



## Management and works council enter agreement for the future

- CEO Gernot Döllner: "This clear agreement will strengthen Audi's competitiveness and future readiness."
- Negotiation for more flexibility for the German Audi sites
- Job protection extended until the end of 2033
- Socially responsible workforce adjustments enable indirect areas to become leaner

Ingolstadt, March 17, 2025 – Greater resiliency, a clear technology focus, and secure jobs: Audi management and the works council are laying a milestone that will strengthen the competitiveness and future viability of the German sites long-term in the shape of an agreement for the future. As part of the agreement, Audi is extending the job protection plan until the end of 2033, reducing labor costs and positioning its German sites to be robust and flexible for the transition to electric mobility. The agreement applies with immediate effect and provides the basis for further developments.

The economic conditions are becoming increasingly tougher, competitive pressure and political uncertainties are presenting the company with immense challenges. To ensure the German sites are future-proof and competitive, the Audi Board of Management and works council have negotiated a joint agreement for the future. The clear goal: more productivity, speed, and flexibility in Ingolstadt and Neckarsulm.

"In times of profound change, company management and the works council are pulling in the same direction," says Audi CEO Gernot Döllner. "With this clear agreement, we are strengthening Audi's competitiveness and future readiness in equal measure. Together, we are sending a clear signal for more focus, efficiency, and profitability at our German sites. This has created the conditions for continuing the transformation in an scope-driven manner."

The basis for the agreement for the future is the Audi Agenda initiated in 2023. In it, the company addresses current challenges and defines central fields of action. "We have already achieved a lot with the Audi Agenda - our transformation and strategy program - such as the realignment of our product portfolio," says Döllner. The agreement for the future is the basis for the systematic implementation of the personnel transformation."





## More productivity, speed, and flexibility

To ensure the German plants remain competitive in the future, the agreement for the future provides measures for a significant increase in productivity, speed and flexibility. To this end, management and the works council have also agreed on a socially responsible reduction by up to 7,500 jobs in indirect areas by 2029, based on target scenarios. Xavier Ros, Member of the Board of Management for Human Resources: "We are focusing our team setup and consistently orienting it to the requirements of the future. We are doing this in a socially responsible targeted, step-by-step manner. To this end, we are now entering into a dialog with our employees. The employee representatives are our close partners every step of the way. Our shared Audi path makes us strong and stable."

The planned reduction in jobs goes hand in hand with a clear focus in the portfolio and a reduction of bureaucracy. In recent months, the company has already significantly reduced the number of guidelines and committees. With the introduction of the matrix organization principle, Audi is flattening the management structure to three levels, assigning clear decision-making responsibilities and thus accelerating development and innovation processes. In addition, the company is examining where digitalization can help reduce the workload in indirect areas.

In addition, the company plans to reduce personnel costs by adjusting payments above the collective wage agreement and variable payments for pay-scale employees. Managers and the Board of Management are also making a significant contribution. Jörg Schlagbauer, Chairman of the General Works Council says: "Through a temporary reduction and a new structure of the profit share program, the Audi workforce is giving a major contribution to making the four rings weatherproof and future-proof again. Overall, the Audi workforce is investing many, many millions of euros in its own future over coming years."

Audi continues to take responsibility for the regions: the company will continue to train young people in the future and is adjusting the number of apprenticeships and dual study places to company requirements. A stronger focus on presence in the workplace is intended to ensure close contact in times of increased communication needs.

## Job protection extended until the end of 2033

To ensure the future readiness of the German sites, Audi is confirming its strategic production capacities and extending the job protection plan until December 31, 2033. In economically challenging times, the company is ensuring clarity and security for its employees and reiterating the commitment to its traditional homes.

Audi is planning to invest around eight billion euros at its home locations through 2029. Neckarsulm and Ingolstadt are heading into the future with sharpened profiles: in Ingolstadt, another electric model in the entry-level segment will be produced. In addition, the upcoming Audi Q3 will be produced jointly with the Hungarian plant in Győr. With the production of allelectric cars and a combustion-engine model, the site is robustly and flexibly positioned for the transition to electric mobility.





At the Neckarsulm site, the local ecosystem will be used to strengthen Audi's digitalization expertise in the field of artificial intelligence. In addition, the electronic architecture of combustion-engine vehicles will be developed further, significantly increasing their competitiveness. Furthermore, the possibility of producing an additional model in Neckarsulm in the future is being examined. To secure this, Audi is setting up a "future fund" totaling 250 million euros.

Rainer Schirmer, Vice Chairman of the General Works Council, stresses: "We were able to futureproof both sites. For Neckarsulm, this means, among other things, that we were able to secure a "future fund" for plant development, which we can use to set up new production platforms – for future electric models. To this end, Neckarsulm is to be expanded as an AI and digitalization center for the entire Audi Group. The focus here will be specifically on the area of production."

With the measures set out in the agreement for the future, the company plans to achieve medium-term savings of more than one billion euros annually. Based on its cornerstones, the next step will be to define the measures and their implementation in the divisions in detail. The specific mix of personnel measures instruments will then be determined and systematically applied.

Further comments from the company and the works council can be found here.

**Corporate Communications** Agnes Schwägerl Head of Corporate Communications Phone: +49 172 9142907

Email: <u>agnes.schwaegerl@audi.de</u>

www.audi-mediacenter.com

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**Corporate Communications** Andrea Baldus Spokesperson Human Resources Phone: +49 152 58834099 Email: <u>andrea.baldus@audi.de</u>

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 2023 fiscal year, Audi Group achieved a total revenue of  $\notin$ 69.9 billion and an operating profit of  $\notin$ 6.3 billion. Worldwide, an annual average of more than 87,000 people worked for the Audi Group in 2023, 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.