



Sustainable Water Management: Audi Joins the Alliance for Water Stewardship

- By joining the <u>Alliance for Water Stewardship</u> (AWS), Audi is reinforcing its commitment to economical and efficient water use
- Certification of the Audi México site according to AWS Standard targeted for this year
- Audi to reduce freshwater consumption worldwide and cut its ecologically weighted¹ water consumption per vehicle produced in half by 2035

Ingolstadt/Neckarsulm, January 24, 2023 – Since 2023, Audi is the first premium auto manufacturer to join the Alliance for Water Stewardship (AWS). This global coalition of companies, NGOs, and the public sector is dedicated to water stewardship throughout the value chain; this step will allow Audi's San José Chiapa site in Mexico to seek certification under the International Water Stewardship Standard, also known as the AWS Standard.

Clean drinking water is one of the most valuable resources in the world, which is why Audi focuses on economical and efficient water use in its Mission:Zero environmental program. The company wants to keep its own water consumption as low as possible and over time, stop using drinking water in production. By 2035, it is anticipated that ecologically weighted water consumption¹ per vehicle produced will decline by about half at Audi's five production sites from 3.75 to roughly 1.75 cubic meters (990 to 462 gallons). Additionally, Audi, together with its suppliers, is committing to economical water consumption throughout the entire supply chain.

By joining the AWS, Audi is extending its commitment to sustainable water management to water stewardship. "As a manufacturer, we have an obligation to ensure that we manage valuable resources diligently and sustainably throughout our value chain," says Dirk Grosse-Loheide, Member of the Board of Management for Procurement and IT. "Our commitment to the AWS network is based on membership and cross-sectoral collaboration with its industry-leading companies. At the same time, it also offers an important platform for exchanging ideas with other corporations."

¹ Ecologically weighted water consumption makes it possible to compare absolute demand for water at Audi locations around the world while taking account of prevailing local water stress factors and rainwater usage. This way, economizing can be prioritized in places where water is particularly scarce.





Overview of the social, ecological, and economic aspects

The AWS Standard is an internationally recognized framework for companies and organizations that want to use water as efficiently as possible (water management) and pay heed to all the relevant interest groups in the particular watershed areas (water stewardship). Successfully implementing the standard means improving local social, ecological, and economic aspects; to do this, the AWS emphasizes a water stewardship approach, which includes and goes beyond water management to address water concerns across five outcomes: good water governance; sustainable water balance; good water quality status; important water-related areas; and safe water, sanitation, and hygiene (WASH). "Audi is now one of over 170 companies that play a leading role in water stewardship. In the AWS, we see membership as both a demonstration of a commitment to the principles of water stewardship and as a practical opportunity to reinforce internal performance with respect to water-related goals and sustainability objectives. We look forward to welcoming AUDI AG into our Alliance and we're excited about the contributions it can make to expanding a global, multi-stakeholder collaboration for a water-secure world and for its leadership in the automotive sector," says Adrian Sym, CEO of the AWS.

Water consumption, both locally and within the supply chain

The Audi plant in San José Chiapa, Mexico is in the process of being certified by the AWS. This will be the first Audi site to be audited by the AWS. That means its water management is being examined at both the site and catchment levels and the important questions are asked. Where can water consumption be reduced? Where can water pollution be prevented? And how can Audi ensure that other parties, such as local farmers, will not be harmed? Apart from direct water consumption in production, it also has a lot to do with sustainability within the supply chain. "Manufacturing batteries, metals, and glazing uses a lot of water," says Marco Philippi, Head of Procurement Strategy at Audi. "That's why we want to use our participation in the AWS to develop effective solutions and implement them together with our suppliers, particularly in regions with high water stress."

Mexico: an Audi site with pioneering water management

Audi's newest location in San José Chiapa is a pioneer in economical use of water as a resource. Since 2018, the plant has produced cars completely water-discharge-free. "Particularly in a country like Mexico, where there's a risk of drought, using water in a way that conserves it as a resource is very important," says Tarek Mashhour, Executive President of Audi México. "We're proud to cooperate in the certification process through the AWS Standard." The plant has access to biological water treatment and a reverse osmosis facility with a capacity of 320,000 cubic meters (84.5 million gallons) annually. This treatment system also allows to save roughly 150,000 cubic meters (39.6 million gallons) of water per year by reintroducing it into the production processes. There is also an on-site water reservoir with a capacity of 234,000 cubic meters (61.8 million gallons).





From Neckarsulm to Brussels: On the road to a closed water cycle

Steps toward sustainable water management are also underway at other Audi locations. Audi Brussels, together with its Belgian partner company Hydria, is investing in the "Re-Use" project to integrate the Brussels South Wastewater Treatment Plant into the water supply for its production site. This will produce a closed water cycle that will save roughly 100,000 cubic meters (26.4 million gallons) of drinking water per year. By 2025, the Audi plant in Neckarsulm aims to get all of its non-potable water through the Unteres Sulmtal wastewater treatment facility, which is also where the plant directs its own wastewater. The resulting circuit will reduce the demand for freshwater by more than 70 percent.

- > Mission:Zero Environmental Program: Audi's steps within the value chain
- > Sustainable Water Management in Mexico: From reverse osmosis to rain catchment
- > Graywater, Not Freshwater: Audi Brussels invests in "Re-Use" project
- > Neckarsulm: Closed water cycle between plant and wastewater management facility

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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 2022, the Audi group delivered 1.61 million Audi vehicles, 15,174 Bentley luxury automobiles, 9,233 Lamborghini sportscars, and 61,562 Ducati motorcycles to customers. In the 2021 fiscal year, AUDI Group 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.