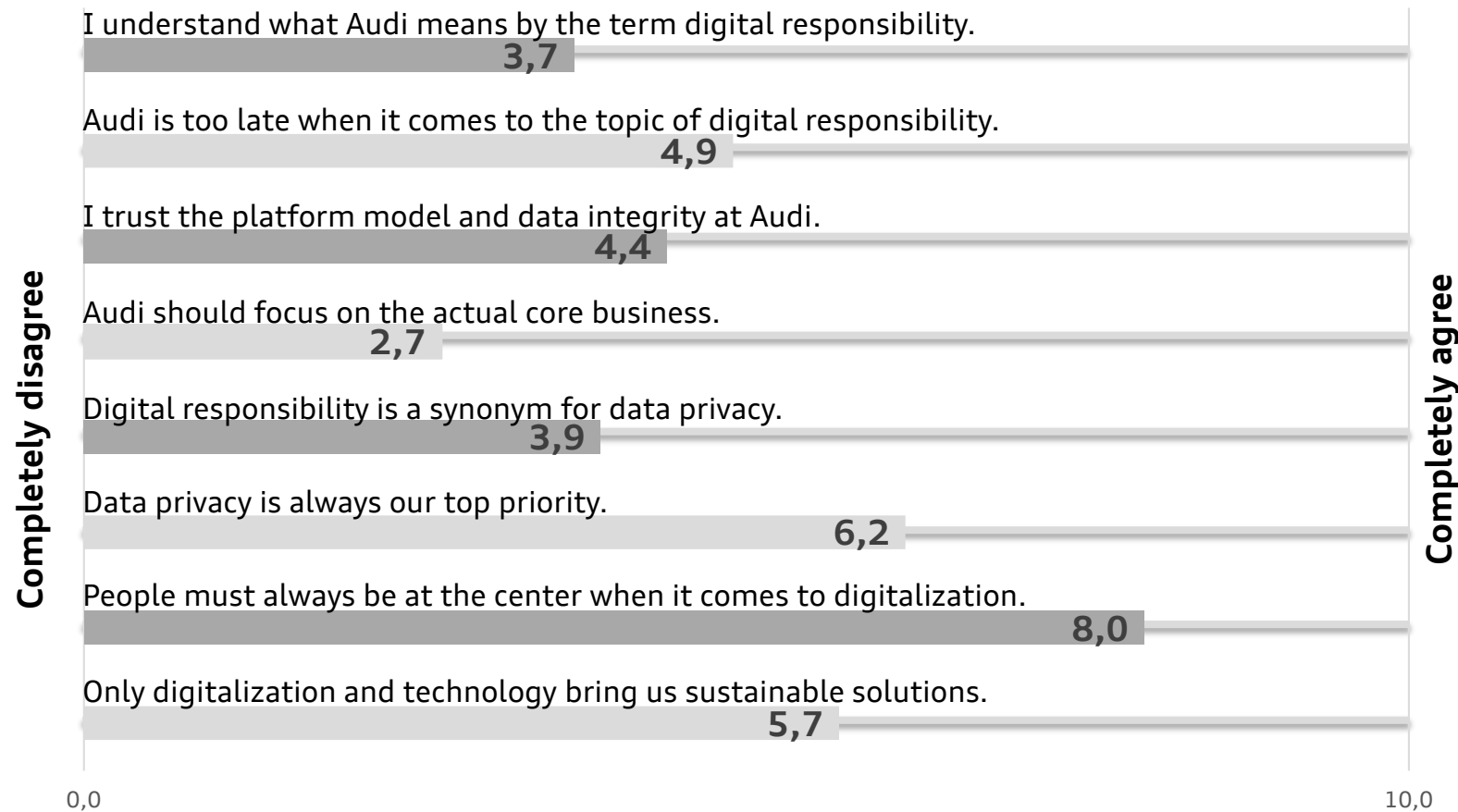
**Digital platform**

**Insights**



# Live Survey – Digital Responsibility\*

Please evaluate the following statements:



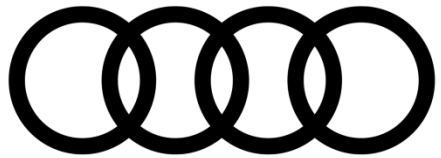
14 \*Assessment exclusively by external participants

## Results & Insights from Audi's View

- › Incorporation of considerations for responsible handling of data in the early phases of the production decision/definition/strategic alignment
- › Critical stocktaking or establishment of scope: Where does our responsibility lie at Audi? And where does our responsibility end?
- › Further/more intensive involvement of external stakeholders when strategic projects reach a higher degree of maturity or before important product decisions (series production vs. stopping)
- › Establishing processes and structures for responsible decisions







### **3. Human Rights – Complaints Mechanisms**

# The Program at a Glance

<b>Procedure</b>
<b>Welcome by Peter F. Tropschuh</b> Head of Sustainability Strategy AUDI AG
<b>Audi Insights: Complaints mechanisms</b> Sarah Schwellinger, AUDI AG
<b>Introduction of group work &amp; grouping</b> Frank Sprenger, fors.earth GmbH
<b>Break</b>
<b>Work phase in groups based on specific scenarios</b> Key questions: <ul style="list-style-type: none"> <li>– What are adequate channels?</li> <li>– What are the success criteria for an optimum procedure?</li> <li>– What should Audi’s response look like?</li> <li>– What results would need to be achieved?</li> </ul>
<b>Presentation of the results and discussion in the plenary assembly</b> Central question: <ul style="list-style-type: none"> <li>– What expectations can be derived for Audi complaints mechanisms?</li> </ul>
<b>Wrap-up/prospect &amp; dismissal</b>

As part of the human rights duty of care, Audi is responsible for establishing a complaints mechanism for the supply chain. The primary objective of the event was to structure expectations in advance based on UN guiding principles, NAP, Gerd Müller bill, with a focus on contract partners (and possibly their partners).

Representatives from politics, associations, companies, science, and non-governmental organizations discuss together with Audi experts the specific possibilities for shaping complaints mechanisms but also the overarching issue: What are legitimate/realistic expectations of Audi?

What are the greatest challenges for Audi?

We used an app to survey participants about their expectations and also involved the participants in the discussions during the event by having several live surveys.

Moderation by Frank Sprenger, fors.earth GmbH

# Working Groups. Task

Please discuss the following key questions:

- › What are the adequate channels for this scenario?
- › What are the success criteria for an optimum procedure, especially following the UNGP?
- › What should Audi's response look like?
- › What results would need to be achieved?





**Scenario 1**  
Works council

**Scenario 2**  
Truck driver

**Scenario 3**  
Local community



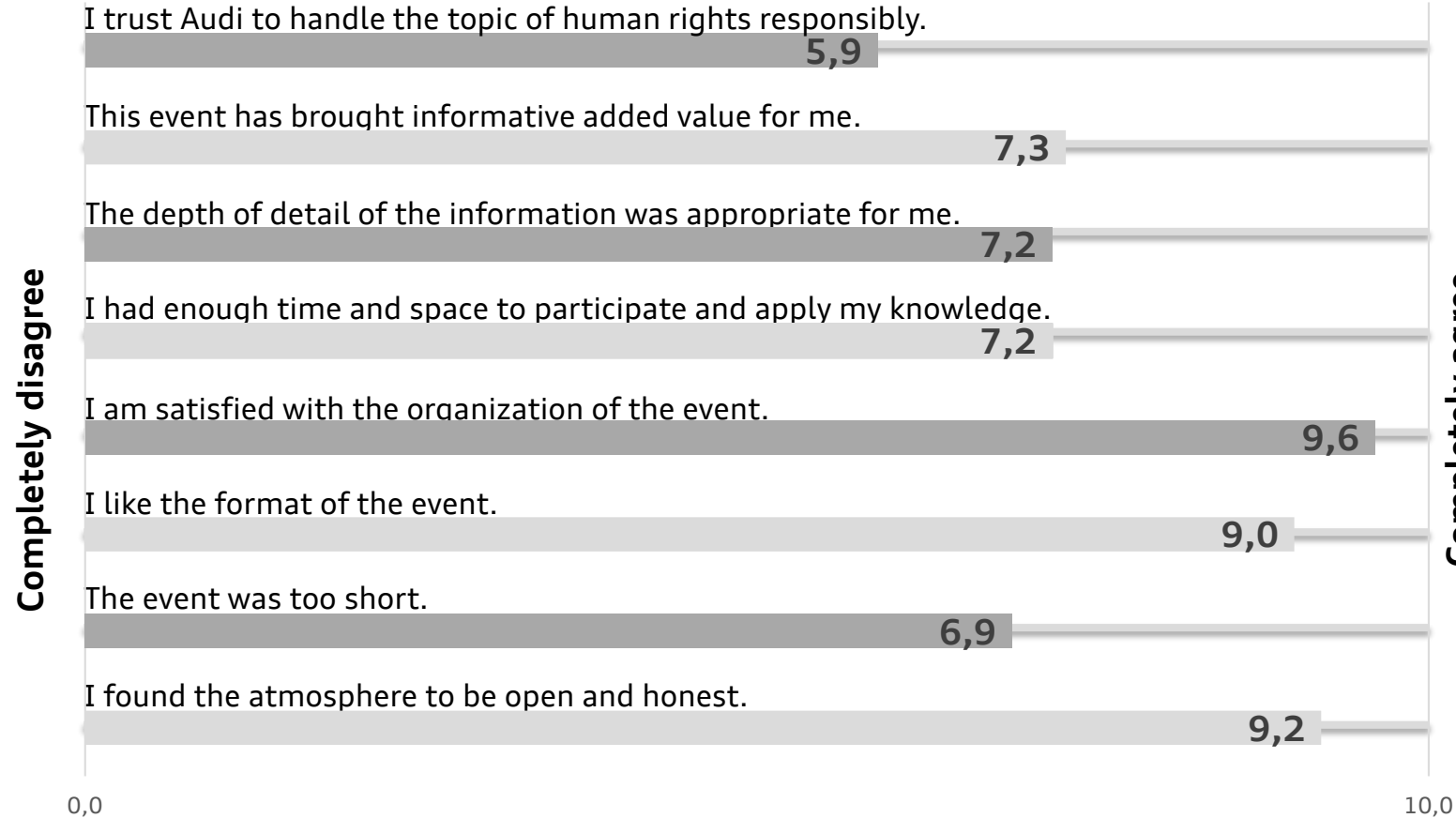
# Working Groups. Complaints Scenarios

	<b>Works council</b>	<b>Truck driver</b>	<b>Local community</b>
 Where does the case occur?	Macedonia	Poland	Mexico
 Who is affected?	Works council of a first-tier supplier	Truck driver of the subcontractor of a first-tier supplier	Residents close to the location of a first-tier supplier
 Who commits the misconduct?	Manager of a first-tier supplier	Managing director of a subcontractor of a first-tier supplier	First-tier supplier
 What happened?	The work of the works council is systematically hindered. Conferences are permitted only outside of working hours and access to company premises is prohibited. A member of the works council was refused a promised promotion for no reason.	Due to a massive amount of pressure exercised by the managing director, the driver systematically infringed upon his driving and rest periods. As a result of being overtired, a serious accident occurred. The driver became dependent on care and can no longer work.	In the area surrounding the location of a first-tier supplier, there are an increasing number of serious respiratory diseases after the commissioning of a new plant. Small children suffer in particular. Despite repeated attempts at making contact, neither the local authorities nor the company are responding.

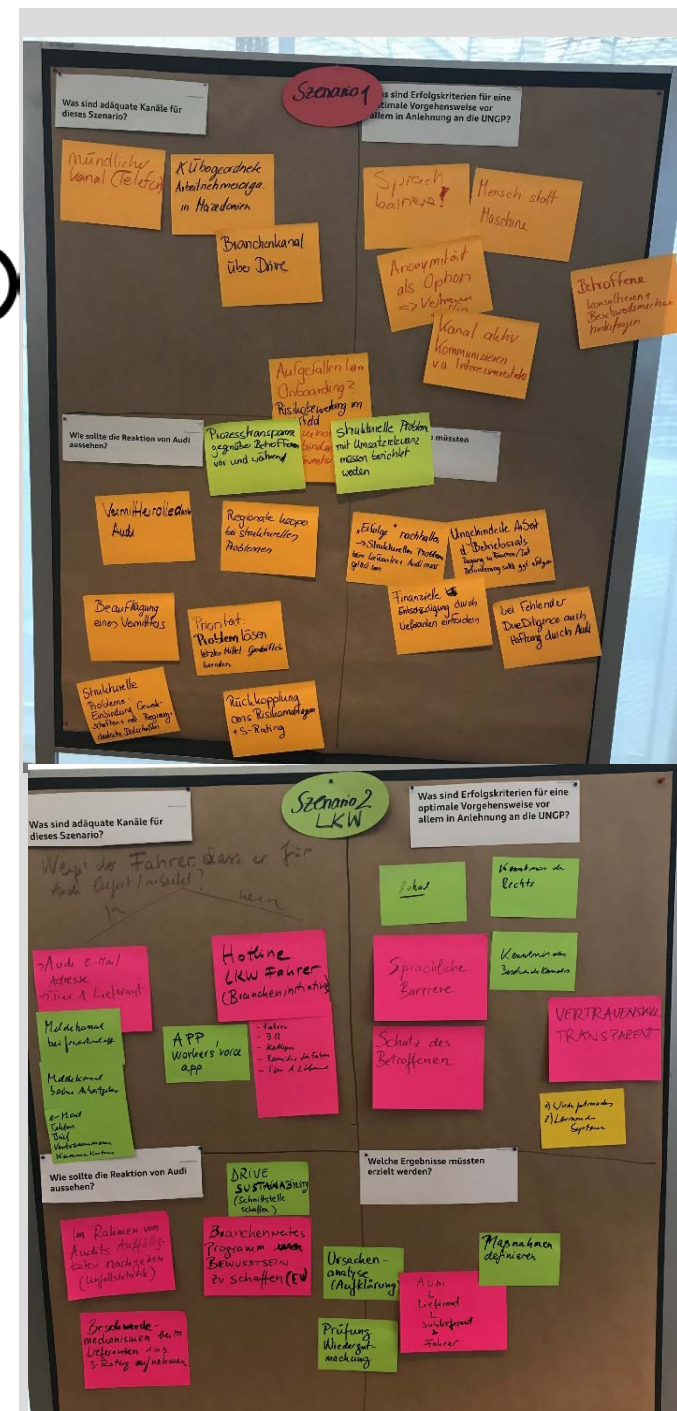


# Feedback on the Event\*

Your feedback on Audi Dialog 2020: Please evaluate the following statements:



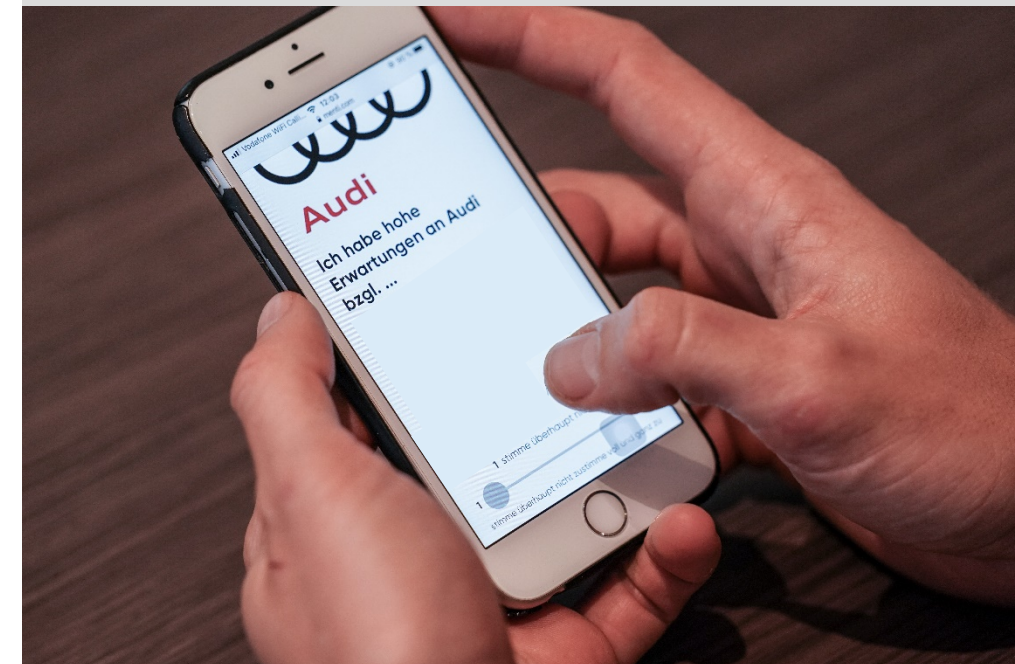
12 \*Assessment exclusively by external participants

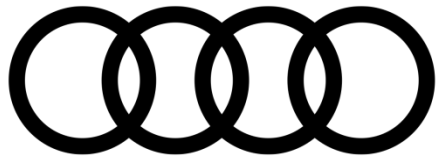


## Results & Insights from Audi's View

### What expectations of Audi can be derived from the results?

- › Integration of Preventive Risk Management and complaints mechanism is essential
  - › Addressing potential complaints scenarios in advance thanks to good risk management
  - › Using received complaints as input for risk management
- › Granting easier access for rights holders
  - › Removing technical/language (etc.) barriers
  - › Involving organized representatives of interest groups
- › Strengthened (regional) cooperation for processing complaints
  - › Cooperation with expert organizations, for example





## **4. Circular Economy**

# The Program at a Glance

Procedure
<b>Welcome by Peter F. Tropschuh,</b> Head of Sustainability Strategy AUDI AG
<b>Agenda &amp; introduction round by Mr. Frank Sprenger</b> fors.earth GmbH
<b>Presentation of the Topic of Circular Economy at Audi,</b> Dennis-Christian Meinen AUDI AG
<b>Survey and discussion in plenary assembly</b>
<b>Audi Insights: Concepts today and in the future</b> Dennis-Christian Meinen AUDI AG
<b>Break</b>
<b>Work phase in groups</b>
<b>Presentation &amp; discussion of results</b>
<b>Summary, next steps, and conclusion</b>

We used an app to survey participants about their expectations and also involved the participants in the discussions during the event by having several live surveys.

## The objectives of the stakeholder dialog:

- › Common understanding of circular economy in the automotive industry;
- › Introduction of action areas & initiatives of AUDI AG in this area;
- › Common development of new perspectives & solution approaches;
- › Assessing possibilities of new partnerships & cooperations.

Format: Open discussion and group work with circular economy experts from the waste and disposal industry, business associations, chemical industry, business partners, science and research, as well as politics and civil society.

Moderation by Frank Sprenger,  
fors.earth GmbH



# Audi Insights: Concepts Today and in the Future

Exchange 2.0:

Circular design

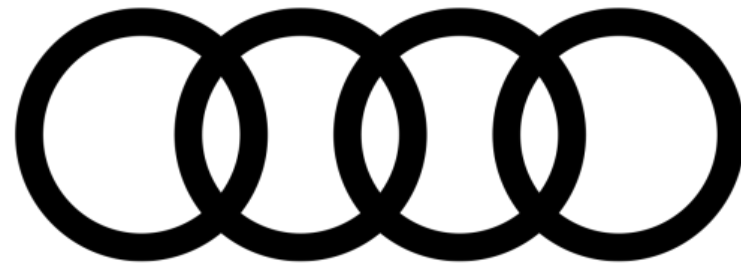
Plastic recycled materials

Aluminum closed loop

# Circular Economy

Second-life batteries

by



Modularity

Audi on demand

Smart parts

Global battery alliance

Renewable raw materials

Disassembly laboratory

Water cycle Mexico

# Working Groups

## Key questions:

- › Opportunities: What are the greatest opportunities & drivers for the implementation?
- › Risks: What are the biggest obstacles to the implementation?
- › Cooperations: To what extent could cross-industry and cross-sector cooperations play a role in implementation?
- › Expectations: What are your expectations of Audi?

### Vehicle return & recycling:

There are only low incentives for OEMs to take back and recycle old vehicles in Germany.

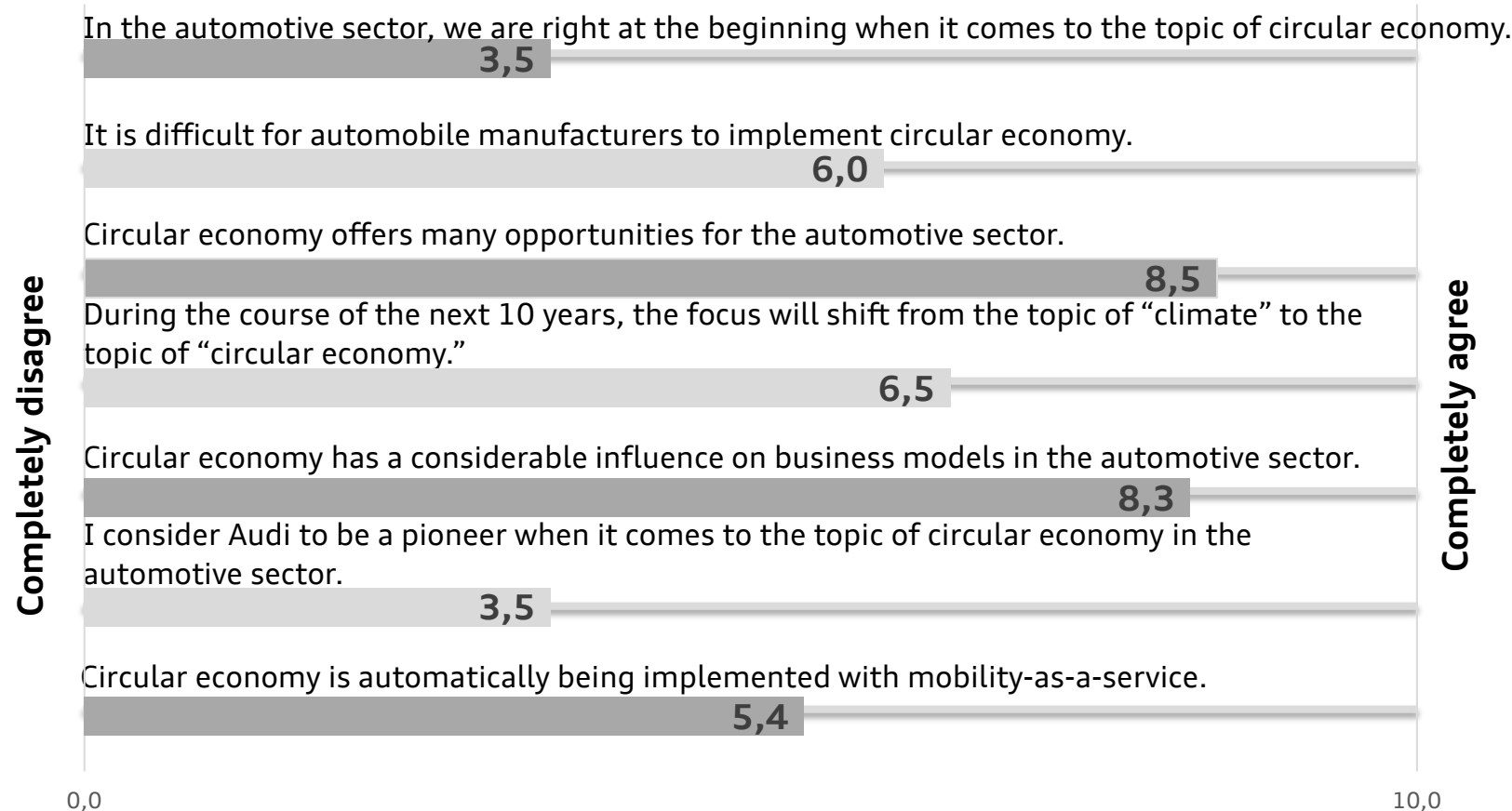
### “CE-suitable vehicle design”:

There are only low incentives to design vehicles suitable for circular economy.

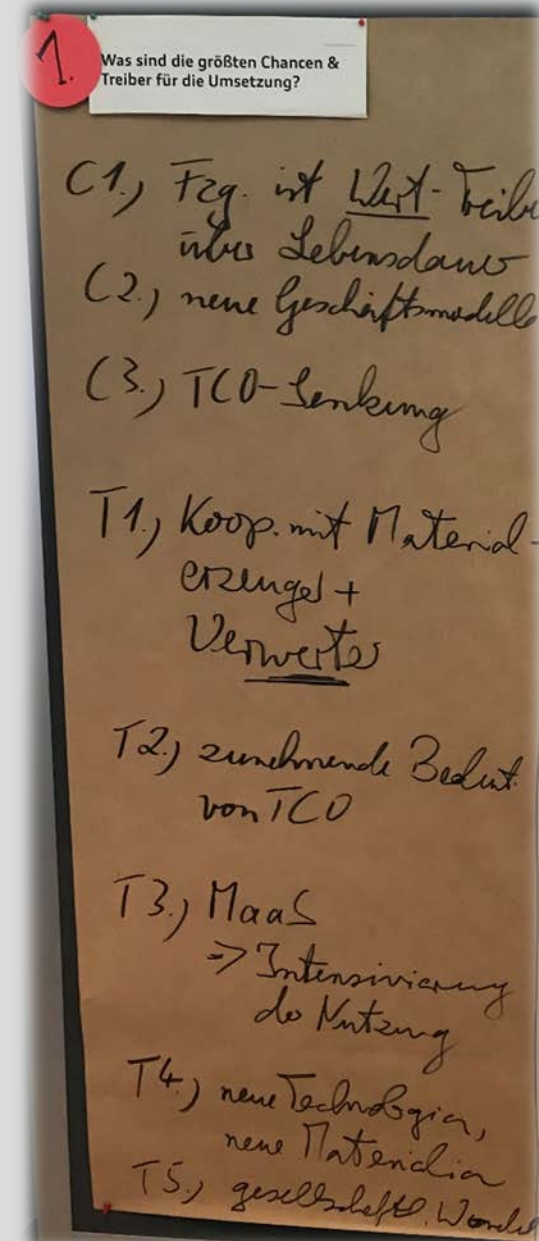


# Live Survey Results – Circular Economy Hypotheses\*

Please evaluate the following statements:

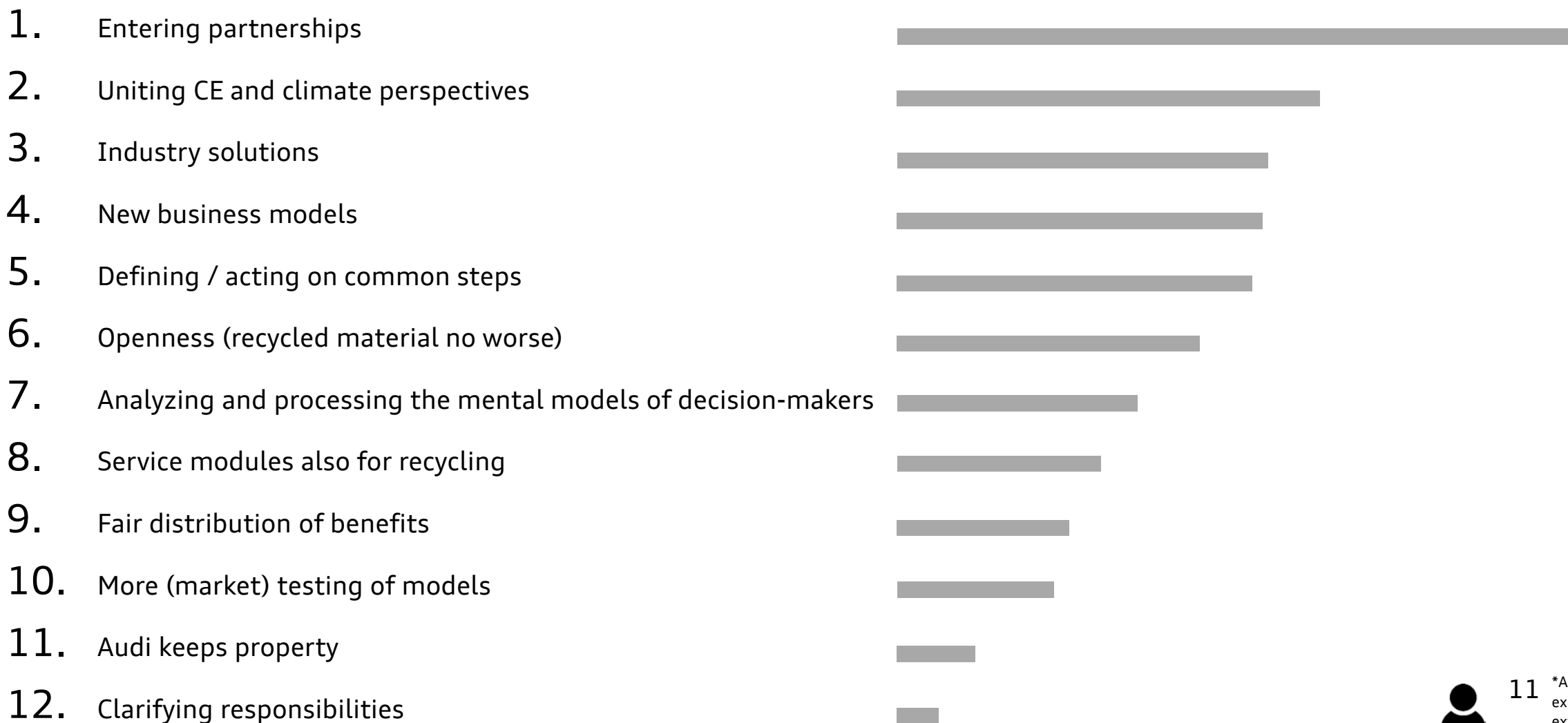


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\*Assessment exclusively by external participants



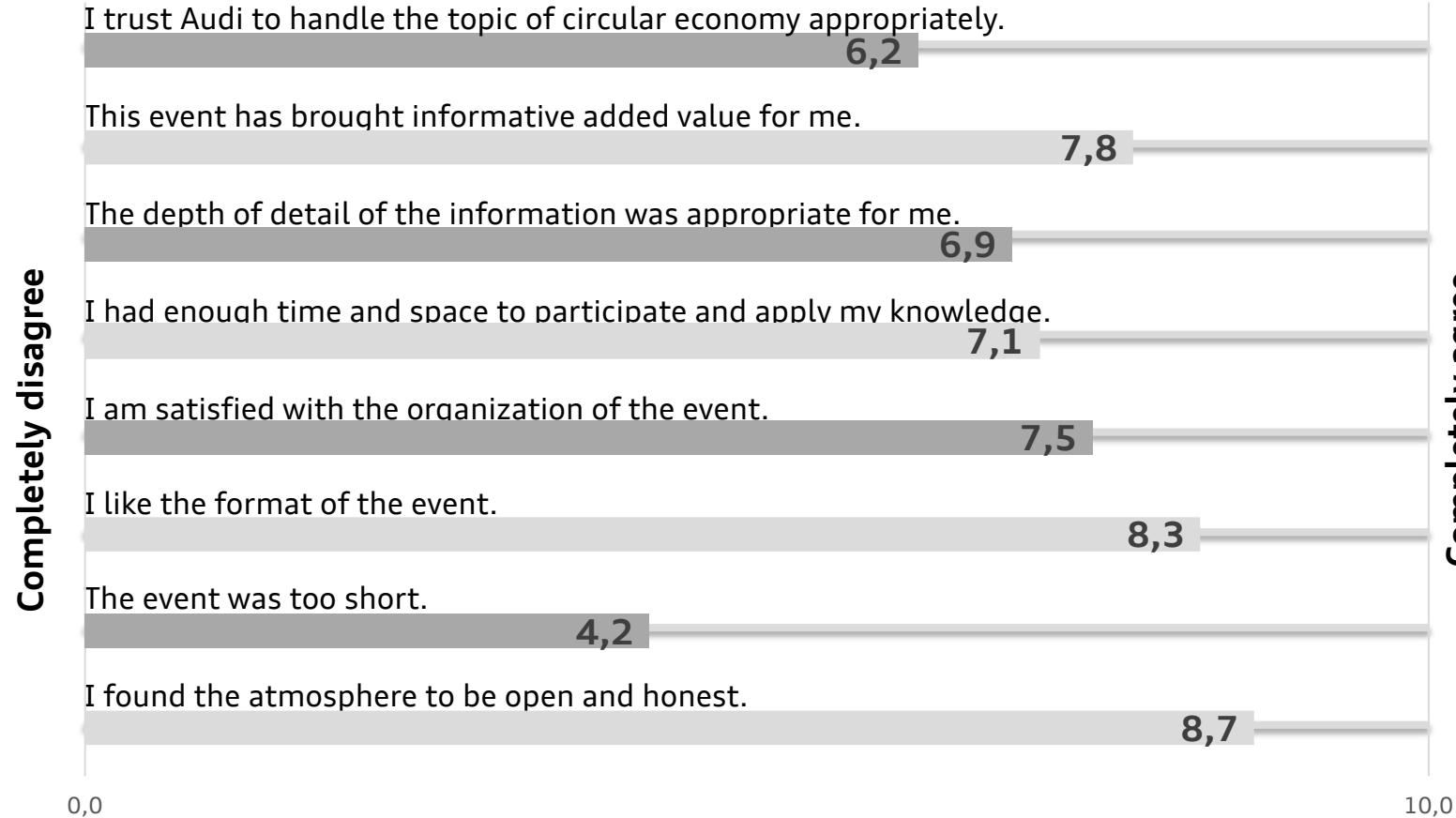
# Live Survey Results – Expectations\*

Please arrange the following expectations in order of importance (1.= most important aspect):



# Results of Live Survey – Feedback\*

Your feedback on Audi Dialog 2020. Please evaluate the following statements:



Completely disagree

Completely agree



\*Assessment exclusively by external participants





## Results & Insights from Audi's View

- › Strong (if applicable, even cross-industry and cross-sector) cooperations must be created; without them, a circular economy cannot be implemented.
- › The open dialog must be pursued and advanced as equals in order to strengthen cooperation and develop joint models. All stakeholders have emphasized their willingness to enter a dialog.
- › Circular economy and climate protection must be linked together so that mental models can be dismantled and we can come to a holistic view concerning sustainability.
- › “Testing” of concepts and models must play a central role in collecting experience values and integrating new technologies/materials into processes.

*“Also consider consumers as drivers”*

*“Take climate and resources into consideration jointly”*

*“Overarching added-value cooperations are necessary.”*