

## Acting with integrity at Audi – A question of attitude

**Trust forms the foundation of every collaboration, both in interpersonal relationships and in the professional world. A company's reputation, economic success and, above all, the trust of customers in its brands and products depend on whether a company lives up to its social responsibilities. ESG (environmental, social, and governance) provides a framework that makes it possible to compare companies' commitment to good corporate governance. This framework forms the basis for all decisions at Audi.**

Credible and [responsible conduct](#) is more challenging when familiar paths are abandoned for new ways forward where the guardrails are still missing. The automotive industry is in the midst of a transformation: The automotive industry is facing major challenges today – new drive technologies, business models, customer expectations, advancing digitalization, and climate change, just to name a few. Indeed, each factor taken alone has the disruptive power to fundamentally transform the industry. It is time to assume responsibility. The challenge lies in preserving people's livelihoods and creating modern jobs to prepare society for the future. But now manufacturers are faced with the task of dealing with all of these issues simultaneously while also facing the uncertainties the transformation means for the future. [Integrity](#) has always been the cornerstone that allows Audi to remain viable while providing guardrails for decision-making in uncertain times. Across all organizational levels, Audi lives its shared value system, which provides a foundation for the "Vorsprung 2030" strategy and drives the next stages of development at the company. [Integrity and Compliance](#) are decisive coordinates for the company and for each and every Audi employee.

### **Stakeholders and legal requirements affect pace of transformation**

There are two variables that define corporate development and influence the pace of change. The first are the [expectations of stakeholders](#), who may include employees, partner companies, and customers themselves. Stakeholders such as these expect credible, consistent, and measurable corporate decisions. Transparency is also crucial. If expectations are not met, it can have profound consequences for a company's reputation.

At least as important as the expectations of stakeholders are [regulatory requirements](#). While the number of regulations on the international stage continues to increase, new content is being regulated. These include, for example, the [The Act on Corporate Due Diligence Obligations in Supply Chains](#). Behind this complex legalese lies a legal framework for companies based in Germany. The law aims to protect and improve environmental and human rights along global supply chains. Matters that are already regulated at EU level or through [UNECE \(United Nations Economic Commission for Europe\)](#), such as emissions, product liability, vehicle safety, or materials recycling, are now evolving with more demanding requirements.

## How integrity is practiced in everyday work at Audi

As a company, Audi is subject to corporate obligations in addition to legal requirements. Our [compliance management system \(CMS\)](#) provides the organizational framework here. It contains the principles, measures, processes, and structures that ensure consistent compliance with laws, internal regulations, and a culture of integrity within the company. The CMS is constantly updated to meet the requirements of the future head-on. In addition, we also have a [risk management system \(RMS\) / internal control system \(ICS\)](#) to ensure the corporate goals and long-term future viability and competitiveness of the Audi Group. These requirements are supplemented by further measures and principles to promote integrity:

- > [At Audi, we take respect for human rights as the uncompromising ethical basis for all corporate action.](#)
- > In addition to the [Code of Conduct](#) for employees, the activities of [business partners](#) within the Volkswagen Group are also subject to binding guidelines.
- > [A system is in place for whistleblowers to report concrete cases of potential misconduct by employees.](#)
- > Some 100 Integrity Ambassadors act as multipliers and role models in all business areas, promoting dialogue on integrity and a speak-up culture that encourages honest and open feedback.

In order to meet regulatory requirements and diverse demands, Audi relies on comprehensive communication and training.

Related measures include:

- > **Mandatory and risk-based training** for employees with regard to compliance and integrity, e.g. training on the Audi Code of Conduct, insider information, anti-corruption, money laundering, human rights
- > **Training programs** e.g. on handling dilemma situations, impulse workshops on the topic of integrity, or the Integrity Skill Set, a qualification program for all candidates on the development path leading to management roles
- > **Regular formats** such as talks on integrity and compliance, “Dialogue with the Executive Board”, or the Audi Integrity Summit
- > **Training for direct suppliers**

## Acting with integrity: A permanent challenge at all company levels

Due to their complexity, large companies are predestined for conflicting goals. The different roles and goals between departments as well as external influences such as the COVID-19 pandemic and semiconductor shortages make decision-making difficult. It is precisely in times like these that it becomes crucial to [act with integrity and responsibility](#). Training programs, comprehensive communication, and Audi’s company values help each individual employee to make decisions with integrity and on his or her own responsibility.

Ongoing dialogue is key to promoting and cementing this kind of individual agency.

### **Corporate Communication**

Sabrina Kolb

Spokesperson Procurement and Sustainability

Phone: +49-841-89-42048

Email: [sabrina.kolb@audi.de](mailto:sabrina.kolb@audi.de)

[www.audi-mediacycenter.com](http://www.audi-mediacycenter.com)



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The Audi Group is one of the most successful manufacturers of automobiles and motorcycles in the premium and luxury segments. The brands Audi, Ducati, Lamborghini and Bentley produce at 21 locations in 13 countries. Audi and its partners are present in more than 100 markets worldwide.

In 2021, the Audi Group delivered around 1.681 million cars from the Audi brand, 8,405 sports cars from the Lamborghini brand and 59,447 motorcycles from the Ducati brand to customers. In the 2021 fiscal year, AUDI AG achieved a total revenue of €53.1 billion and an operating profit before special items of €5.5 billion. More than 89,000 people all over the world work for the Audi Group, around 58,000 of them in Germany. With its attractive brands, new models, innovative mobility offerings and groundbreaking services, the group is systematically pursuing its path toward becoming a provider of sustainable, individual, premium mobility.

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