

Circular economy: Audi secures strategic and cost-efficient supply of recycled raw materials

- **Audi establishes return concept for recyclates from end-of-life vehicles**
- **Unique in the industry: digital material account enables cost-efficient use of post-consumer secondary materials**
- **Board Member for Procurement Renate Vachenauer: “We are constantly working to increase the proportion of recycled materials in our vehicles. Audi demonstrates that sustainability and economics go hand in hand.”**

Ingolstadt, April 04, 2025 – Audi reaches a milestone and continues to drive forward the circular economy in the automotive industry. The company wants to increase the use of secondary materials in vehicles where it is technically feasible and makes ecological and economic sense. The aim is to increasingly use raw materials for new purposes after their initial usage has ended. Audi has therefore been testing approaches to implement this in the MaterialLoop program since 2023. After initially focusing on technical feasibility, the company has now become the first car manufacturer to develop and implement an economically viable recycling concept for recyclates from end-of-life vehicles together with its partner TSR Resource. In this process, steel scrap from vehicles at the end of their life cycle is turned into high-quality post-consumer secondary material and secured for further use in the automotive supply chain.

In the first stage of expansion, starting in 2025, Audi will make several thousand preproduction vehicles available for recycling. These will be shredded by TSR Resource and processed into high-quality recycled raw materials for further use in the automotive industry. In return, Audi will have access to the secondary material obtained from these vehicles, which will be credited to a so-called digital material account. Potential material and part suppliers can access this credit balance as part of a tendering process. This gives potential contractual partners of Audi exclusive access to high-quality recycled steel raw materials that can otherwise be subject to significant price fluctuations.

Economical return concept promotes resilience and recycling in the supply chain

Audi plans to implement the process for additional material flows and vehicles. All raw materials that Audi currently purchases or will purchase in the future with a binding recyclate content for its vehicles are eligible. The recycling concept allows the company to procure these raw materials more independently of market-related cost fluctuations.

This will make the supply chain more resilient in the long term. At the same time, Audi is promoting high-quality recycling and the more sustainable production of consistently high-quality vehicles. On top of that, Audi is already positioning itself to be future-proof in the face of external challenges.

Audi Board Member for Procurement Renate Vachenaer: “Recycling holds tremendous potential. We are constantly working to increase the proportion of recycled materials in our vehicles. With the digital material account, Audi is pioneering a system in the automotive industry through which it can procure valuable recycled raw material resources more independently of the market. Audi demonstrates that sustainability and economics go hand in hand.”

Audi leading the way in use of post-consumer secondary materials

For Audi, responsibly using raw materials is a central focus of future-oriented automobile production. The Audi circular economy strategy makes a significant contribution here by reusing so-called post-consumer secondary materials. These are materials that were previously used for another purpose and are then recycled. Audi has already shown how this works in practice as part of the [MaterialLoop program](#), for example, by using a proportion of high-quality recycled post-consumer secondary materials for the windshield of the Audi Q4 e-tron (GlassLoop) and the outer roof section of the Audi Q6 e-tron (SteelLoop). Audi is now going one step further with its recycling concept for post-consumer secondary materials. Together with its contractual partner TSR Resource – a specialist in the recycling of end-of-life vehicles – Audi is the first carmaker to ensure that recycled materials are reprocessed for further use in its supply chain. In this specific case, these are high-quality recycled raw materials, such as steel, from preproduction vehicles as well as other sources.

Christian Blackert, Managing Director of TSR Resource: “We are delighted to be working with Audi to set another important milestone for the circular economy in the automotive industry. This project is an impressive example of what is possible thanks to industry partnerships. We are also reducing our dependence on fragile supply chains and making an important contribution to resilience in the face of the challenges posed by global markets.”

Solution for a strategic, cost-efficient, and sustainable circular economy

Closing material loops in industry usually requires several companies to work together. This has advantages for everyone involved: the recycling partner benefits from a predictable incoming stream of end-of-life vehicles and potential buyers of the secondary material. Potential suppliers gain access to high-quality recyclates suitable for the automotive industry at stable conditions – and can pass these on to Audi. In turn, Audi can stabilize its raw material supply chains at improved economic conditions.

This makes it possible to increase the proportion of post-consumer secondary material for new vehicles – without compromising on quality or costs. By recycling high-quality secondary materials from vehicles that have reached the end of their life cycle, Audi is demonstrating how resources can be kept in the cycle in a strategic, cost-efficient, and sustainable way.

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The Audi Group is one of the most successful manufacturers of automobiles and motorcycles in the premium and luxury segment. The brands Audi, Bentley, Lamborghini, and Ducati produce at 21 locations in 12 countries. Audi and its partners are present in more than 100 markets worldwide.

In 2024, the Audi Group delivered 1.7 million Audi vehicles, 10,643 Bentley vehicles, 10,687 Lamborghini vehicles, and 54,495 Ducati motorcycles to customers. In the 2024 fiscal year, Audi Group achieved a total revenue of €64.5 billion and an operating profit of €3.9 billion. As of December 31, more than 88,000 people worked for the Audi Group, more than 53,000 of them at AUDI AG in Germany. With its attractive brands and numerous new models, the group is systematically pursuing its path toward becoming a provider of sustainable, fully networked premium mobility.
