



PORSCHE

THE EXECUTIVE BOARD

of Dr. Ing. h.c. F. Porsche AG



LUTZ MESHKE
FINANCE AND IT

“Only a successful business is able to make a commitment to the environment and community – that’s why we build on economic stability and value-added growth.”

UWE-KARSTEN STÄDTER
PROCUREMENT

“Procurement at Porsche means ensuring that supply relationships are cost-effective, environmental and socially sustainable – that means compliance with our sustainability requirements by suppliers is a defining benchmark for successful cooperation.”

THOMAS EDIG
DEPUTY CHAIRMAN OF THE
EXECUTIVE BOARD
HUMAN RESOURCES AND SOCIAL AFFAIRS

“Everything we do is about people. We have a very special responsibility as far as they are concerned. We want to be an appealing employer for our employees with our corporate culture focused on performance and an ethical social policy.”



MATTHIAS MÜLLER
CHAIRMAN OF THE
EXECUTIVE BOARD

WOLFGANG HATZ
RESEARCH AND DEVELOPMENT

BERNHARD MAIER
SALES AND MARKETING

DR. OLIVER BLUME
PRODUCTION AND LOGISTICS

"We deliberately integrate sustainability aspects into our strategic goals and divisions in order to safeguard our future capability and the sustainable performance of our company."

"Mobility needs to be engineered around an approach geared to protecting the environment and conserving resources. Porsche is consistently committed to achieving this aspiration – and links it up with a fascinating sporty driving experience."

"Today, luxury and sustainability mean owning and experiencing something that will continue to have value tomorrow. There is a good reason why more than two thirds of all Porsche cars ever built are still on the roads today."

"Sustainability in production starts with the design of production facilities and manufacturing processes that use resources efficiently."

ABOUT THIS REPORT

Content of the Report and Timeframe

This is the first sustainability report published by Porsche. It provides information about the company's key activities relating to the issues of "Business and Customers", "Product Responsibility", "Environment and Energy", "Employees" and "Community". It also outlines the strategic platform and the sustainability management within the company. Targets and measures are included in the form of a Sustainability Program. Indicators and relevant data are presented in a compact overview at the end of the report. The process of collecting and recording data is carried out using a range of different reporting and processing systems within the company. The subsequent process of consolidation and checking contributes to the reliability of the data. The Porsche Sustainability Report 2013 covers the period from 1 January to 31 December 2013. Information on important activities that were carried out before this reporting period is also included in order to give a complete picture. The reference date for all data is 31 December 2013. The final editorial deadline was in April 2014. Unless otherwise stated, all data relate to Dr. Ing. h.c. F. Porsche AG and Porsche Leipzig GmbH.

Reporting Standard

The Porsche Sustainability Report 2013 was drawn up in accordance with the Guidelines of the Global Reporting Initiative (GRI G3). Compliance with the indicators of the Global Reporting Initiative is presented in the GRI Index. The highest application level of A+ was achieved according to the audit certificate issued by the GRI.

External Audit

The quantitative details in the section "Indicators and Data" were audited by audit firm Ernst & Young GmbH. The audit certificate is provided on page 98f.

Reporting Cycle

The Porsche Sustainability Report will be completely revised and published in a two-year cycle. The next report will be published in 2016. The update of the key indicators will be published in 2015 and will be accessible on the Internet.

TABLE OF CONTENTS

Letter from the Chairman of the Executive Board **004**

Intelligent Performance and Sustainability **006**

About Porsche **008**

Sustainability Management **012**

BUSINESS WORLD 022

Customers, Dealers and Suppliers **022**

Governance **026**

Economic Parameters **029**

PRODUCT RESPONSIBILITY 030

Electrifying Power **032**

Product Ecology **036**

Product Safety **040**

ENVIRONMENT AND ENERGY AT THE SITES 044

Two Plants – One Target **046**

Company Environmental and Energy Management **050**

EMPLOYEES 056

Traveling into a Brighter Future **058**

Porsche Culture **064**

Basic Training and Career Training **069**

Pension Provision and Advice **070**

COMMUNITY 072

Premium meets Premium **074**

Social Commitment **080**

Education and Research **081**

Culture **082**

Sport **083**

Performance and Potential **084**

Indicators and Data **086**

Emission and Consumption Information **096**

Independent Assurance Report **098**

Certificate for the GRI Level Check **100**

GRI Index **U5**



LETTER FROM THE CHAIRMAN OF THE EXECUTIVE BOARD

Dear ladies and gentlemen,

The world of fascinating vehicles is the sphere of our everyday work. Three important numbers represent this concept in the eyes of many automobile enthusiasts: 911. The icon among sports cars reached a landmark 50th anniversary in 2013, and the 911 of today looks more appealing and modern than ever before. We develop vehicles for the heart and for the mind. When we launched the Panamera S E-Hybrid and the 918 Spyder last year, we once again proved our potential to perform in the premium segment. Porsche has created a success story by using plug-in hybrid technology to combine the driving performance characteristics of a sports car with the consumption values of a compact car.

Only a team of highly motivated employees enables us to put successful and technical innovations like these on the road. Our aim as an appealing employer is to give them access to optimum conditions and opportunities to develop their potential. We also strive to empower employees to reconcile the demands of career and family.

A high level of acceptance can only be achieved for our company and for our products if we remain open to developments within the community at large. A central function for Porsche is to maintain a consistent balance between economic objectives, environmental concerns, and social engagement. The strong growth of our company turns this into a real challenge. We have therefore developed clear benchmarks and controlling instruments, for example in the form of sustainability indicators.

Porsche is integrated within the community in many different ways. As far as we are concerned, acting sustainably means taking on responsibility for employees, the environment and the community. We would like to use this report to tell you about the areas of sustainable action at Porsche and our targets. The report will provide you with an overview of where we currently stand and where we want to be in the future.

We have many different stakeholder groups and we asked them about their perception of the main tasks and challenges for sustainability management at Porsche. The results of our survey are presented in this report.

Our track record already posts many milestones of achievement on the road route to sustainable action and business practice. Sustainability involves our vehicles, our employees, our sites, and our position within society itself. In accordance with our culture at Porsche, we are not satisfied with the status quo, we want to do even better. We will gradually implement our ambitious sustainability targets in a specially developed program of measures.

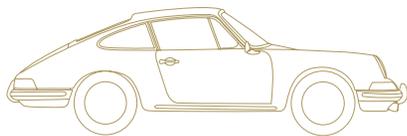
I would like to invite you to enter into a dialog with us – our Sustainability Report is intended to be a first step in this direction.



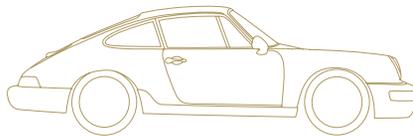
Matthias Müller

INTELLIGENT PERFORMANCE AND SUSTAINABILITY

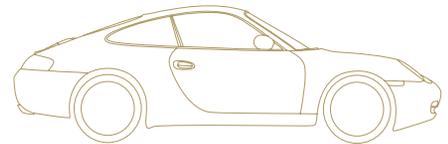
Peak performance and sustainability are only contradictions at first glance. In fact, they are dependent on each other.



1963 PORSCHE 911

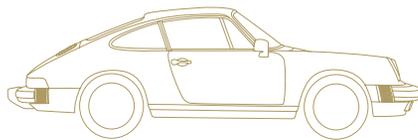


1988 PORSCHE 964



1997 PORSCHE 996

1973 PORSCHE G-MODELL



1993 PORSCHE 993

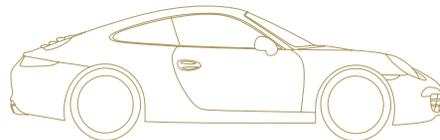


The question is provocative and yet reasonable: How sustainable are the operations of a manufacturer of exclusive premium sports cars? The answer is simple. Precisely because Porsche develops and manufactures high-performance sports cars, sustainability is a particularly important factor. Porsche is no different in this respect from an elite athlete. Anybody who wants to develop high performance over the long term must use the forces at their disposal carefully and look after their resources.

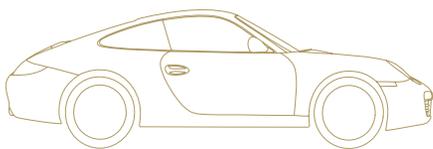
Peak engineering performances and sustainability are based on the continual search for improvement. This is a key element in the DNA of Porsche and it is most obviously manifested in the 911. This sports car is not only the heart of Porsche, it is also an example of sustainability on wheels. Although it has now been manufactured for 50 years and is currently in its seventh generation, there

has been no tarnishing to the luster of the car's fascination. And at the same time, every aspect of the car's engineering has been enhanced. The output of the engine powering the 911 has increased three-fold over the course of its career while gasoline consumption and braking distance have been reduced, not to mention exhaust emissions. Quite a different aspect of sustainability relates to the fact that more than 800,000 Porsche 911 cars have been built during the past 50 years. The vast majority of these automobiles are still driving on roads across the world – at Porsche we believe this represents an intelligent use of resources.

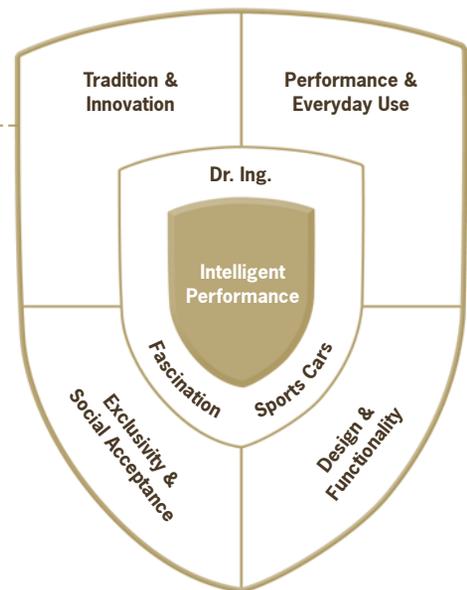
High-performance cars can only come into being with a workforce of highly qualified and motivated employees. They are supported and also challenged at Porsche. Companies and employees inside and outside the Group



2011 PORSCHE 991



2004 PORSCHE 997



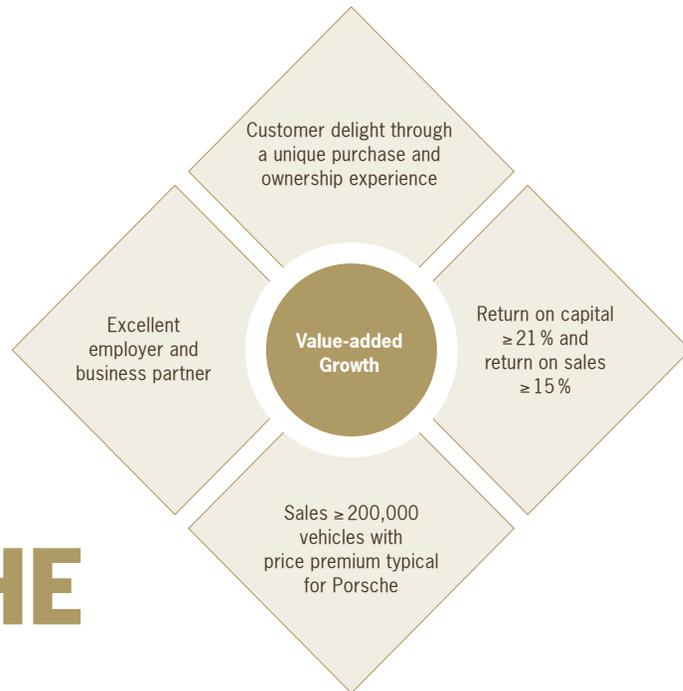
The brand values – connecting apparent contradictions

base their actions on ethical principles – treating each other fairly and openly constitutes the cornerstone for the Porsche culture. This also includes protecting the environment. As an industrial company with local and regional roots, Porsche is also very much aware of its corporate and community responsibility in this sphere.

Intelligent Performance is not simply the brand core for Porsche, it is a permanent target in all areas. The continuous striving for optimum achievement relates not just to sports cars but also to the company as a whole. This can be attained better with sustainable thinking and action.

A sustainable approach solves apparent contradictions, as again demonstrated by the 911 sports-car icon. This legend has combined tradition and innovation for half a century. Innovation has developed out of tradition as a result.

Despite outstanding performance, the 911 is absolutely fit for everyday use and fully functional in spite of its exciting design. The genes of this car are present in every Porsche. And perhaps this is the special attraction of a Porsche: the combination of exclusivity and social acceptance. These apparent contradictions have defined Porsche and are our brand values. In a nutshell: Intelligent Performance.



ABOUT PORSCHE

Growing profitably with superbly engineered and qualitatively high-value vehicles. The corporate goal that Porsche has successfully pursued over the years remains the benchmark for today.

CORPORATE GOALS FOR 2018

The key corporate goals for our “Strategy 2018” follow the Porsche vision – “We are the most successful manufacturer of exclusive sports cars” – and they form the backdrop to the strategically overarching goal “value-added growth”.

- We delight our customers over the long term with a unique purchase and ownership experience.
- With a return on capital of ≥ 21 percent and a return on sales of ≥ 15 percent, Porsche is one of the most profitable automobile manufacturers in the world.
- We remain an excellent employer for our employees, and an excellent partner for our dealers and suppliers.
- We are increasing sales to more than 200,000 vehicles and retaining a price premium typical for Porsche.

PRODUCT PORTFOLIO

Porsche is represented worldwide in 126 markets and is the leading manufacturer of exclusive sports cars. This market position is safeguarded through exclusive products, an individual offering, and intensive customer support. The existing series 911, Boxster/Cayman, Panamera and Cayenne will be complemented by a further series and a sports car in 2014. The new Macan celebrated its world premiere at the Los Angeles Auto Show (USA) in November 2013. The first vehicles were delivered in spring 2014. One of the highpoints of the Frankfurt Motor Show in 2013 was the presentation of the 918 Spyder featuring a high-performance plug-in hybrid drive.

Porsche has debuted the Macan as its first foray into the compact SUV segment (Sport Utility Vehicle). The product range comprises three models for the market launch – Macan S, Macan S Diesel and Macan Turbo. The compact sport utility vehicle is being manufactured at a plant specially expanded for this purpose in Leipzig. The production facilities have been organized for an output of around 50,000 units each year.



Addition to the family: The Macan expands the model range

The most popular Porsche series in recent years was the Cayenne. The current generation of the SUV was presented in 2010. The apogee was the world premiere of the Cayenne S-Hybrid powered by a hybrid drive.

 PANAMERA S E-HYBRID WORLD FIRST
 IN ITS CLASS

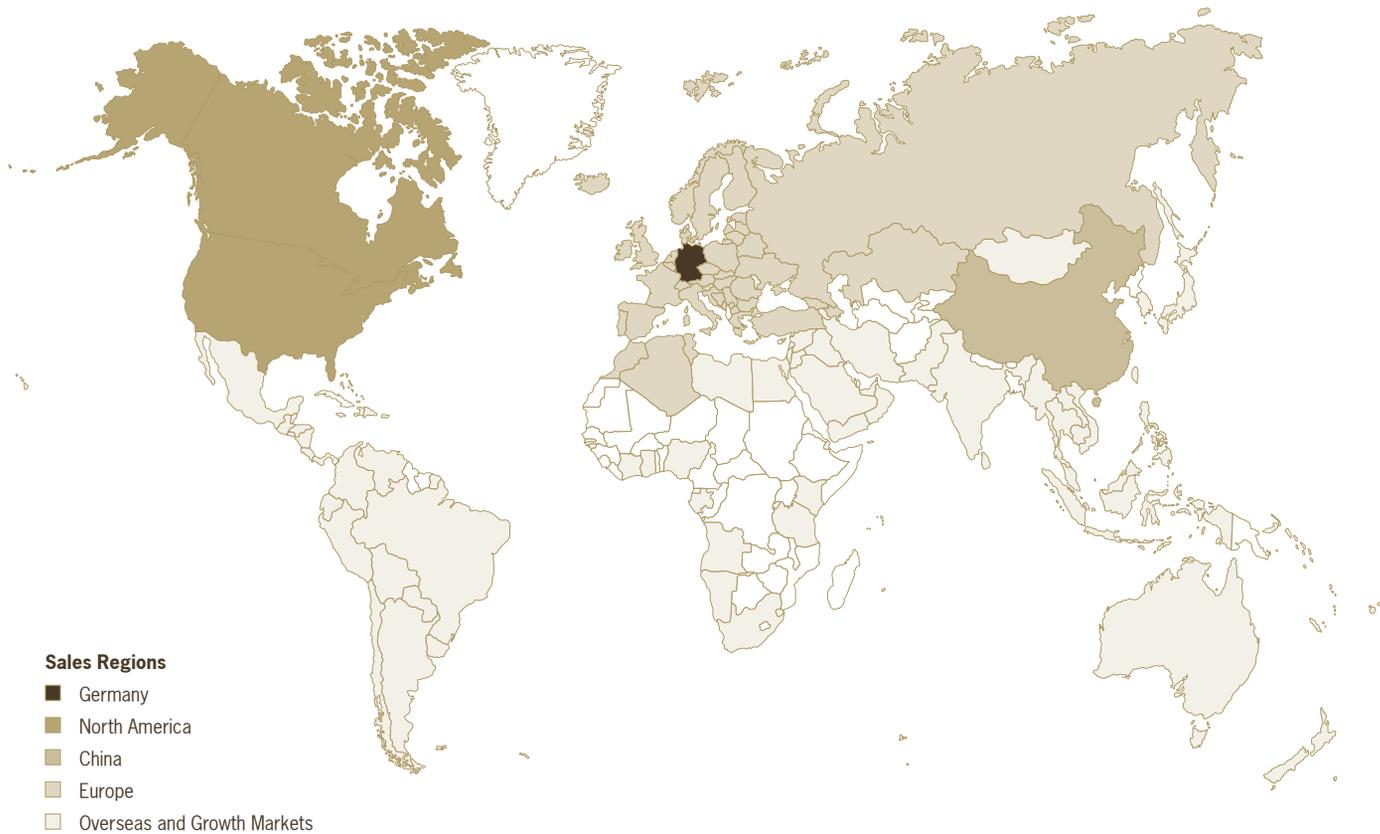
Hybrid drives combine two different drivetrain systems: internal combustion engine and electric motor. If these two drivetrains are combined in an intelligent interaction, both types of power unit can reduce power consumption and emissions. Hybrid vehicles are ideally driven extremely quietly and free of emissions in environments that are particularly sensitive in environmental terms, such as urban cityscapes. Plug-in hybrids also have an external charging capability, for example plugging them into a power socket overnight. The first operational hybrid automobile in the world was already developed by the founder of our company, Ferdinand Porsche, in 1900. This engineering feat put him far ahead of his time.

Porsche presented additional fascinating new developments in this area with the launch of the 918 Spyder. The super sports car combines three drivetrain sources: two electric motors and a V8 combustion engine powered by racing genes. The highly efficient plug-in hybrid drive enables the 918 Spyder to combine maximum dynamic handling with minimum consumption (3.1 liters per 100 kilometers in the New European Driving Cycle, NEDC).

The 911 has been the most traditional Porsche model since it was first launched in 1963. The latest generation of the sports-car icon celebrated its world premiere at the Frankfurt Motor Show in 2011. The new lightweight body plays a substantial role in reducing the weight by as much as 65 kilograms. Consumption and emissions came down by up to 16 percent compared with previous generations.

Since 2012, Porsche has been taking a new approach with the Boxster mid-engined roadster. Alongside a more powerful engine, the latest generation of the series has a range of components designed to cut down consumption including a completely new lightweight body. The third generation of the Cayman was also presented in 2012. Similar to the 911 and the Boxster, the current Cayman also has a lightweight body which permits enhanced drive performance coupled with improved fuel efficiency.

PORSCHE WORLDWIDE: ACTIVE IN 126 MARKETS / SALES REGIONS



Since 2009, the Panamera has augmented the product range at Porsche with a Gran Turismo. The presentation of the second generation in the reporting year 2013 was accompanied by the launch of the Panamera S E-Hybrid as the world's first vehicle in its class with parallel full hybrid and external charging option in the power supply.

The engine capacity in the Panamera S is reduced compared with the predecessor model by decreasing the number of cylinders from eight to six (downsizing) in combination with turbocharging to achieve higher output with lower consumption and optimized emission values.

MARKETS

After the company achieved a delivery record of 141,075 new vehicles in the business year 2012 (2011: 118,868 vehicles), this number was again surpassed in the reporting year 2013 with 162,145 deliveries.

The automobile market in Europe was severely impacted by the euro crisis and the general economic situation.

This continued to create a difficult market environment in the reporting year 2013 even in the premium segment. Nevertheless, Porsche recorded a performance that was positive overall. The generally sluggish development also extended to the domestic automobile market. Porsche still managed to buck this trend in Germany by achieving a record year in 2012 (17,526 customer deliveries) and again increased deliveries by 18 percent with 20,638 new vehicles in 2013.

In the reporting year 2013, the USA continued to remain the most successful single market for Porsche with a total of 42,323 new deliveries. In 2012, the company had already achieved record sales figures in its biggest sales market with 35,043 deliveries.

After China became the second largest market in the preceding years, the company reaffirmed its growth trajectory (new deliveries 2011: 24,340; 2012: 31,205) in 2013. During the year under review, a total of 37,425 new vehicles were delivered – representing growth of 20 percent compared with the previous year. The significant expansion of the dealer network in China to the current level of 63



Strong drivetrain: Engine production in Stuttgart-Zuffenhausen

dealerships provided an important building block in the success enjoyed by our company there.

KEY LOCATIONS

Zuffenhausen

The heart of Porsche beats in Stuttgart-Zuffenhausen where the group headquarters and the executive management are located. Sales and Marketing, Human Resources and Social Affairs, as well as the Finance and IT Department also operate from this location. A workforce totaling around 7,200 people works at the site.

And Porsche continues to grow in Zuffenhausen. Since 2010, the site area has doubled to more than 614,000 square meters. Refurbishments and newbuilds demonstrate the extent of investment in the site totaling more than 500 million euros. A new computer center has been developed, as well as a modern and environmentally compatible paint facility and a new car body store. A new training center will come onstream in 2015 and the new engine plant is scheduled for startup in 2016. The former paint shop was converted to the new production facility for the 918 Spyder and a large number of office buildings on the former Alcatel-Lucent site purchased by Porsche were upgraded. The number of employees working at the main plant increased in step with the expansion. More people in the workforce mean that the social facilities for employees need to be expanded as well. This is also part of our overall responsibility.

Weissach

Since 1971, the Porsche Development Center has been based in Weissach. Around 4,500 employees have their workplace here. Over the coming years, the Development Center will continue to grow. The site is being enlarged and modernized with the addition of an advanced design studio, a high-tech wind tunnel, and an electronics integration center. Work on the expansion program started in 2011 and Porsche is investing around 150 million euros in the site. In July 2014, the official opening ceremony for the buildings will take place. Design offices, test rigs, workshops and the motor-sport department are located in a cluster at the Development Center. Short pathways on the site permit direct and uncomplicated communication between the individual development departments.

Leipzig

The Cayenne has been manufactured in Leipzig since August 2002. In 2003, production of the Porsche Carrera GT, an edition limited to 1,270 cars, started up – every day three of the super sports cars were hand-crafted there until May 2006. Since 2009, the Panamera has also been produced at the Leipzig facility. In addition to a customer center, the plant is also equipped with a test track – certified by the FIA governing body for world motor sport – and an off-road track. In 2011, the foundation stone was laid for the second extension of the plant. The success story of the Porsche site in Saxony was continued with this milestone. At the end of 2013, production of the fifth Porsche series, the Macan, started up here. The company is investing a further 500 million euros in this facility. A total of 1,500 new employees were hired to cope with the increase in production.

Other Sites

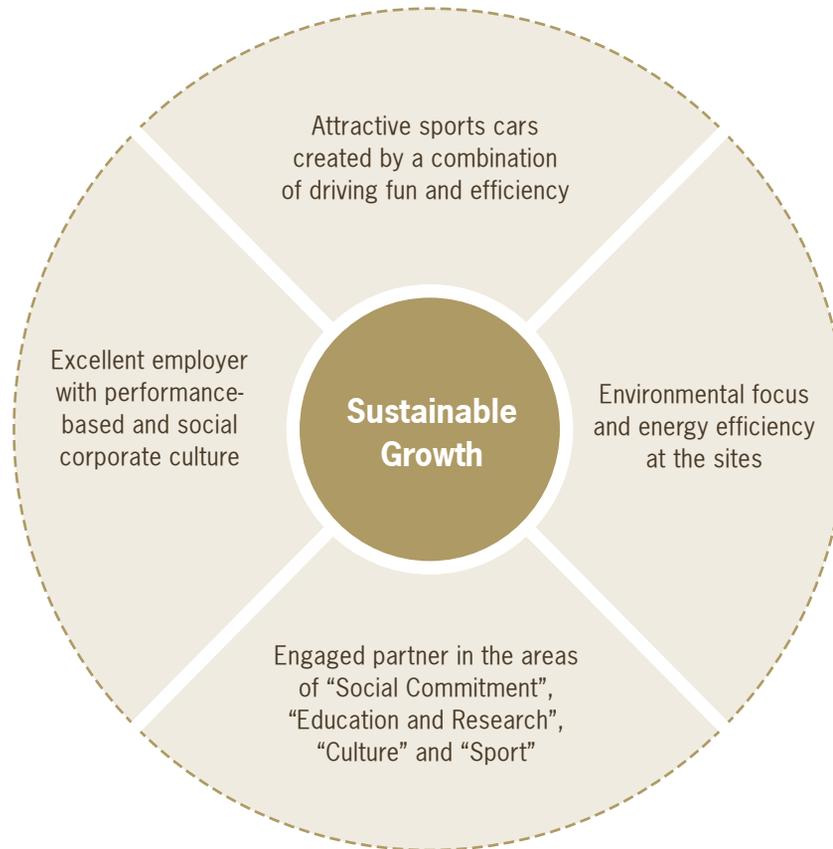
Other subsidiaries are located at the sites Bietigheim-Bissingen, Ludwigsburg and Sachsenheim in the Stuttgart conurbation.

GROUP OF CONSOLIDATED COMPANIES

Since 1 August 2012, Volkswagen AG has been the sole shareholder of Porsche Holding Stuttgart GmbH, which holds 100 percent of the share capital in Porsche AG. There are controlling and profit transfer agreements between Porsche Holding Stuttgart GmbH and Porsche AG, and between Porsche AG and its key domestic subsidiary companies. The group of consolidated companies making up the Porsche AG Group comprises a total of 101 fully consolidated companies, of which 25 are located in Germany and 76 are based outside the country.

During the year under review, there were no major changes in the structure and ownership relationships of the company.

SUSTAINABILITY TARGETS
OF PORSCHE AG



SUSTAINABILITY MANAGEMENT

Sustainability is an executive issue at Porsche. The newly established "Sustainability Office" is therefore positioned directly within the portfolio of responsibilities held by the Chairman of the Executive Board. This means that apart from the core business of development, production and sales of fascinating sports cars, the responsibility for people, environment and the community forms a central function of the company.

TARGETS AND STRUCTURE

Porsche is pursuing clearly formulated goals with the “Strategy 2018”. The company is striving to achieve these objectives by implementing defined programs with innovative ideas, structured processes, and a high level of social responsibility. Particularly as a manufacturer of exclusive sports cars, Porsche is committed to increase the social acceptance of the company and its products by acting with an awareness of community and environmental responsibility throughout the world. Porsche is not simply dedicated to achieving business goals but is also striving to grow sustainably with attractive sports cars that combine supreme sportiness and driving pleasure with maximum efficiency. The company aspires to be an excellent employer for its staff members by fostering a performance-oriented corporate culture with a social ethos and by creating facilities that manufacture products in line with environmental standards and use energy efficiently. This concept includes a smooth-running social partnership with the works council. All these aspects combine to epitomize the unique Porsche culture. Beyond the boundaries of the company, the sustainability targets encompass a multifaceted commitment to social concerns, education and research, culture and sport. Creating a balance between business objectives, environmental commitment, and social engagement is a central task at Porsche alongside promoting these aspirations in a process of continuous development. The sustainability targets have been given more concrete form in the Sustainability Program.

The relentless striving for improvement is typical of Porsche. In the context of a comprehensive review, the company was analyzed to assess the status of business, environmental and community concerns in the year under review. This included a survey of existing activities and measures as well as identifying issues that still needed to be addressed.

AREAS OF ACTION

As a result of this analysis, the field of sustainability at Porsche was structured using five areas of action. This report is consequently based on these areas:

- Business and Customers
- Product Responsibility
- Environment and Energy at the Sites
- Employees
- Community

The first four areas of action are within the scope of our own corporate activities. The “Community” area of action includes Porsche’s engagement with social issues, education and research, culture and sport.

SUSTAINABILITY ORGANIZATION

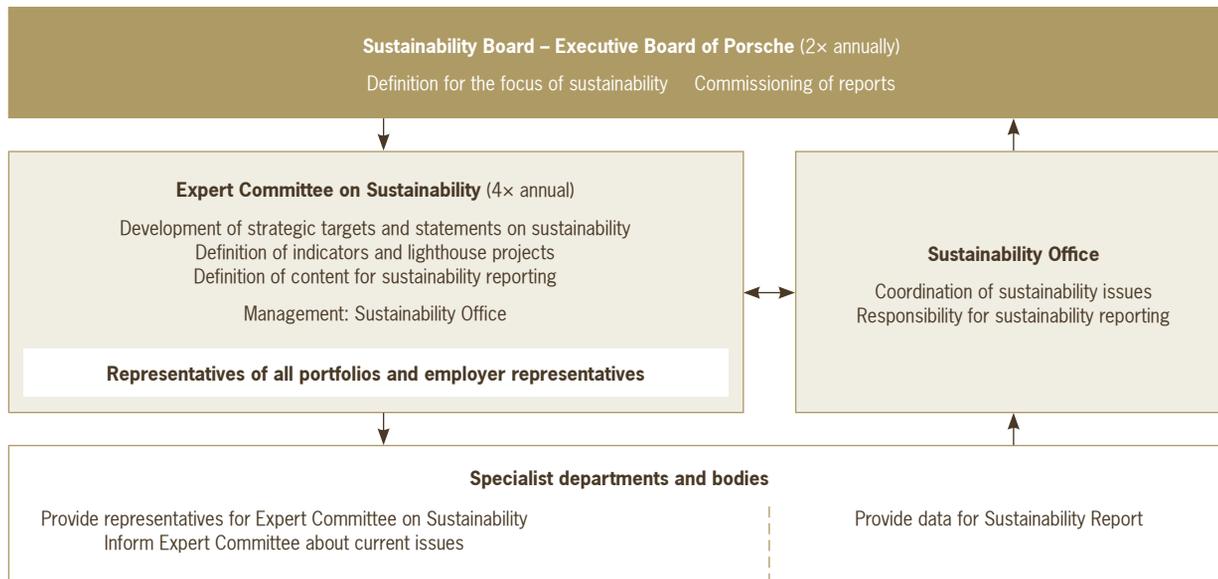
During the year under review, Porsche restructured the organization of sustainability. The company also established clear lines of responsibility and communication mechanisms which are based on the existing structure within the Volkswagen Group. These changes ensure that sustainability is securely established at the highest executive management level within the corporate hierarchy. The Executive Board meets twice a year as the “Sustainability Board” and defines the strategic direction of Porsche for sustainability issues. In addition, the Sustainability Board is also responsible for environmental and community reporting at the company. The members of the Sustainability Board have also taken responsibility as “mentors” for the areas of action coming within their board portfolio and they act as advocates for the measures and targets defined here.

Areas of Action

Business and Customers	Lutz Meschke (Board Member for Finance and IT), Uwe-Karsten Städter (Board Member for Procurement), Bernhard Maier (Board Member for Sales and Marketing)
Product Responsibility	Wolfgang Hatz (Board Member for Research and Development)
Environment and Energy/Sites	Dr. Oliver Blume (Board Member for Production and Logistics)
Employees	Thomas Edig (Board Member for Human Resources and Social Affairs)
Community	Matthias Müller (Chairman of the Executive Board)

The newly established “Sustainability Office” acts as an interface for all issues relating to sustainability. It is part of the “Politics and Society” Department which reports directly to the Chairman of the Executive Board. Sustainability at Porsche is therefore part of the Chairman’s portfolio. The Sustainability Office looks after the coordination of all sustainability issues and reporting, while also providing continuous and clearly defined communication between the different organizational units involved in the process.

THE SUSTAINABILITY ORGANIZATION AT PORSCHE



The newly established “Expert Committee on Sustainability” is responsible for the definition of concrete strategic targets and statements on sustainability. It is organized along interdisciplinary lines and is made up of members from all specialist areas relevant to the issue of sustainability. The rules drawn up by the Expert Committee specify that meetings should be held four times a year under the auspices of the “Politics and External Affairs” Department. The participants in these meetings formulate targets on the issue of sustainability, take decisions on lighthouse projects, address indicators for sustainability and define the conceptual approach for the content of sustainability reporting. The following specialist departments have appointed permanent representatives for the defined areas of action as well as for the area of “Communication”:

Area of Action	Departments/Committees
Business and Customers	Projects and Porsche Improvement Process Finance and IT; Procurement Strategy and Processes; Product Management
Product Responsibility	Environment and Energy Product
Environment and Energy/Sites	Environmental Protection; Energy Management; Plant Structure Planning; Porsche Leipzig – Planning
Employees	Human Resource Strategy and Inno- vation Management; Works Council
Community	Politics and External Affairs; Corporate Social Responsibility
Communication	Corporate Communication

Porsche AG is also integrated in the orientation of the group-wide sustainability activities through various steering committees in the Volkswagen Group.

ACTION GUIDELINES

The management and employees act in accordance with the guidelines applicable throughout the Group in all everyday routine work and in entrepreneurial decision-making. They provide overarching principles for corporate governance. They form a framework for action governing good and responsible cooperation between employees in compliance with legislation and regulations while also providing principles for decision-making and controlling processes. The Compliance Code disseminated within the company supports compliance with statutory regulations and company-specific guidelines. The Porsche culture is extensively described in the management guidelines and serves internally as a guiding principle for areas such as employee development, internationality, and cultural diversity, as well as in concrete terms for sustainability and social responsibility. An array of company agreements combine with group and company guidelines additionally to create a regulatory framework.

The Sustainability Board has cooperated closely with the Expert Committee on Sustainability to adopt the first principles for sustainability in the reporting year 2013. These will serve as an action plan governing the areas of action identified for sustainability.

Targets and programs are formulated and implemented for all sustainability principles. These will be reviewed every year. Porsche aims to create maximum transparency and regularly communicates information within the public domain about sustainability activities.

SUSTAINABILITY PRINCIPLES**1. Business and Customers**

Satisfied customers, economic stability, value-added growth, and social acceptance for our products are the goal for the activities of our company. We combat corruption and uphold an environment of fair competition, we respect compliance with internationally acknowledged human rights, and categorically reject any form of forced labor and child exploitation.

2. Product Responsibility

We develop high-quality, innovative and long-lived products with performance typical of Porsche. Quality, environmental compatibility and safety are consistently optimized over the life cycle of the vehicles.

3. Environmental Protection

The considerate use of natural resources is a priority objective for our company. The environmental effects of the development and manufacturing processes should be kept as low as possible. Environmental compatibility and the efficient use of energy are therefore continuously reviewed along the entire value chain and improved as appropriate.

4. Employees

The people at Porsche form the heart of the company. Key elements of corporate social responsibility are performance-based remuneration and continuous improvement. They form part of efforts to get the work-life balance right and enable our staff to combine career and family. Career development and provision of qualifications for employees are also important aspects of our personnel policy. Loyalty and mutual trust form the basis for routine work every day. We promote social partnership, equal opportunities and co-determination. This creates the right conditions for a fair balance between the interests of employees and the company.

5. Community

Our engagement supports the community in the areas of "Social Commitment", "Education and Research", "Culture" and "Sport" and we develop local and international projects and measures in this area. We help initiatives and organizations to carry out their important social functions for the community by providing transparent donations and sponsorship money.

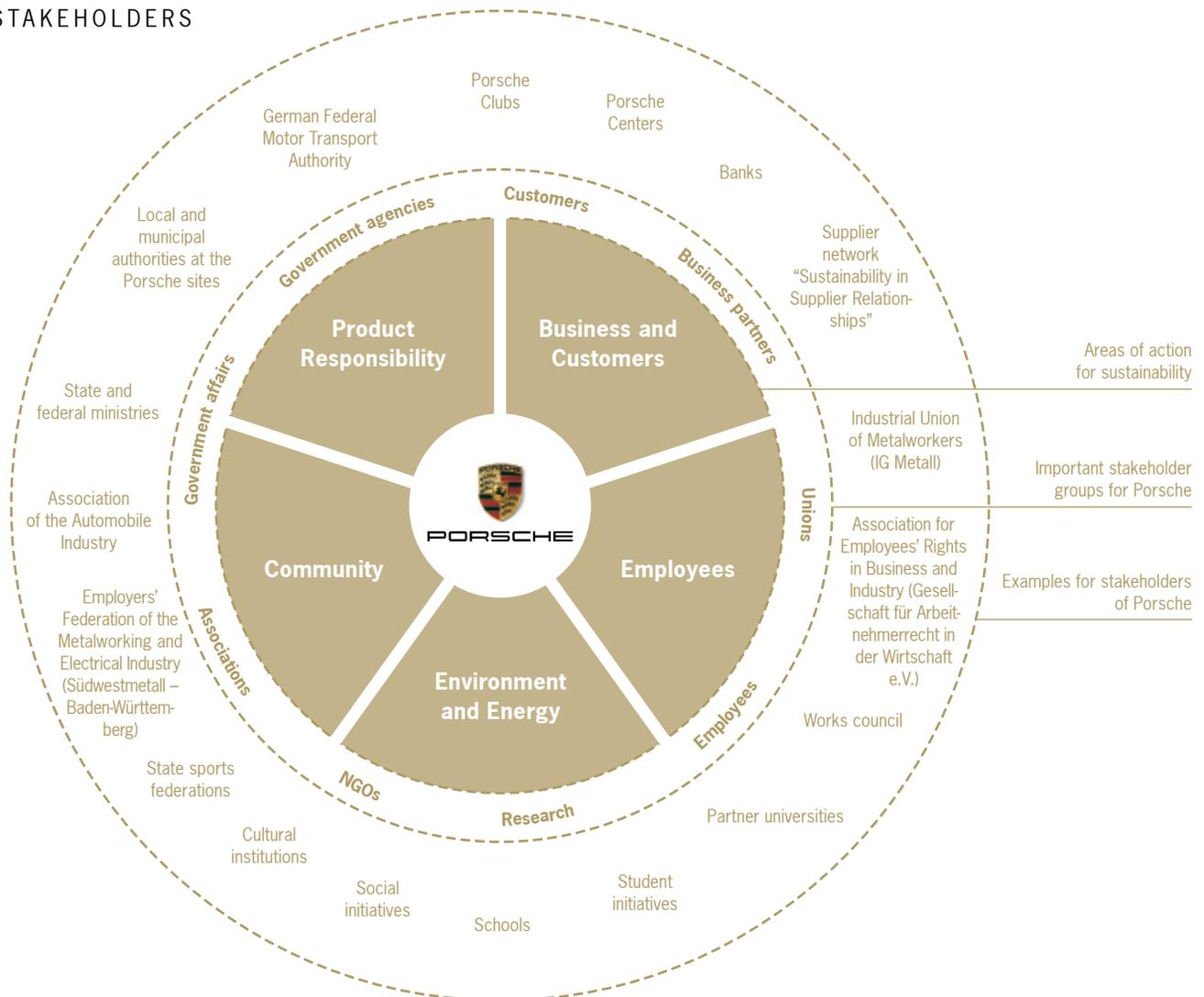
STAKEHOLDER COMMUNICATION AND DIALOG

Existing communication and exchange with our stakeholder groups on the issue of sustainability has so far been implemented in the form of information events, reporting and internal training measures. Communication was intensified during the course of the year under review. The stakeholder groups were identified on the basis of their being directly or indirectly impacted by the business activities of Porsche.

Porsche continually seeks and intensifies contact and information exchange with the various stakeholder groups. The "Sustainability Office" is primarily responsible for this, while specific communication on sustainability is also organized by the individual specialist departments.

The most important stakeholder groups plus selected examples of internal and external stakeholder groups and networks are presented in the following chart.

OUR STAKEHOLDERS



Overview of stakeholder communication on sustainability issues for 2013:

Communication Media with External Stakeholders

Annual Report 2012
 Stakeholder survey
 Porsche website
 Environmental Statement
 Press releases
 Showcase projects in Baden-Württemberg and Bavaria/Saxony
 Activities in associations
 Information events for local residents
 Meetings with government agencies

Communication Media with Internal Stakeholders

Expert Committee on Sustainability
 Introductory events for new employees ("Porsche Warm Up")
 Works meetings
 Management training courses
 Staff newspaper "Carrera"
 Staff TV station "Carrera TV"
 Newsletter "Carrera Mail"
 Porsche Intranet
 Porsche Information Bulletins (PIB)

Comprehensive Information for Local Residents

Porsche will build a new, bigger and more modern training center at its headquarters in Stuttgart so that more young people can be given a vocational training. In future, the new building will be able to provide 450 apprentices with technical and commercial vocational perspectives rather than catering for the current level of 300. The opening of the new training center is planned for September 2015. Since some 100 private residential units are located around the center, Porsche invited the residents to take part in an information event before the initial construction work started in the fall of 2013.

At this event, Porsche experts from the areas of Central Building Management, Human Resources Development and Personnel Strategy, as well as Politics and Society provided the residents with detailed information about the new project. The information event focused on the motives and objectives of the construction project and on the resulting changes for residents. A group of around 70 guests took considerable interest in the presentations and used the information event to put numerous questions to the company. Porsche was able to reassure the neighboring residents that they would not be subjected to any excessive impacts during the construction phase over a period of two years.



Jürgen King, Head of Central Building Management, explains the construction plans



Porsche engages with the issues raised by the stakeholder group of local residents

Stakeholder Survey

A comprehensive stakeholder survey was carried out for the first time during the course of the reporting year. The purpose of the survey was to systematically assess the opinions, views and expectations on sustainability held by the stakeholder groups in the German domestic market relevant to Porsche. Nearly 2,800 external stakeholders, including customers, business partners, representatives of government agencies, associations, unions and non-governmental organizations, politicians, researchers, and sustainability experts were invited to take part in an online survey. Representatives from the Volkswagen Group and the individual Group brands also participated in the survey. 18.1 percent accepted the invitation and responded to questions related to the issues of corporate governance, production and products, and the topic of employees and the community. The outcome demonstrated that 76 percent of the respondents classified the relevance of sustainable and ethical business as important or very important for Porsche. The three most important challenges

for the company were confirmed as the issues of “climate change and greenhouse gases”, “energy and resource scarcity” and “sustainability as a decision-making criterion for customers”. This assessment provides the company with a valuable indicator for prioritizing the issues.

The survey respondents rated the company as average with respect to its engagement and pursued sustainability activities.

Satisfaction with performance on sustainability was also rated as average. This feedback made clear that there is potential for improvement and scope for strategic work on sustainability issues. Future sustainability communication can be tailored to specific stakeholder groups by ascertaining and evaluating the most frequently used information sources on sustainability and corporate responsibility – for example, general media such as newspapers, trade magazines, and the Porsche customer magazine.

Stakeholder Statements

Our stakeholders commented on the most important contributions that Porsche should make in terms of sustainability:

REPRESENTATIVE OF A GOVERNMENT AGENCY

“I believe that the most important contribution is the successful continuation of the company as a going concern and that this entails developing products which meet the needs of the market. This requirement is derived from the conditions in the community and social needs.”

CUSTOMER

“Porsche should manufacture products with a high level of enduring value and this will help to conserve resources. Employee loyalty and motivation should be the focus here alongside a close relationship with customers.”

BUSINESS PARTNER

“Porsche should present all its sustainability activities in a consolidated approach. The company plays a leading role in promoting regional and social concerns and is entitled to be proud of these achievements. This commitment needs to be extended to environmental dimensions. Porsche is doing more than is immediately obvious at first glance!”

UNION REPRESENTATIVE

“The most important contribution that Porsche should make to sustainability is safeguarding jobs in Germany.”

REPRESENTATIVE OF A NON- GOVERNMENTAL ORGANIZATION

“Consistent reduction of CO₂ emissions generated by the fleet through efficient and alternative drivetrains while at the same time reducing the environmental impacts of production.”

REPRESENTATIVE FROM A GOVERNMENT ORGANIZATION

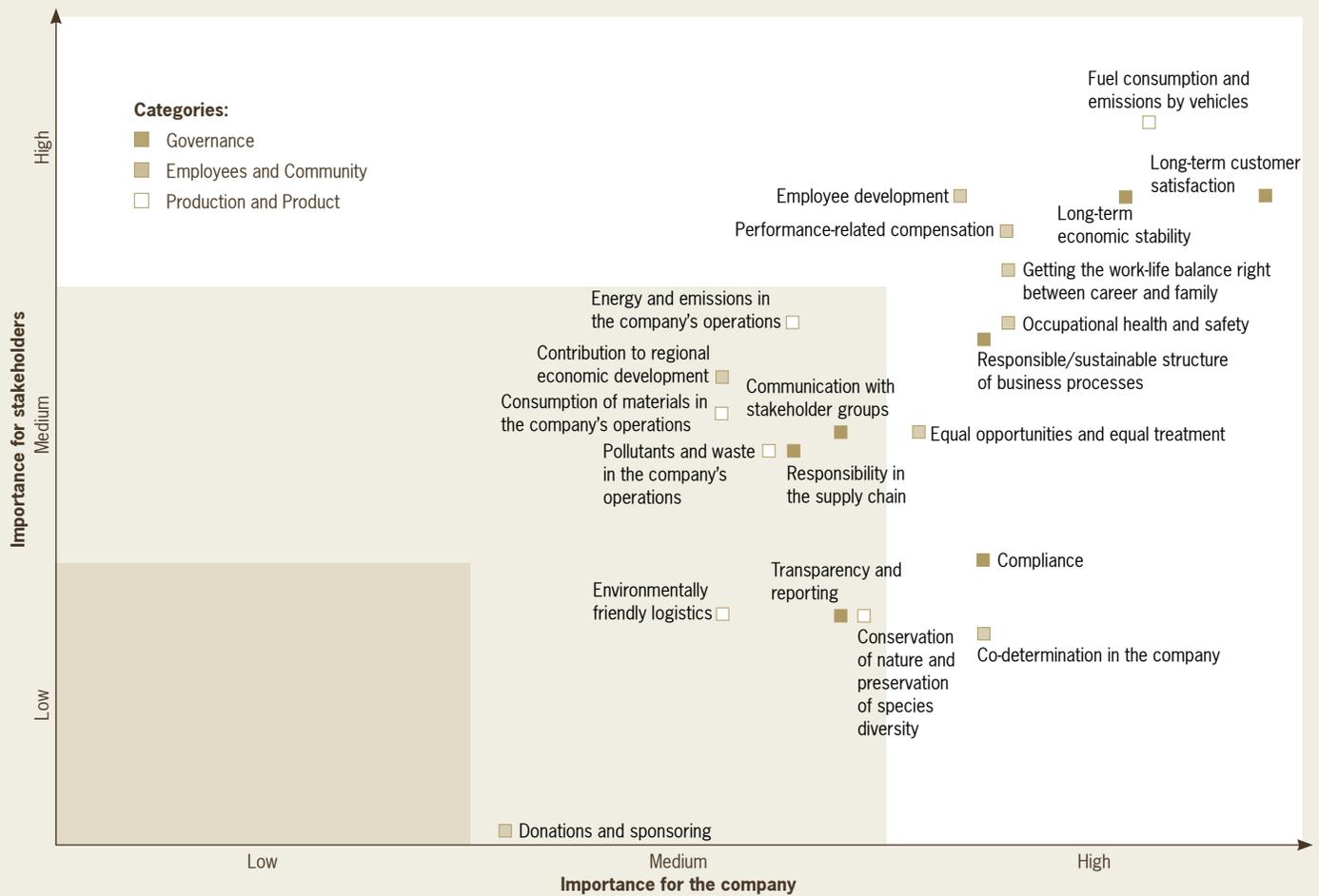
“Porsche could give more thought to climate-friendly mobility in cities.”

Materiality Analysis

After the survey of stakeholder groups from Germany had been completed, the first materiality analysis was carried out on the evaluated issues. An internal workshop provided a forum for discussion between employees from areas of the company relevant to sustainability. The results of the stakeholder survey, including new issues and highlighted questions, were analyzed to assess their financial and

reputational relevance for the company. The result of this evaluation is presented in the company's first materiality matrix. It was approved by the Expert Committee on Sustainability and the Sustainability Board. The results evident in the matrix were taken into account when defining and prioritizing the content of the Sustainability Report.

SUSTAINABILITY MATRIX



Porsche takes the assessment of its stakeholders seriously and this is demonstrated by the approach to the materiality analysis adopted by the company. The issues identified here were addressed and turned into targets. The resulting aspiration derived from the matrix is self-evident for an ambitious company: Porsche wants to continuously improve its performance on sustainability. The first stakeholder

survey carried out and the subsequent materiality analysis therefore represent an initial step toward adopting a continuous dialog with these stakeholders. The aim is to expand this dialog further over the coming years – that is why it constitutes an important element in the Sustainability Program.

SUSTAINABILITY PROGRAM

BUSINESS AND CUSTOMERS

Target	Date	Measures	Status
Safeguarding and increasing customer satisfaction for purchasing and service	ongoing	Creation of detailed customer knowledge through international and regular market research; monitoring of customer satisfaction using scorecard, conceptualization, and implementation of measures for enhancing customer satisfaction	
Customer delight through a unique purchase and ownership experience	ongoing	Creation of detailed knowledge about customers and derivation of measures to enhance customer satisfaction	
Performance of training sessions in relevant compliance issues	ongoing	Continuation of the training schemes already started in the year under review in the defined target groups	
Intensification of cooperation with social institutions and supplier companies who promote the employment of people with disabilities	2014	Planning and implementation of further joint ventures with the relevant institutions	
Continuation of high levels of investment, including expansion and modernization of the plants in Zuffenhausen and Leipzig, and upgrading of the Development Center, as well as high levels of expenditure on Research and Development to safeguard technology leadership	2018	Investments of more than one billion euros each business year plus outgoings for research and development in the same amount each business year	

PRODUCT RESPONSIBILITY

Target	Date	Measures	Status
Increase in efficiency for each new model generation (product life cycle) by approximately 20 percent	ongoing	Comprehensive measures for continuous optimization of consumption based on the drivetrain and operational strategy, and reduction in road resistance	
Hybridization as an important element for reducing the consumption of the Porsche fleet	ongoing	Consistent pursuit of the hybrid strategy	

ENVIRONMENT AND ENERGY

Target	Date	Measures	Status
Continuous advanced development of environmental and energy management systems	ongoing	Regular internal and external audits of management systems in conformity with ISO 14001, ISO 50001 and EMAS; certification of international subsidiary companies with a high level of environmental relevance in conformity with ISO 14001	
Contribution to preservation of biodiversity	2017	Organization based on the principles of nature conservation and taking into account the local conditions and typical landscape at the sites	
More environmentally friendly production by reducing the consumption of fresh water, CO ₂ and VOC emissions, waste, and total energy consumed at the production sites Zuffenhausen and Leipzig (contribution to group-wide reduction targets: -25% by 2018 compared with 2010)	2018	Recording, evaluation, and implementation of site-specific measures	

EMPLOYEES			
Target	Date	Measures	Status
Further increase in the appeal as an employer	ongoing	Implementation of the program "Porsche gets fit for the employment market of the future"; selection options for arrangement of working hours that are more individual and suited to specific life phases	
Maintenance and promotion of employee achievement (work ability)	ongoing	Range of healthcare promotion programs; Planning of a health center	
Increase in the proportion of women in management positions	ongoing	Establishment of target agreements for managers; increase in the package of measures for getting the work-life balance right between career and family	
Improvement in training conditions (workshop area, training and recreation areas)	Sept. 2015	Construction of a new training center in Zuffenhausen	

COMMUNITY			
Target	Date	Measures	Status
Development of a concept for volunteering by employees		Development of a concept for corporate volunteering; identification of suitable partner organizations	
Perception of social responsibility and enhancing social acceptance of the company	ongoing	Expansion of CR engagement of Porsche at its domestic sites in the areas of "Social Commitment", "Education and Research", "Culture" and "Sport"; further development of existing CR lighthouse projects	

SUSTAINABILITY MANAGEMENT			
Target	Date	Measures	Status
Establishment of a systematic stakeholder dialog	2014	Development of a concept for stakeholder dialog	
Establishment of a sustainability management system	2015	Further development of the established structures, definition of responsibilities, documentation	
Evaluation of possible memberships in sustainability networks	2014	Review and analysis of sustainability networks with a view to possible membership	

     New target
     Commenced
    Target partly attained
    Target attained
    Ongoing target

BUSINESS WORLD

CUSTOMERS, DEALERS AND SUPPLIERS

CUSTOMER RELATIONS

The most important partners for any company are its customers. Porsche therefore believes that interaction and dialog with them provides an important strategic dimension. The company has consequently developed these aspects within the framework of “Strategy 2018”. The “Customer Relations” Department bundles the functions from global market research to dealing with the customers’ concerns on an individual basis. The department regularly supports the core processes by performing an interdisciplinary function during the course of the customer relationship in cooperation with the individual specialist areas in sales, marketing and after sales.

Global customer market research in the “Customer Insights” Department ensures that customer needs are channeled into the development of products and services at an early stage. This helps to create long-term customer loyalty. Each year, Porsche carries out more than 150,000 surveys with its customers across the world.

Optimum customer-care processes are worked out in the “Customer Relations Projects & Processes” Department and implemented throughout the world. The activities in the area of innovative customer relations processes are regularly acknowledged by independent institutions with accolades in the form of international specialist awards, such as the CRM Best Practice Award (2011) in Germany, the Swiss CRM Innovation Award (2012) in Switzerland, the Gartner Award (2013) in the United Kingdom or the Brandon Hall Award (2013) in the USA.

Porsche sees critical customer feedback as an opportunity to progress as a learning organization and expand its customer-centric approach. The “Customer Commitment” Department is looking for individual solutions in order to live up to the aspiration of long-term customer

loyalty in accordance with the motto “car for life – customer for life”.

Porsche has established long-term customer processes in the organization by bundling the departments “Customer Insights”, “Customer Relations Projects & Processes” and “Customer Commitment”.

Customer Contact – direct and uncomplicated

Porsche is linked up with its customers through the dealership network, over the Internet, and through a “Customer Contact Center” in Stuttgart. More than 40,000 customers get in touch with Porsche each year by telephone or by email. They ask questions and put forward ideas, express their criticism or make proposals for improvement. Apart from questions about cars or services, inquiries about detailed information can be made directly by phone, for example asking about the opening times of the Porsche Museum. Porsche’s goal is not to let customers wait for answers to their inquiries and concerns. The internal target of answering an incoming call within 20 seconds was achieved last year in more than 90 percent of all calls.

Forum for Product Quality and Customer Satisfaction

Finding out about customer concerns and addressing these issues is a top priority at Porsche. The “Forum for Product Quality and Customer Satisfaction” therefore focuses on the needs and concerns of customers. This provides a forum at the level of the Executive Board for discussing technical quality issues and identifying the drivers for customer satisfaction and customer enthusiasm. Reasons that may lead to dissatisfaction are also debated openly so that customer-centric solutions can be developed quickly. The close cooperation between engineers and representatives from the departments of Quality Control, Customer Relations and After Sales accelerate the processes and ensure that the concrete needs of customers are brought into focus. This approach



enables well-founded, broadly based decisions to be made by the Executive Board without delay. They can then be implemented rapidly for customers' benefit with the quality of the product and the associated support going hand in hand.

Strategic Initiative "Customer Experience Management"

Customer enthusiasm means meeting the "Porsche Performance Promise" at every point of contact with the customer. Porsche launched the "Customer Experience Management (CEM)" initiative to achieve this objective. More than 100 potential points of contact with the Porsche brand have been identified for customers and prospectives, for example directly at dealerships, over the Internet, at exhibitions and motor shows, or in personal conversation. The guiding idea for the initiative is to make sure that each of the contact points is aligned to optimum effect with the expectations and needs of customers, and maximally harmonized with each other. This entails that the uniqueness of the Porsche brand and its products is communicated to each customer and prospective with the aim of achieving lasting enthusiasm. The "Customer Experience Management" initiative has also received a positive response from a specialist audience, for example in relation to the recently published manual "Customer Loyalty Management".

Integrated System in Customer Relations Management

Long-term customer relations also require stable processes and integrated systems. Porsche is one of the few automobile manufacturers worldwide to have built up an integrated CRM (Customer Relation Management) System to provide optimum support for its customers and prospectives: "CRM@Porsche". The system is being continuously developed in order to meet the requirements for innovative and professional customer support.

Standards Committee for Service Excellence

Excellent service is a key concern for Porsche. The company therefore engages with "Service Excellence" at German and European level through the Customer Relations Division. At European level, Porsche contributes in a number of ways including its participation in the project committee "Service Excellence Systems" of the German Standards Institute (Deutsches Institut für Normung e.V.), which develops guidelines for excellent service directed toward sustainable customer enthusiasm. At the same time, the ideas arising from cooperation with representatives of different companies and organizations in other European countries are integrated in Porsche's own customer processes and in this way benefit Porsche customers directly on an ongoing basis.

DEALER SUSTAINABILITY INITIATIVE

The "Dealership Sustainability Initiative" is a program that has been established to support the dealerships. This initiative is intended to ensure that Porsche Centers are set up and operated in a maximally efficient way. The growth in sales described in Strategy 2018 is associated with expanding the dealer network to more than 1,000 dealerships. Many of the existing Porsche Centers also need to be expanded and this is the ideal time to improve the energy efficiency of the buildings. The tools that Porsche provides for its international network are a comprehensive planning manual and a software tool.

The manual addresses all areas of environmental sustainability and energy efficiency. It provides solutions specially tailored to Porsche brand architecture. This covers issues such as reducing water consumption, building construction, building technology and renewable energy through to information on dealing with hazardous substances.

Architects and specialist planners can use the software "Porsche Center Energy Efficiency Tool" to analyze needs quickly when developing a new building. They are able to decide which of the energy efficiency measures presented in the manual are best suited to the relevant site in accordance with the climate conditions. An assessment can be made of the potential to reduce CO₂ emissions and the cost-effectiveness of the steps selected can also be determined.

Since an analysis of the energy efficiency and sustainability of the existing portfolio of buildings is also worthwhile, one section of the manual specifically presents optimizations that can be carried out while business continues as usual. This ranges from measures for implementation over the short term, such as user training sessions, the use of water-saving taps, or conversion to green electricity, through to comprehensive refurbishment options, such as installing a new heating or cooling system.

**SUSTAINABILITY
IN SUPPLIER RELATIONSHIPS**

The Procurement Division is increasingly gaining prominence in the context of sustainability management as sales of Porsche vehicles have risen continuously over recent years and the associated demands on procurement have also increased.

Organizational Structure

Following integration of the company within the Volkswagen Group, large sections of the Purchasing Division at Porsche AG have been incorporated within the group-wide procurement organization. Since 2011, appropriate structures, processes and systems have been established under a joint-venture agreement. Most of the decisions on allocation made by Porsche are therefore coordinated and agreed with the Volkswagen Group. During the reporting period 2013, this cooperation between Porsche AG and the Group was driven forward and structures were expanded and reinforced. For example, since 2013 Porsche has been actively integrated in the “Procurement Network Sustainability” of the Volkswagen Group as well as into the concept of “Sustainability in Supplier Relationships”.

The group-wide organization of procurement and the cooperation between the brands and the regions allow Porsche to draw on the know-how and global capacities of the Volkswagen Group.

Sustainability Concept and Strategy

The concept “Sustainability in Supplier Relationships” ensures that the high environmental and social standards established within the Volkswagen Group are also complied with by its business partners. The concept is essentially

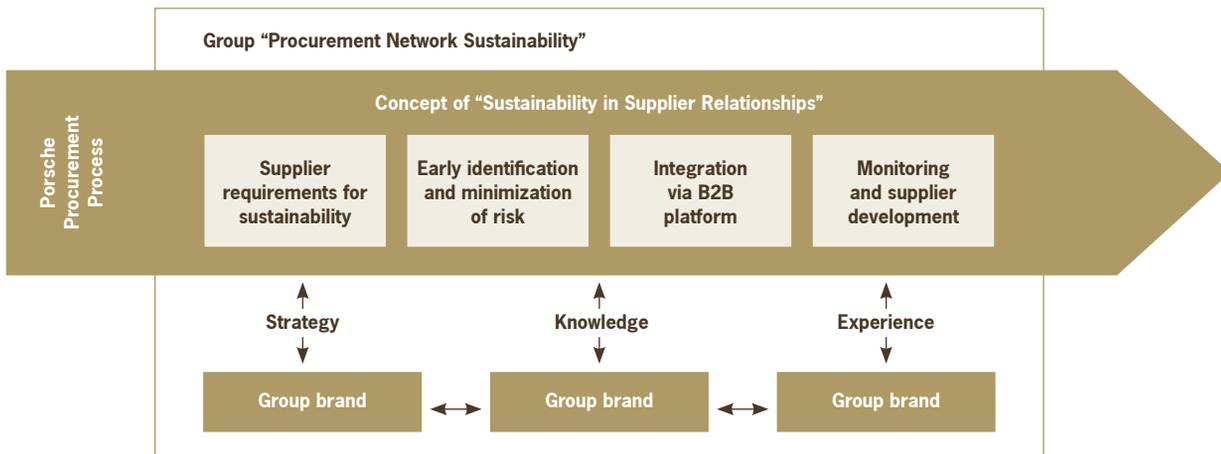
based on four pillars:

- Sustainability requirements for suppliers which all suppliers have to accept before submitting an offer,
- Early warning system for identifying and minimizing risks along the value chain,
- Integration in the procurement process,
- Supplier monitoring and development.

Sustainability Requirements

The “Requirements of the Volkswagen Group for Sustainability in Relationships with Business Partners (Code of Conduct for Business Partners)” forms the foundation of the concept. These requirements also apply to Porsche suppliers and the goods and services procured by Porsche. Any corrupt behavior and conduct damaging to the reputation of the company during routine business dealings is deemed unacceptable in the same way as breaches of environmental and social standards. Compliance with competition and anti-trust law constitutes a fundamental principle and is monitored. The requirements are based on a number of criteria including observance of international human rights, the Global Compact of the United Nations, the Charter of International Chambers of Commerce, and the OECD Guidelines for long-term and sustainable development. Furthermore, the relevant core working standards of the International Labor Organization (ILO) form the foundation for sustainability requirements. This includes observation of the right to freedom of speech, protection against arbitrary actions and prohibition of discrimination in the workplace, prohibition of forced labor and child labor, the basic right to freedom of association, and the right to equal treatment and equitable remuneration. Porsche also expects its suppliers in turn to commit their sub-suppliers to maintaining a high level of integrity for sustainability aspects.

SUPPLIER MANAGEMENT



Risk Analysis

The reputation held by Porsche in the business world and in society as a whole is a valuable asset. An integrity check is carried out on new suppliers to ensure that this is not put at risk. The objective of this process is to find out about the potential business partner before entering into a business relationship in order to reduce the risk of any cooperation that is damaging to business and the company itself. The “Business Partner Check” is carried out before a new supplier is approved on the Group Business Platform.

The Volkswagen Group has also carried out a country risk analysis with the support of independent institutions. Porsche has access to this analysis which highlights an increased risk of non-compliance with sustainability requirements in Brazil, India, China, Mexico, and Russia. Conflict minerals are also a problem area. Porsche is concerned about reports of forced and child labor, and the exercise of violence and destruction of the environment during the extraction of specific minerals such as tin, tantalum (coltan – columbite-tantalite), tungsten, and gold. Arrangements to improve transparency in the raw materials sector are therefore welcomed by Porsche and the Volkswagen Group. Analyses have demonstrated that with major suppliers of Porsche, there is only a very low risk in relation to the potential for child or forced labor. This depends on Porsche effectively sourcing supplies almost exclusively from OECD countries.¹⁾

Integration in the Procurement Process

The Group Business Platform of the Volkswagen Group is the central system for interaction with suppliers. All central procurement applications are summarized here. Apart from interactive functionality for routine business, the Group Business Platform also provides an information medium. Suppliers can find all the necessary information on the concept of “Sustainability in Supply Relationships” and the “Requirements of the Volkswagen Group for Sustainability in Relationships with Business Partners (Code of Conduct for Business Partners)”. All Porsche suppliers have to accept the sustainability requirements when they submit their first offer and at least every twelve months afterward. If these requirements are not accepted, a supplier cannot submit an offer. All major suppliers²⁾ have meanwhile confirmed acceptance of these sustainability requirements. A contractual commitment is planned for 2014 and the implementation along these lines has already been commenced.

During the year under review, five contract awards with a volume of more than ten million euros were classified as major investment agreements. These mainly related to capital expenditure on buildings and machines, for example in the course of expanding the plant in Leipzig and the training center in Zuffenhausen. All the suppliers involved in these projects have confirmed acceptance of the sustainability requirements.

Supplier Monitoring

All suppliers are required to complete the questionnaire on sustainability that can be accessed on the Group Business Platform. If the answers provided are not satisfactory, the supplier is requested to submit a written statement. This is also carried out in the case of justified suspicions and possible deviations from the sustainability requirements. The statement is reviewed by experts from the relevant specialist area. If the answer is not satisfactory, further measures are defined and adopted.

If there are any suspicions, each case is dealt with in close cooperation with representatives of the brands and regions in the Volkswagen Group. They can visit the specific site more quickly, speak the national language fluently and may already have contact with the supplier on other issues. Experts from other specialist areas become involved in dealing with the case as required by individual circumstances. Porsche has its own specific team of independent experts that can be called on for cases of this nature.

In 2013, there was one case which resulted in subsequent compliance with sustainability requirements following a dialog with the suppliers. This case was classified in the area of social affairs and occurred within the area of responsibility of a foreign sub-supplier to a Porsche supplier based in Europe.

Supplier Development

All suppliers have access to a digital learning module (e-learning) to support the continuous supplier development process. The learning module is provided in eight languages on the Group Business Platform. It initially gives users information about the requirements defined by the Volkswagen Group for environmental and social standards and explains the underlying foundation for the sustainability requirements. After the e-learning module has been completed, the supplier can carry out a self-check. The learning module is only classified as having been passed if the self-check is successfully completed.

¹⁾ The majority of the suppliers originate from Germany or from the European Union (distribution of purchasing volumes by invoice address of the creditor).

²⁾ Number of suppliers with 80 percent of the purchasing volume based on the ABC Analysis for the year 2013.

Projects for 2013 and Targets for 2014

Porsche is committed to expanding cooperation with socially active institutions and supplier companies who promote the employment of people with special needs. Over a period of more than 30 years, Porsche has been working together with an institution for people with special physical needs from the region around the Zuffenhausen site. This cooperative work ranges from the supply of vehicle accessories, such as onboard folders, onboard tools, and packaging and assembly work, through to the employment of 15 people with special needs at the central Porsche replacement parts store in Sachsenheim. Other joint ventures of this nature are currently at the planning stage. During the year under review, contacts were mainly established with social institutions at the Leipzig location. The aim is to achieve a successful outcome in the course of the next reporting period.

Contractual integration of the sustainability requirements is intended to replace the current acceptance procedure in 2014 with the aim of establishing the concept of "Sustainability in Supplier Relationships" more firmly.

the statutory regulations and internal rules and regulations within the company. It also serves to protect employees from breaching regulations subject to criminal and financial penalties or infringing the company's own rules and regulations. This system is intended to prevent reputational damage to the company and protect the reputation of Porsche as a key condition for the long-term success of the company. The Compliance Code defines overarching principles for conduct in the conceptual objective outlined. Their aims include avoidance of conflicts of interest, combatting corruption and ensuring integrity with an ethical approach to business life. The compliance targets were communicated to employees in 2013 when the Compliance Code was published.

The **Compliance Organization** comprises the Chief Compliance Officer (CCO), the compliance officers of the Group companies, and the bodies in the form of the "Compliance Council" and "Compliance Audit & Monitoring". The Compliance Council (CC) is responsible for coordinating preventive measures for safeguarding compliance with statutory regulations and the internal company guidelines in the Porsche Group. The Compliance Council advises the Chief Compliance Officer on the orientation of the preventive approach of Compliance Management. Information on compliance breaches is recorded and assessed in the course of the Compliance Audit & Monitoring (CA&M) and the way forward is then discussed in order to clarify the basis for these matters. Disciplinary measures and sanctions on the business partners involved may ensue. A Help Desk is available to provide personal advice, and employees are able to make contact by phone or email. This system allows staff members to submit questions on matters relevant to compliance. The Porsche Compliance Management System has the following interfaces to the Volkswagen Compliance Management System:

- Integration of Volkswagen Compliance focus issues in the rollout of the Compliance Management System at Porsche (e.g. antitrust law),
- Participation in Volkswagen events and working groups (e.g. working group on anti-corruption),
- Annual reporting to Volkswagen on the status of implementation for the Compliance Management System in the Porsche Group,
- Integration of compliance in the Volkswagen Governance Risk & Compliance Process.

Compliance risks are continuously identified and assessed throughout the Group in a standardized risk analysis. The analysis by the Compliance Management System is being rolled out at the level of individual companies. A total of thirteen compliance risk fields were determined for the

GOVERNANCE

COMPLIANCE

The concept of compliance represents the requirement for conformity with rules and regulations. Maintaining conformity with compliance rules forms the platform for relationships between employees and with external partners. A top priority for Porsche is that all actions of the company and its employees are carried out in conformity with laws, internal rules, values and agreements. The compliance culture provides the basis for structuring the management system in the Porsche Group. The internal Compliance Code documents the compliance culture and describes the underlying principles for aligning the business activities with laws and regulations. It also helps managers and employees when dealing with customers, suppliers, competitors, representatives of government agencies, and members of staff in the Porsche Group.

The compliance targets are defined in the Porsche Compliance Code. The Compliance Management System supports managers and employees in maintaining conformity with



Principle of dual control: At Porsche, compliance is not just a matter for the Chairman

Porsche Group after analyzing corporate activities, the business model, and past compliance events, as well as taking into account relevant statutory regulations. Each of these compliance risk fields is supported with specialist assistance from an expert representative.

Controlling measures alongside checks and balances are implemented to avoid or circumscribe compliance risks. This is carried out within the framework of the Governance Risk & Compliance Process (GRC Process). It is used to record, assess and control risks in business operations, in financial reporting and in relation to compliance risks. The effectiveness of the defined management and controlling measures is regularly tested and documented. The results of the risk analysis and the effectiveness audits are the subject of reporting to the Executive Board and Supervisory Board. During the reporting period, a start was made on assessing the risks of corruption at Porsche AG. A risk audit was not carried out separately for Porsche Leipzig GmbH.¹⁾ No court proceedings were filed against Porsche AG, Porsche Leipzig GmbH or their employees for corrupt practices in 2013. No other cases were dealt with under arbitration proceedings in relation to any other breaches of current statutory regulations during the reporting period and no major fines were imposed.²⁾ Equally, no proceedings were instituted and no prosecutions were brought in respect of breaches against statutory regulations in relation to the provision and use of products manufactured by the company.

The **Compliance Program** of Porsche encompasses preventive and specialist management and advice on individual areas of compliance, recording, assessment and application of sanctions in relation to breaches, continuous

evaluation of risk exposure of Porsche to the individual areas, and occasional and regular reporting to the committees of the Porsche Group. The content for 2013 was focused on updating and giving the compliance guidelines a more concrete structure as a central preventive measure. It mainly affects avoidance of conflicts of interest and prevention of corruption.

Continually raising the awareness of managers and employees during training sessions concerning the compliance topics of “combatting corruption” and “antitrust and competition law” provided the second focus for the measures taken during the reporting year 2013. The focus here was initially on training the management level so that 82 percent of managers were given training. The individual managers were responsible for providing information and making arrangements for training of all other staff. The Compliance Department provided documentation and opportunities for giving advice. The issue of compliance is also presented to new employees at induction events. Compliance communication is intended to inform employees within the Group about the Porsche principles of conduct, the compliance goals, and the relevant rules and regulations, tasks and functions involved in the Compliance Management System. Apart from holding events, the media deployed include brochures, letters, the Intranet, emails, and specially produced information films.

¹⁾ Due to the specific confidentiality and sensitivity of any organizations and persons involved, no information is provided on quantitative data, for example the number of cases of dismissal.

²⁾ Porsche regards major financial penalties as fines which exceed an amount of five million euros.

Monitoring the Compliance Management System for appropriateness and effectiveness is primarily carried out within the scope of the GRC process. It is modified on a regular basis or in response to events for purposes of harmonization with the business model, past business events, and relevant statutory regulations. Group Auditing also monitors the Compliance Management System from a perspective that is independent of systems and processes.

PRODUCT INFORMATION, PROMOTION AND SPONSORING

Porsche takes comprehensive organizational precautions to ensure compliance with the statutory regulations on the provision of information for customers. In Germany, these include the “Directive on the Fuel Consumption, CO₂ Emissions and Electricity Consumption of New Passenger Vehicles” (PKWEnVKV). All Porsche vehicles are additionally labeled in accordance with the statutory regulations applicable in the individual sales countries. Furthermore, Porsche informs its customers about environmental and safety issues, for example in the brochures containing relevant information provided with each car and via the Internet.

Porsche also takes organizational precautions in the context of promotional activities in order to comply with the applicable statutory regulations. Conformity with existing standards and regulations and internal corporate identity guidelines is checked internally at regular intervals. The rules of conduct for commercial communication promulgated by the German Advertising Council are applied as well.

Transparency and compliance with existing standards and regulations are similarly a top priority for Porsche when it comes to sponsoring measures. A Group Guideline was drawn up for this purpose in order to ensure a uniform approach to community and social engagement. This is particularly important for measures involving donations and sponsorship.

POLITICAL DIALOG

Playing a role in developing solutions to existing community, environmental and economic challenges is important as far as Porsche is concerned. The company has a significant commitment to work in associations with the aim of representing the interests of the company and its employees, as well as contributing the specialist knowledge held within the company.



Wolfgang Hatz (right), Board Member for Research and Development, in conversation with Franz Untersteller, Member of the State Parliament and Minister for the Environment, Climate and Energy Industry in Baden-Württemberg, explaining the test run on the rolling road dynamometer at the Weissach Development Center

Porsche is committed to a politically neutral stance and pursues an open culture of dialog with its local, regional and national stakeholder groups in government and the community. Alongside communication with politically relevant government institutions, Porsche intends to place greater emphasis on seeking discussions with non-governmental organizations in the future. The following list shows a selection of the memberships of Porsche in groupings and associations:

- Association of German Automobile Manufacturers (VDA)
- German Association for Small and Medium-sized Businesses (BVMW)
- State Federation of Industry in Baden-Württemberg (LVI)
- Südwestmetall – Baden-Württemberg Employers’ Federation of the Metalworking and Electrical Industry
- Chamber of Industry and Commerce Stuttgart
- Society for the Advancement of the Kiel Institute for World Economics
- American Chamber of Commerce in Germany

Porsche also engages with a wide range of local initiatives which promote new drivetrain and mobility concepts. These include “Automobile Dialog” initiated by the Baden-Württemberg Ministry for Finance and Business, the “Shop Window for Electromobility” in Baden-Württemberg and in Bavaria/Saxony, and “Sustainable Mobility Stuttgart” launched by the Mayor of Stuttgart Fritz Kuhn.

The “Politics and External Affairs” Department has been established as a central office within the company so that it is in a position to play a structured and strategic role in the

political process. The department is responsible for collecting information through screening and monitoring processes and analysis of political issues. The “Politics and External Affairs” Department is able to address and communicate a wide range of issues with the support of engineers and experts in the specialist departments. All the company’s activities involved with lobbying are carried out in accordance with the existing statutory regulations, and are embedded in the activities of the Volkswagen Group and its framework of external relations.

ECONOMIC PARAMETERS

RISK MANAGEMENT

Protecting the strategic and operational goals of the company against potential risks is extremely important for Porsche. A group-wide Risk Management System and an Internal Control System have been implemented in order to guard against these risks. The basis for these systems is formed by the internationally recognized standard of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The objective is to identify potential risks at an early stage, systematically evaluate their importance, and reduce their impact or even avoid them altogether through an appropriate management and control system. Furthermore, the system offers the opportunity of responding promptly and comprehensively to changes in framework conditions and making adjustments as appropriate. Centrally defined standards and regulations valid for the entire group guarantee systematic and uniform risk recording and assessment. The central sustainability issues are reflected in the strategic and operational goals of the company.

Since Porsche interprets “risk” as the hazard of failing to meet a company or divisional target, the absence of significant sustainability issues is also an integral element of group-wide risk management. Each risk is analyzed on the basis of quantitative and qualitative criteria and evaluated in conjunction with corresponding indicators. The results are reported to the Executive Board and the process of risk assessment is additionally analyzed on an annual basis.

ECONOMIC STABILITY

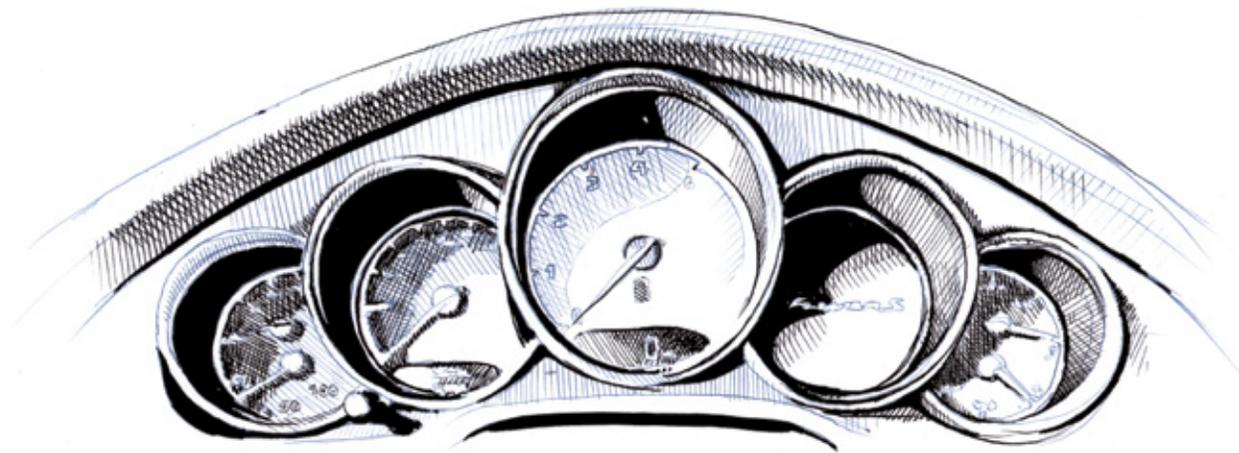
As in the previous year, Porsche AG completed the business year 2013 with record figures for deliveries, sales, and operating result.

Porsche increased deliveries of new vehicles by 14.9 percent to 162,145 units worldwide in the business year under review. Sales amounted to 14,326 million euros and the operating result achieved a value of 2,579 million euros.

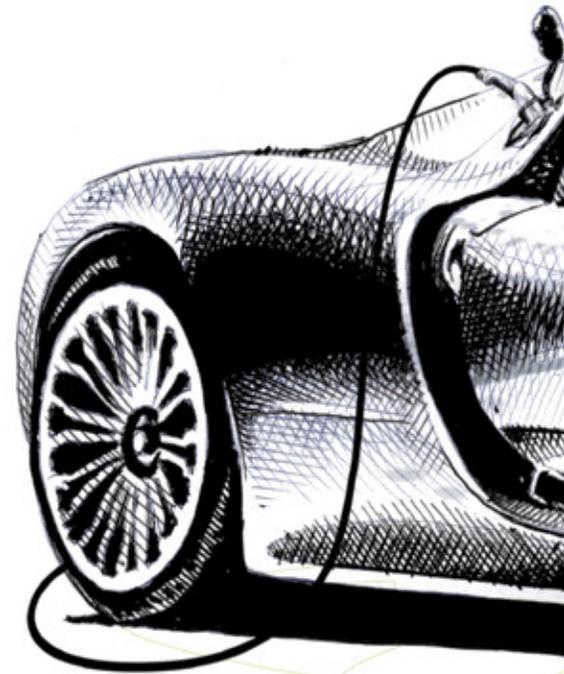
The high level of profitability at Porsche results from a significantly positive cash flow from ordinary business activities. Looking forward to the next two business years up to the end of 2015, this development will contribute to ensuring that the cash flow necessary to finance investment activities for property, plant and equipment, and intangible assets can be financed from the cash flow generated by the business. The current equity ratio reflects the balanced capital structure. It provides an unambiguous signal indicating the high level of stability of the Porsche Group, in conjunction with the reduction in net debt for the vehicle business which came down by 971 million euros to 899 million euros in the business year 2013.

Further growth is anticipated over the next two business years – not least due to the market launch of the Macan. In spite of high expenses entailed by the investments for vehicle projects, the aim is to secure continuous productivity and process improvements coupled with strict cost management. This is intended to secure the high income expectations of Porsche AG for the future. The objective is defined by operating sales returns of at least 15 percent and return on capital of at least 21 percent.

Corporate controlling at Porsche is based on securing flexibility and economies of scale in the organizational and cost structures. This capability facilitates a suitable response to any volatility in the market environment. To this end, the package of fixed-cost measures designed to balance out the impacts of the last sales and financial crisis in 2008 and 2009 has been consistently developed and expanded. Porsche defines consistent priorities for controlling the product portfolio. It also ensures the cost-effectiveness of strategic projects and objectives taking into account the budgets set for the business years.

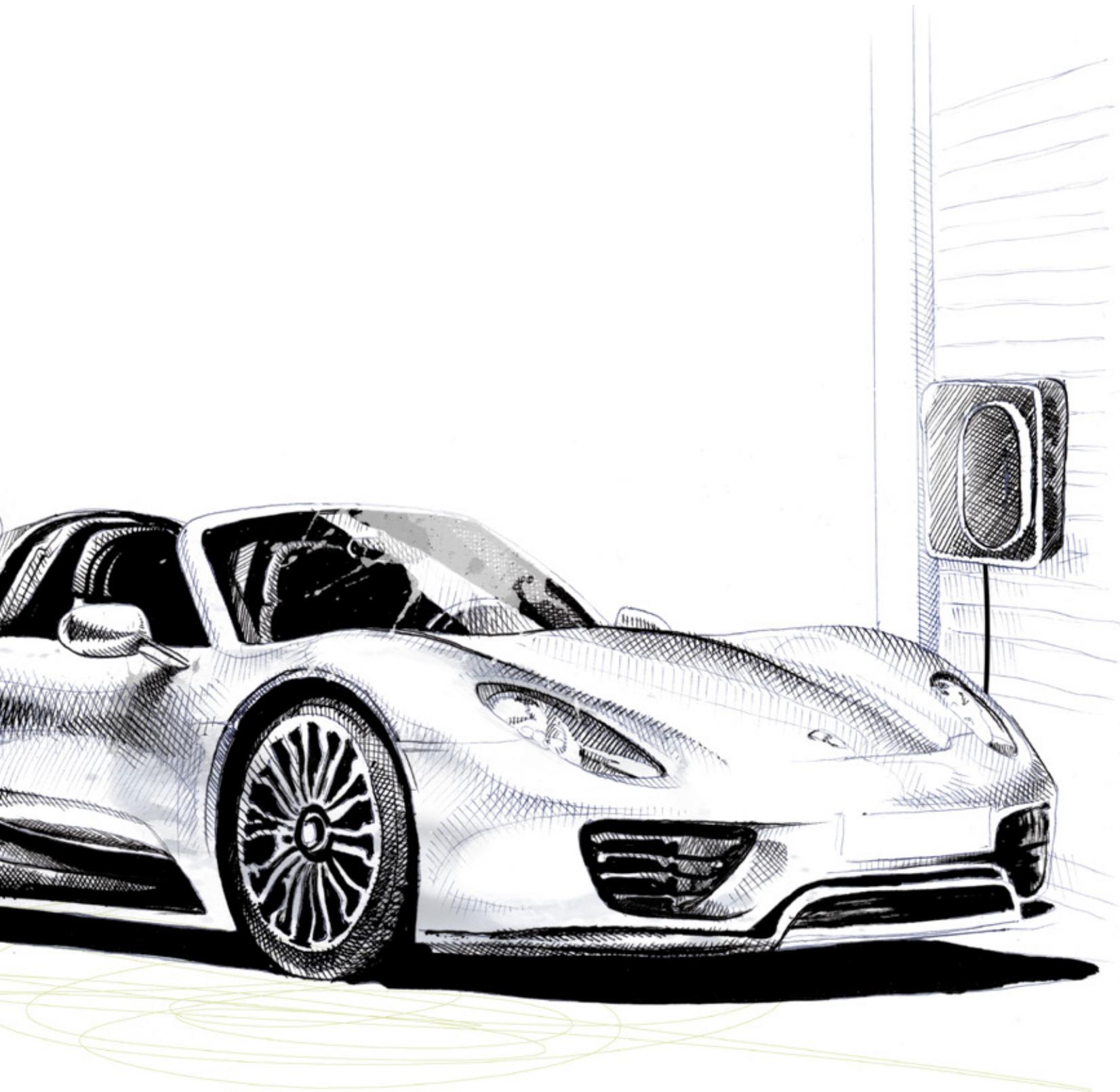


PRODUCT RESPONSIBILITY



As a manufacturer of sports cars, a top priority at Porsche is to achieve a continuous increase in driving performance with simultaneous constant reduction in consumption.

Harmonizing both these objectives and resolving the apparent contradiction between performance and an ecological approach to the environment by means of a continuous increase in efficiency presents a challenge for our engineers. Porsche therefore invests ambitiously in the long lifetime of its vehicles, in the development of alternative drivetrains and in constant improvement of conventional drivetrains.





ELECTRIFYING POWER

All attention on the treadmill is aimed on the person's own body – and the display that shows the progress of fitness. All the attention? For some reason, the athlete's early-morning exercise is occasionally interrupted by surreptitious glances to the side. What is so fascinating about the display of the mobile phone on the shelf around half past six in the morning? It is associated with a very special Porsche. Not only the driver but also the Porsche is filling up with energy at this moment.



The Panamera S E-Hybrid
 drives for 36 kilometers purely
 powered by electricity
 in NEDC* mode

The Panamera S E-Hybrid in the garage is loading its first energy charge of the day from the wall socket, the interior is being preconditioned at the same time – heated or cooled, depending on the ambient temperature outside. The car battery is not affected by this process because all the energy is being taken from the power socket. This leaves more energy available for driving on electric power. An app can be used to control charging and air-conditioning remotely. Only the last stage will always remain manual – getting in the car and starting up. The new Panamera S E-Hybrid is the first plug-in hybrid in the luxury class and it makes even getting going a sustainable process. This is because a full battery will enable the car to travel for up to 36 kilometers (NEDC) solely powered by electricity. A hybrid drive is a highly sophisticated technical solution combining two different drivetrain systems: an internal combustion engine and an electric motor. It was invented more than one hundred years ago by Ferdinand Porsche and with the technical possibilities available today, the hybrid system opens up the road route to the future.

As usual, Porsche takes a very sporty approach in the breakthrough to the future. Technical solutions actually enhance the driving pleasure. This is based on the corporate principle which holds that thinking ahead is always the best way to accelerate at Porsche. And a certain urgency is absolutely essential because the automobile industry is on the brink of what may prove to be the biggest upheaval in its history. Reduction of emissions, climate protection, scarce resources and less dependence on oil are presenting challenges to ambitious engineers in new areas of

development. Porsche believes that its technical expertise alone brings with it the responsibility to commit major resources to the groundbreaking entry into e-mobility. The aspiration is always to work at the leading edge of development.

 CONSUMPTION
 AND EMISSIONS MUST
 DECREASE WITH EVERY
 NEW MODEL

The objectives within the company have been clearly defined. Fuel consumption and emissions need to be reduced by 10 to 15 percent in each new model without impacting negatively on the aspirations of customers as a result of these reductions. This simply relates to a redefinition of performance typical of Porsche. It is definitely not about a strategy of restraint – yet this poses a tremendous challenge of contradictory demands for vehicle developers. But it is also of course a challenge that holds considerable attractions. The plug-in hybrid provides the extremely promising technology that offers a bridge between performance, comfort and efficiency. This is a drivetrain concept where the high-voltage battery powering the electric motor stores significantly more energy than a conventional full hybrid, and additionally has the capability to be charged externally drawing on electricity from the mains grid. Charging can also take place while the car is being driven if the charging status of

* NEDC = New European Driving Cycle

the battery is no longer sufficient to drive purely on electric power at the ultimate destination. For example, in inner city areas which only permit electric vehicles. The battery is charged by the electric motor which operates like a generator here and is powered by the internal combustion engine. The turning point in time for electromobility came in 2013 when this topic became a focus of public debate. This technology is no longer confined to automobile exhibitions where models like the Panamera S E-Hybrid or the 918 Spyder each made their debut as the first in their segment. The latter has an internal combustion engine and two independent electric motors. 2013 was also a breakthrough year for this approach at the Porsche Research and Development Center in Weissach. The think tank is currently investing a substantial proportion of its annual budget in the development of alternative drivetrains and measures to reduce consumption for all series. This means that the increase in vehicle efficiency

has become an issue at the top of the routine agenda for many of our employees.

Matthias Müller, Chairman of the Executive Board, gave a brief summary as follows: “Efficiency and sustainability are familiar concepts at Porsche. Our origins go back to the field of motor sport, an area where low weight and engines which consume comparatively less fuel have always played a key role. The Panamera represented our entry into electromobility in which plug-in hybrids are an intermediate stage. After the Panamera and the 918 Spyder, the system will undoubtedly next be used in the Cayenne. The Macan is also an obvious further step.” In order to achieve these ambitious goals, the development engineers at Porsche have set up a driving profile around Stuttgart that is relevant to customers. The profile reflects real journeys and includes appropriate sections of driving on country roads, motorway and city traffic in Stuttgart. Anybody driving on this 65-mile trip in the hills around the Porsche home city and combining it with a short stop in the city center to “recharge” will keep the calculated overall consumption of the Panamera S E-Hybrid to less than 2 liters per 100 kilometers. This is undoubtedly a somewhat playful scenario, but it is by no means untypical. It demonstrates the way forward once advanced technical development has opened up pathways into the future. Challenges associated with fuel efficiency and environment are not new to the Porsche automakers. They have been working on this kind of responsibility since the oil crisis struck in the 1970s,

and they have had to take account of the strict Californian statutory regulations. Wolfgang Hatz, Board Member responsible for development at Porsche, has continued to espouse the approach from his former activities as an engineer: “Porsche has always been efficient.” He links the present with the future as follows: “The low values present a clear picture right from the outset: sports cars are not irrational vehicles.”

A positive for everyday driving. The role model provided by the Panamera S E-Hybrid in terms of flexibility is also intimately associated with the fascination of the 918 Spyder. There is a good reason why the car’s bright green brakes identify it as an e-hybrid. At the Frankfurt Motor Show in 2013, the 652 kW (887 hp) high-performance sports car was celebrated as a “time machine” because it combines its race-track potential with the efficiency of two extremely responsive electric generators. The 918 Spyder contains the gene pool for the Porsche sports cars of the future. An inventive copywriter has highlighted the roadmap with the slogan “Für alle Ewigmorgigen” – For drivers inhabiting the world of tomorrow. Electromobility has a great future if the efforts of local authorities across the world keep pace with the progress of the automobile industry, and the network of charging points becomes denser. Porsche is already promoting this concept in Germany by taking part in various initiatives, including the question of where the electricity being used to charge the car battery is being generated. This topic is particularly important because

DRIVING PROFILE AROUND STUTTGART

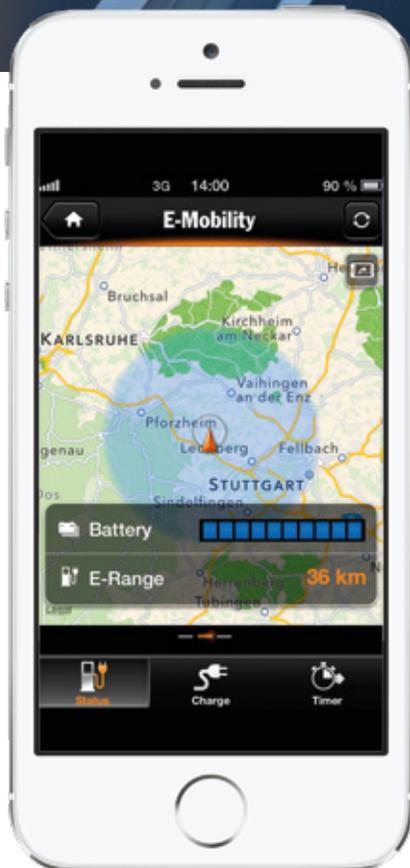


Comparison between the last vehicle generation, the current downsizing, and the hybrid version of the Panamera

	Panamera S (V8, MY¹⁾ 2012)	Panamera S Biturbo (V6, MY¹⁾ 2013)	Panamera S E-Hybrid (MY¹⁾ 2013)
Output	294 kW (400 hp)	309 kW (420 hp)	306 kW (416 hp)
Consumption in the NEDC (combined)	10.5/100km	8.7/100km	3.1/100km
CO ₂ emissions in the NEDC	261 g/km	204 g/km	71 g/km
Acceleration 0–100 km/h	5.4 s	5.1 s	5.5 s
Top speed	283km/h	287km/h	270km/h

¹⁾ MY = Model Year

The Panamera constitutes Porsche's entry into electromobility.



plug-in hybrid vehicles can only drive with reduced CO₂ emissions if the electricity powering the batteries comes from renewable energy sources. This is why Porsche has concluded a joint venture with the green electricity provider "LichtBlick". This company supplies retail customers with electricity generated entirely from renewable energy. The range display in the Panamera enables drivers to have a kind of competition with themselves. Virtually everybody tries to exceed the 36 kilometers available for driving purely with the electric drivetrain by using techniques that will extend the distance. On the way back to the garage where the specially designed charging station awaits the homecoming of the Panamera S E-Hybrid, the tactile gas pedal plays a significant role. The brake resistance is increased if the driver accelerates fast enough to quit electric mode. The internal combustion engine only comes into play after this pressure point is reached.

Later on in the evening, the mobile phone with the Porsche Car Connect application is lying apparently randomly on the table. However, anybody who looks carefully will see that it is positioned precisely in the line of vision from the sofa to the TV because a day in the life of electromobility is never finished.



**3.1 litres/
100 km**

AVERAGE FUEL CONSUMPTION (NEDC)
PANAMERA S E-HYBRID

PRODUCT ECOLOGY



- Light alloy
- Deep-drawing steels
- Hot-formed, ultra-high-strength steels
- Micro-alloyed, higher-strength steels
- Dual-phase steels (multi-phase steels)

EFFICIENCY INCREASE AND CONSUMPTION REDUCTION

Lightweight Construction

The successful concept for more driving efficiency is intelligent lightweight construction. The optimum material based on its characteristics is used at every point in the vehicle. Lightweight construction at Porsche is consistently implemented throughout the entire vehicle – engagement in motor sport has ensured that this concept has a long track record.

The design engineers are particularly keen to use hybrid construction techniques for the bodywork. A wide range of

steel alloys with varying strengths are used in conjunction with light alloys.

Porsche succeeded in reversing the weight spiral of the sports car in the latest model of the 911. Despite higher crash requirements and new functions, the vehicle weighs up to 65 kilograms less than its precursor. This was made possible due to a completely new body shell concept, achieved in a composite construction with a proportion of around 45 percent light alloys.

Porsche is developing innovative concepts for future vehicle generations. The new 918 Spyder sports car is a pioneer for new, lightweight technologies with its supporting structure made of carbon fiber reinforced plastic (CFRP). Alongside this very advanced material, Porsche is continuing to extend the use of aluminum and magnesium.

9%

LESS CONSUMPTION
THROUGH DOWNSIZING
IN THE PANAMERA

Downsizing

Downsizing is an important aspect of performance and efficiency enhancement. This involves the capacity volume and the weight of the engine being reduced for the same or even greater output. The reduced engine capacity and the resulting reduction in energy and friction losses yield substantially decreased energy consumption. At the same time, turbocharging generates increased output. The application of the downsizing concept in the Panamera produced a completely new engine, the V6 with a capacity of 3 liters and charging with two turbochargers. The key data highlight the progress – 15 kW (20 hp) more output and 20 Nm more torque go with up to 9 percent less consumption.

Coasting

A further reduction in consumption is possible by making use of coasting in conjunction with the Porsche dual-clutch transmission (PDK). The engine is disengaged to eliminate its braking effect, allowing the vehicle to make optimum use of its energy of motion and effectively freewheel over an extended distance. If the driver takes the foot off the gas pedal the PDK automatically disengages the gear and the vehicle freewheels with minimum use of power at idling engine speed until the desired speed is reached.

Direct Fuel Injection (DFI)

The system of Direct Fuel Injection (DFI) contributes to efficiency enhancement. DFI pumps the fuel into the combustion chamber at a pressure of up to 120 bar directly and with millisecond precision using electromagnetically operated injection valves. The injection is controlled by electronic engine management. In order to optimize the combustion sequence and the fuel consumption, engine management with direct injection controls the injection point individually for each cylinder and the injection volume for each cylinder bank.

Exhaust Cleaning

All recent Porsche vehicles show in their individual category that even high-performance sports cars can achieve moderate values for emissions and pollutants. The multifaceted engine concepts of hybrid, through diesel, to gasoline engines contribute to this. Fast heating of the catalytic convertor system after the start also enables the optimum operating temperature to be achieved at an early stage leading to a reduction in pollutants. The SCR system installed in the Macan S Diesel – which is being launched in the market in 2014 – will strategically reduce the nitrogen oxide emissions.

InnoDrive: Drive Strategy for Driving with Optimized Consumption

On the one hand, the spectrum of individual drive programs increases with new measures for reducing consumption, while on the other hand the level of operating complexity also increases for the driver. Porsche is therefore developing the assistance system InnoDrive for the future. This will deliver maximum efficiency, individual dynamic performance and maximum convenience. The system uses navigation data to look forward at the stretch of road in front to yield information for controlling the engine, transmission, and brakes for driving with optimized consumption.



The high-performance hybrid "Made in Zuffenhausen": Gene pool for the next sports-car generations

HYBRIDIZATION

Hybridization is regarded as a central building block in relation to conserving resources and reducing energy requirements and emissions. Installing hybrid drives in the Cayenne and Panamera models and developing the 918 Spyder qualify Porsche as a pioneer for this area in the premium segment. Porsche is committed to the hybrid drive for the future. A clear strategy typical of the brand is being pursued here. Performance and efficiency are combined with suitability for daily use on the roads.

Panamera S E-Hybrid

The Panamera S E-Hybrid represents the consistently advanced development of the parallel full hybrid and features considerable improvements compared with the previous model. At 70 kW (95 hp), the electric drivetrain generates

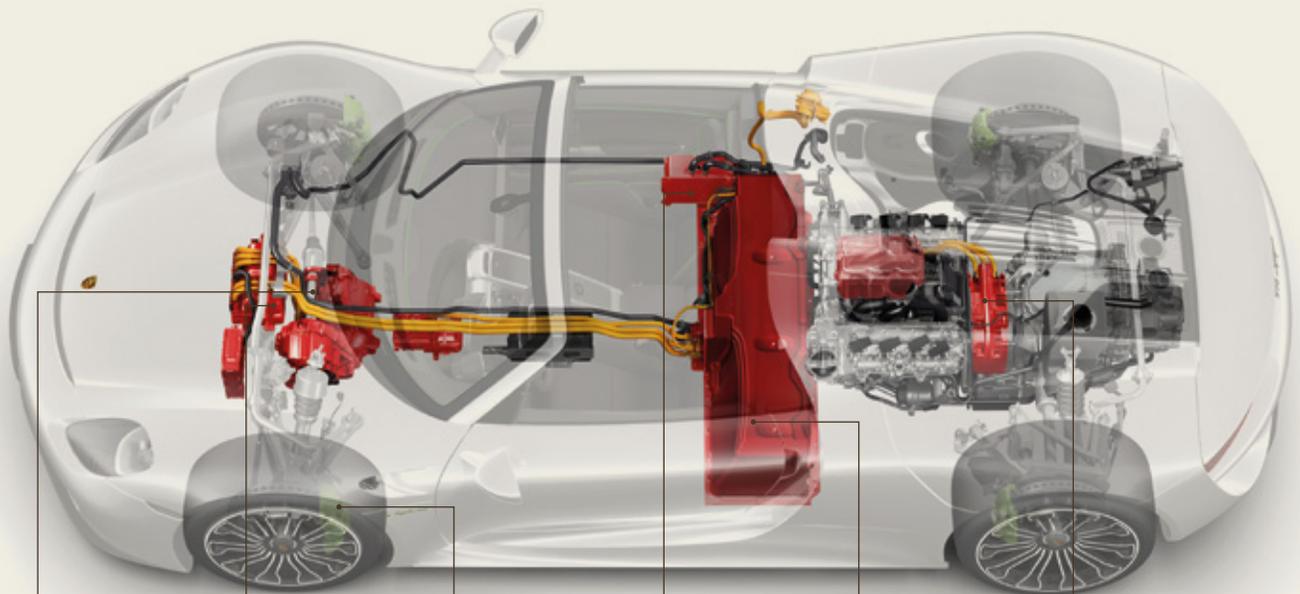
more than twice the power of the previous electric motor – while at the same time reducing consumption in the New European Driving Cycle (NEDC) by 56 percent (from 7.1 liters to 3.1 liters per 100 kilometers). Substantial improvements are also quantifiable in terms of acceleration, range and top speed of 135 km/h in electric drive operation. The newly developed lithium-ion battery, which can be charged up within the space of two and a half hours if plugged into a heavy-duty socket and in less than four hours if connected to a domestic socket, also stores 9.4 kWh and consequently more than five times the energy content of conventional technology. The Panamera S E-Hybrid benefits from recovery of braking energy as well. When the brake pedal is depressed, the energy is recovered using the regenerative mode of the electric generator.



918 Spyder: Porsche Genes for the Future

When Porsche introduced the 918 Spyder at the Frankfurt Motor Show in 2013, it presented a pioneering sports car concept for the future. The 918 Spyder has been designed throughout as a high-power hybrid and it embodies the synthesis between the performance of a 652 kW (887 hp)

sports car and the almost noiseless, emission-free mobility of an electric vehicle. Acceleration from zero to 100 km/h in 2.6 seconds contrasts with standard consumption of 3.0 to 3.1 liters per 100 kilometers. The electric range is 31 kilometers.



Electric motor
95 kW output for electric all-wheel function

Performance electronics

High-Performance hybrid braking system for efficient deceleration and recovering braking energy

On-board charger for supplying the high-performance lithium-ion batteries with traction electricity

Traction battery with an output of 1.7 kW/kg. Weight: 138 kg

Hybrid module comprising the electric motor generating 115 kW output and a 447 kW V8 high-performance engine

DURABILITY, MAINTENANCE, MATERIALS, AND RECYCLING

Two thirds of all Porsche cars ever built are still being driven on the roads today. This was primarily made possible by the durable and wear-resistant materials used in manufacture. They reduce the maintenance required by a Porsche to a minimum. Porsche strives to continually extend the interval between services, for example for changing the oil filter. All the large plastic components used have been labeled with their material specification to facilitate subsequent material-specific recycling. Plastic recyclates can be used wherever they meet the high technical specifications. Environmentally friendly water-based paints are primarily used for paint finishes.

Porsche defined the “PN 1002” company standard which provides the statutory and internal company requirements for product development and design in conformity with

recycling requirements. When used in conjunction with other standards and with the cooperation of suppliers and sub-suppliers, the company standard achieves maximum environmental compatibility. Implementation of the standard is carried out in a variety of ways including disassembly studies with a simulation of recycling the end-of-life vehicle. This process involves testing operations under working conditions that are close to reality, and using original recycling tools. Examples of the latter are safe deactivation of pyrotechnic components to keep employees protected or maximally fast and complete drying of components holding fluids such as the fuel tank. These dismantling studies indicate that a Porsche vehicle already meets the statutory requirements for 2015 with 95 percent reuse and 85 percent recycling capability.

PRODUCT SAFETY

Intelligent Porsche technology creates equilibrium – even behind the steering wheel, on long, straight roads and in tight bends. Light systems are one example of this since they give drivers a relaxed view of the road in front. Braking systems which create inner calm are another example. Porsche also believes in assistance systems which support the driver rather than interfere.

Porsche Stability Management (PSM)

Porsche Stability Management (PSM) is installed in all Porsche models and is responsible for maintaining stability and traction at the limits of the dynamic driving ranges, and in unpredictable and critical driving situations. An array of sensors continually determine the direction and lateral acceleration, as well as the driving speed and yaw speed of the vehicle while on the road. The PSM calculates the actual direction of motion from the gathered data. If this deviates from the desired lane, the control initiates selective braking procedures on individual wheels and stabilizes the vehicle. Even if the car is accelerating on different surfaces, the PSM improves traction with the functions “Automatic Brake Differential “(ABD) and “Traction Control System” (TCS). This delivers more agility, control, and safety. If a critical situation occurs while driving with the control system switched off – for example if one of the front wheels is in the ABS control range – the PSM is activated automatically for the safety of the driver.

Braking Technology

Porsche takes braking technologies as seriously as engines or the chassis. High levels of braking power are absolutely essential in the context of strong driving performance. The front wheels for the S models of the Boxster and 911 are fitted with brake discs that are ten or fifteen millimeters bigger in diameter than those used



PSM: Stability also under extreme conditions



Indispensable: Maximum braking performance with strong driving performance

in the relevant standard models. All Porsche models are equipped with brake discs that are ventilated internally to ensure optimum braking performance. The braking disks with a perforated or grooved structure also ensure improved response in wet weather.

Porsche Ceramic Composite Brake (PCCB)

The optional Porsche Ceramic Composite Brake (PCCB) provides the best braking technology. The perforated ceramic braking discs have a significantly higher level of hardness and a larger diameter – in the 911 and Boxster, for example, 350 millimeters on the front and rear axle – facilitating particularly high braking performance. By comparison with gray-cast brakes, the PCCB has a significantly lower weight. The high fading stability of the PCCB also enhances safety during repeated braking at high speeds.

Light Concepts

Porsche has developed special lighting concepts for its vehicles in order to permit optimum illumination of the road in front during the hours of darkness and in difficult weather conditions. For example, the models of the 911, Panamera, Cayenne, and Boxster S are equipped with bi-xenon headlamps and a headlight assistant which automatically switches from daytime running light to dipped beam as lighting conditions get darker. Another function which substantially increases safety in critical situations is provided by the adaptive LED brake lights. If the driver has to perform an emergency stop, the light intensity pulsates and the warning lights are automatically activated when the automobile has come to a stop. The traffic following on behind can therefore be warned quickly and effectively about a hazard situation.

Bi-Xenon Headlamps including Porsche Dynamic Light System (PDLS) or PDLS Plus

The bi-xenon headlamps with halogen auxiliary headlamps, headlamp washer system and automatic, dynamic headlamp beam range adjustment provide uniform illumination of the carriageway with dipped headlamps and main beams. The dynamic bend lighting swivels the main-beam headlamp depending on the bend angle and driving speed of the vehicle. The static bend lighting in the Panamera and Cayenne models activates the auxiliary headlamps to illuminate tight curves or when turning corners.

The Porsche Dynamic Light System (PDLS) also adjusts the light distribution to the speed. The adverse weather light is activated together with the fog lamp. The result is enhanced safety – not just at nights and when driving through bends.

The PDLS Plus offers two additional functions. The main beam assistant identifies the traffic in front as well as on-coming cars, and automatically dips the main beam. If the road is clear, the main beam is activated again. Activating the static bend lighting means that crossroads and road-sides are illuminated.

LED Main Headlamps

The LED main headlamps are a completely new technical and visual development. Each headlamp module is made of two light housings in a stepped configuration. A four-point daytime running light is integrated in the unit. The key benefits of the LED light are the particularly high level of brightness and the long lifetime. LED lamps only consume a small amount of energy and cause the driver's eyes to get tired less quickly than other systems due to optimized near, side and long-range illumination, a color similar to daylight and the low light scatter.

Adaptive Cruise Control (ACC)

The Adaptive Cruise Control regulates the speed depending on the distance from the vehicle in front. A radar sensor monitors the area up to a distance of 200 meters on the lane in front of the vehicle. If the car is getting too close to a slower vehicle in front, the radar sensor identifies the dangerous situation. The system reduces the car's speed by easing the pressure on the accelerator or lightly applying the brakes until a – previously defined – distance has been created. The automobile then follows the vehicle in front at reduced speed. If the vehicle in front brakes further, the distance cruise control continuously reduces the speed – until the car comes to a halt. Once the carriageway is clear again, the car starts to accelerate up to the speed originally set. The adjustable speed range is between 30 km/h and 210 km/h. The integrated “stop-and-go” function permits – at the driver's request in a traffic queue – automatic braking and resumption of driving. The Porsche Active Safe (PAS) is integrated to provide even more safety. If the car approaches the vehicle in front too quickly, an acoustic signal and a brake jerk give the driver a warning. The system can also enhance braking initiated by the driver.

Lane Change Assistant (LCA)

The Lane Change Assistant (LCA) uses radar sensors to monitor the area to the side toward the rear of the vehicle and the “blind spot”. Starting at a speed of 30 km/h and up to a speed of 250 km/h, the system provides an optical signal in the outside mirrors if vehicles are approaching quickly from behind or are located in the “blind spot”. Particularly on the highway, the Lane Change Assistant increases convenience while not intervening in the control of the vehicle. It can be deactivated at any time.





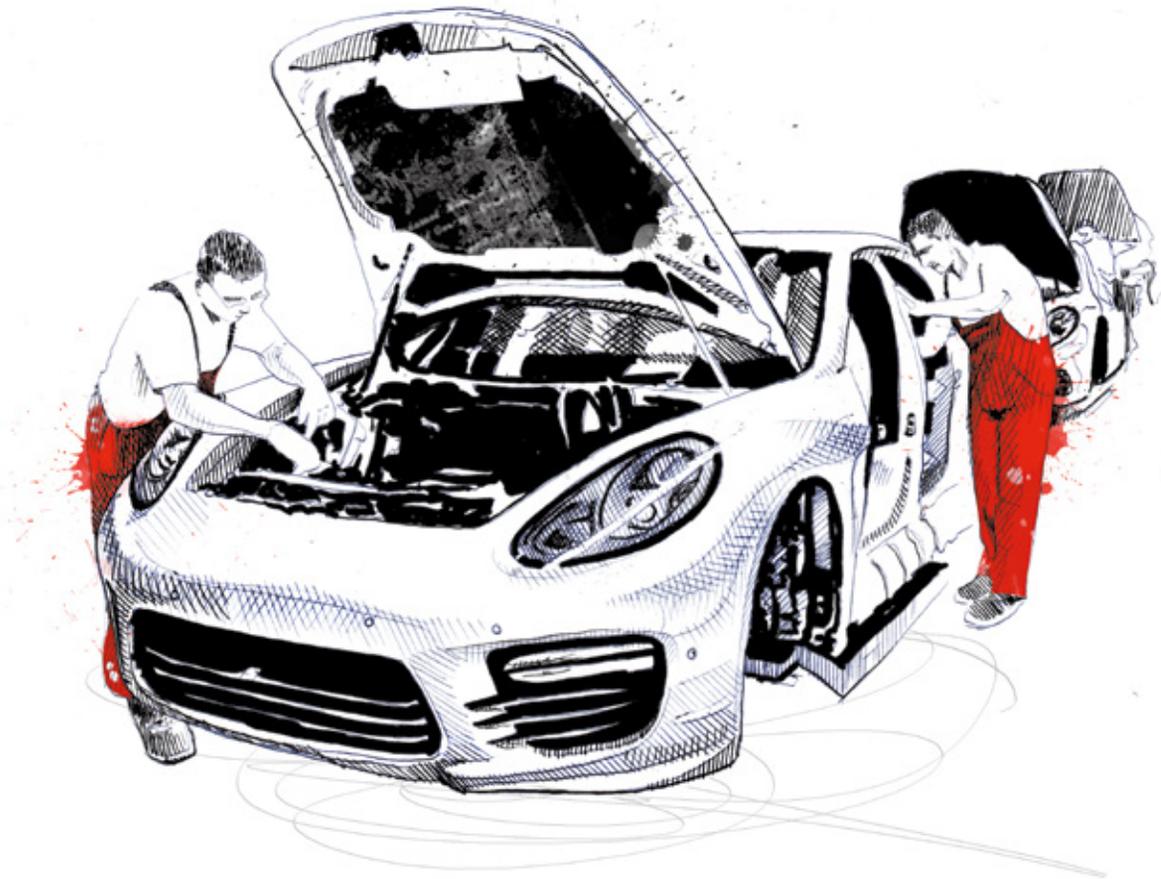
Lane Departure Warning and Lane Change Assistant in the Macan

Speed Limit Display

The speed limit display informs the driver about the current traffic situation. A camera records speed limits and the beginning and end of no-overtaking zones. If a traffic sign is not recognized, for example on a rainy day or in the dark, the speed limit set in the navigation module is displayed automatically. This means that drivers can devote all their attention to the traffic.

Lane Departure Warning

The Lane Departure Warning supports the driver on all multilane roads with roadside border lines. A camera in the housing of the rear-view mirror monitors the carriageway in front of the vehicle. If the car approaches a lane line or is at risk of leaving the lane without having indicated by flashing, an acoustic alert sounds a warning.



ENVIRONMENT AND ENERGY AT THE SITES

Alongside product-related environmental protection, Porsche invested at an early stage in manufacturing processes which protect the environment and conserve resources. We make great efforts to conserve raw materials, energy and water because we can only achieve our high targets in this way – whether they relate to keeping the amount of waste to a minimum, optimizing our treatment of wastewater or reducing our total CO₂ emissions throughout the company.





Group portrait with lady: The energy efficiency team at work in the Leipzig plant

TWO PLANTS ONE TARGET

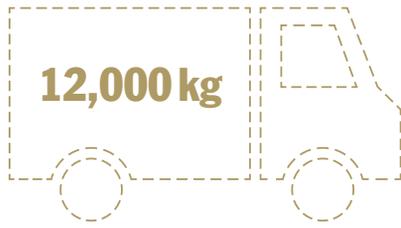
Motivated employees, lean processes and continuous striving for more efficiency – saving resources as experience of success.

Every Porsche comes with a very high level of efficiency. This is because the concept of a sports car is extracting the maximum output from the minimum amount of energy. Sports cars are the elite athletes among automobiles. The production sites of Porsche are the elite athletes among automobile plants. Just like all high-flyers, the plants are measured against the benchmark of other plants. Sometimes the main plant in Stuttgart-Zuffenhausen is at the leading edge with a project. Then the colleagues in Leipzig take over, trying to

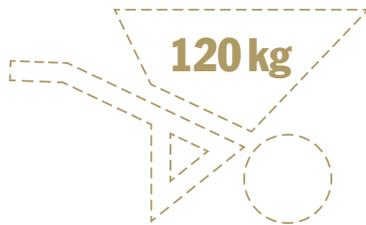
refine the project and develop it further. Sometimes the Leipzig plant has its nose out in front and then Zuffenhausen comes out of the slipstream and goes into the fast lane. The result is always top performance.

Let's take the example of the paint shop. In 2011, the world's most environmentally friendly paint facility in an automobile plant was opened in Zuffenhausen. The use of an innovative electrostatic deposition system for paint mist reduces the proportion of fresh air required by 70 percent. The small

volume of solvents used is not incinerated as in other facilities but filtered and retrieved using a wet-chemical exhaust air clearing system. This means that the actual values for solvent emissions are more than 50 percent less than the statutory threshold. Porsche developed this system in cooperation with a regional partner for assembly-line painting and was the first user to apply it. "The emissions from the paint facility are exemplary in being exceptionally low," explained Rolf Toczek, Head of Environmental Protection. According to



TOTAL VOLUME OF DUST PERMITTED IN
THE PAINT FACILITY EACH YEAR



ACTUAL VOLUME OF DUST IN
THE PAINT FACILITY EACH YEAR

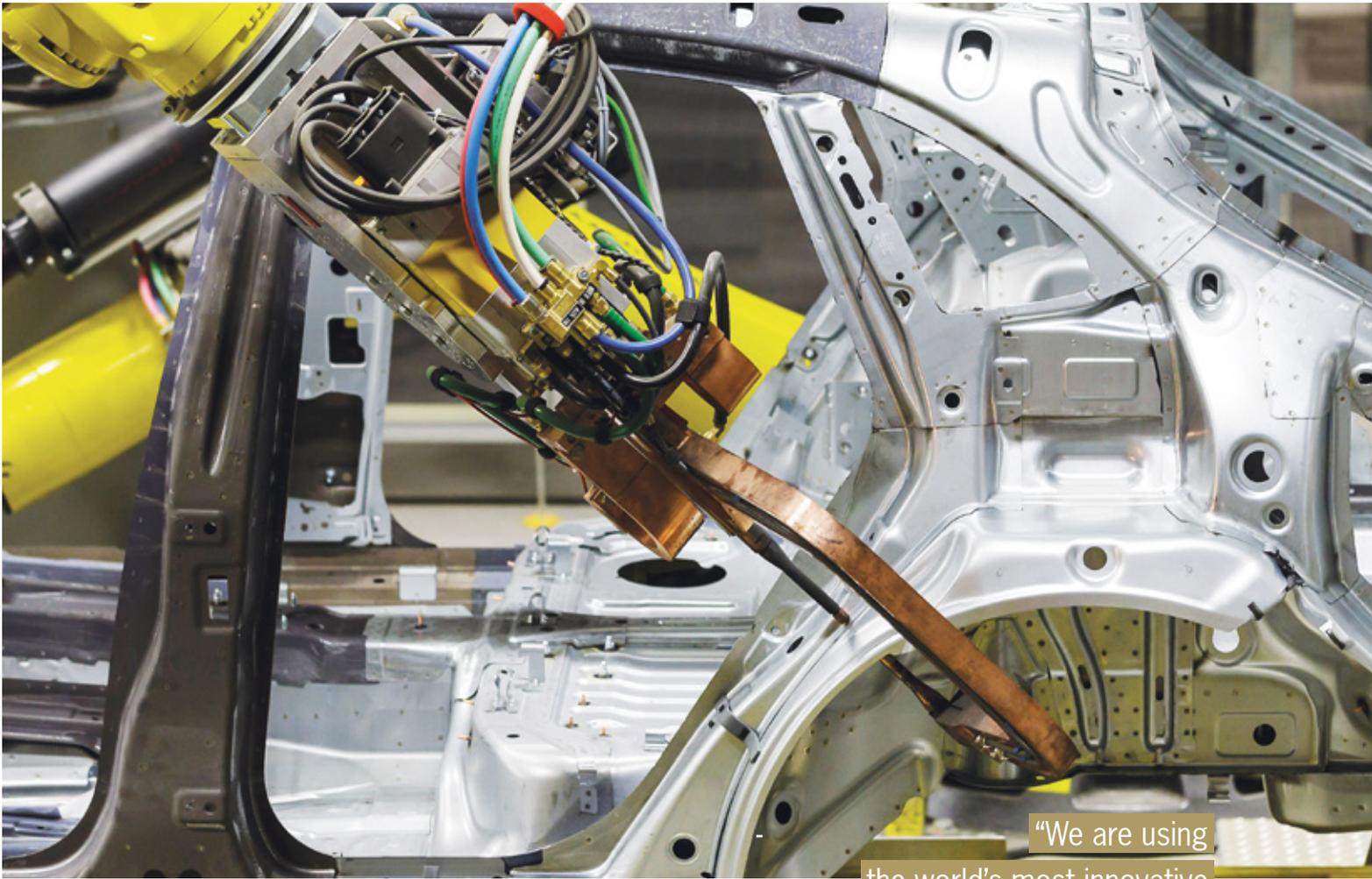


Energy saving: The lights are dimmed during the breaks at the Leipzig plant and the robots are switched off

the strict specifications defined by TA Luft (Technical Instructions on Air Pollution), the dust content in the air discharged from the spray booths must not exceed 12,000 kilograms each year. The true amount is actually only 120 kilograms. Anybody who has visited the new paint shop at the Leipzig plant will now discover many features in common with the paint facility in Zuffenhausen.

Another example also highlights the interaction between the plants. The light from fluorescent tubes used in the light tunnel at the polishing station located in Stuttgart-Zuffenhausen is multiplied using mirrors. A new configuration of the mirrors in Leipzig guarantees perfect indirect illumination of the freshly painted bodies, and LED lamps reduce the energy used by around 30 percent. "A decision has already been taken to adopt this advanced development in Stuttgart," explained Christian Friedl, Head of the Production Organization at Porsche AG.

Resources can be reduced in many places. The use of new containers in Stuttgart has significantly reduced the residual amounts of adhesive left after bonding processes have taken place in the bodywork production facility – the result is a saving of some 10 percent of the adhesive previously used. Another example is provided by the installation of intelligent loading technology for handling vehicles in Leipzig. This reduces the energy consumed by 124 handling vehicles and 87 loading stations at the plant by around 560,000 kilowatt hours each year, yielding savings of 75,000 euros.



“We are using
the world’s most innovative
technology here.”

Environment and business working together – presenting a role model for sustainable wealth creation.

The production line in Leipzig also found an innovative energy-saving solution during the morning break on the Cayenne and Panamera lines. The facility is bathed in subdued lighting. Machines and vehicles are in almost total darkness. It looks as though all the machines are taking a nap – during the breaks all the machines and lighting are switched off. The tour of the plant also brings other surprises. In order to reduce the amount of “expensive” compressed air used, a start has been made on converting the power screwdrivers to operate on energy-efficient rechargeable batteries.

“You can’t see energy. That means you have to talk about it,” explained Anke

Höller, Energy Manager at Porsche AG. That is why she regularly tours the plants. Software is running in the brand new paint facilities for the Macan which is used to visualize all the consumption throughout the plant. 169 flow meters and 127 electricity meters are continuously measuring energy usage. The expense of this system is worthwhile because nowhere else is the energy consumption higher than here. 54 percent of all the energy used is consumed in the paint shop. In addition, overarching control technology has been installed in all parts of the building to record all the electricity consumed.

According to Anke Höller, it was absolutely essential for all the employees to be involved. She found a steadfast advocate in Thomas Riediger, Head of Production Planning at the Leipzig plant. Employees

from different areas have been grouped in environmental and energy teams to meet on a regular basis and develop new ideas. Their commitment goes hand in hand with company environmental protection. “Right from the start, we have emphasized that we are not operating in different worlds as far as the issue of sustainability is concerned,” explained Thomas Riediger. “This approach is paying off quickly and in all areas,” enthused Anke Höller. She believes that an important factor is for the issue not to be perceived as a “One-woman show”. She considers informing and motivating all the players involved to be her core tasks as Energy Manager.

Even lean processes are part of the brief. A single-page form is used to record and process all the individual measures. This keeps the level of bureaucracy to an



absolute minimum. All measures at a site are also brought together on one roadmap in order to create transparency. Using the roadmap as a planning tool enables all employees to localize areas of weakness in their working environment and identify the electricity and energy guzzlers. The new approach has exerted a particularly impressive effect with the welding robots for the Macan. “We are using the world’s most innovative technology here,” explained Timo Vogg, Planner for Operational Equipment (electrical). A newly designed cooling system for the robotic welding guns has used heat recovery to reduce the electricity consumption in the body shop by more than 365,000 kWh every year – this corresponds to the annual electricity consumption of more than 70 four-person households. A further measure involves not having an energy-intensive 12 bar compressed-air system anywhere in body construction.

Although the new robots are expensive at the outset, the electricity savings balance out the initial costs within a few years. A rigorous approach is also adopted to calculating the photovoltaic system. Solar panels have been installed over an area of nearly 4,650 square meters on the roof of the new body construction facility. These panels achieve an annual output of approximately 700,000 kWh. All the energy produced is used by the Leipzig plant and is equivalent to an annual reduction of CO₂ emissions amounting to 930 metric tons. Only a short distance from the Leipzig company complex, Porsche found out about a wood-chip handling plant. For the past year, the company has been generating 80 percent of the heating for the plant with a CO₂ neutral footprint. Until Porsche started using the heat, the operator was blowing out the hot air generated into the sky over Leipzig. By implementing this measure, Porsche achieved a total CO₂ reduction of more than 8,000 metric tons. Ultimately, the newbuild at the Macan plant has achieved an impressive result. Compared with conventional buildings, energy management at the Leipzig site – through the use of technologies such as LED external lighting and cooling for welding robots – reduces CO₂ emissions by around 12,000 metric tons annually. If this is taken in



ANNUAL CO₂ SAVINGS AT THE LEIPZIG SITE COMPARED WITH CONVENTIONAL TECHNOLOGY

conjunction with the improvement measures in the existing parts of the plant, it adds up to a total of around 17,000 metric tons of CO₂ per year. This figure would enable 10,000 Panameras to travel around 14,000 kilometers each year.

Sustainable and energy-saving operations represent the sum of many different parts at Porsche. And also the sum of many different heads. There are organizational units similar to the energy efficiency team in Stuttgart. Moreover, employees develop new ideas in team meetings at both sites – Swabians are not the only people who like to develop smart solutions! The key areas of quality, productivity, motivation and logistics are all closely associated with sustainability. In Stuttgart-Zuffenhausen alone, the team developed around 2,000 measures during the course of the previous year. 98 percent of these measures were implemented – also an example of maximum efficiency.

Production at Porsche is an expression of perfection and passion. This is why sustainable operations are an integral part of routine business every day.



Precise control in production saves energy

COMPANY ENVIRONMENTAL AND ENERGY MANAGEMENT

Protecting the environment and conserving resources is a self-evident obligation at Porsche. This has been firmly established at all levels and at all sites. The implementation is multifaceted and ranges from sophisticated certifications to aurochs (wild oxen) in Leipzig.

Apart from complying with environmental and energy legislation, the primary objectives of the company include conservation of resources and climate protection, the use of renewable energies, the development of sustainable logistics concepts, the retention of biodiversity and the continuous improvement in environmental performance at the sites. Environmental compatibility of all operational activities is subject to continual review in the same way as the products. The integration of innovative technologies and the efficient use of resources and energy are subject to a process of ongoing improvement. Engagement in environmental protection and energy management includes employees, service providers and suppliers as well as customers and the general public.

ENVIRONMENTAL POLICY AND ENVIRONMENTAL GUIDELINES

The community and environmental framework conditions, alongside the impact on the environment exerted by population growth and expansion of production, require a new mindset for entrepreneurial thinking and actions. The effects of all company activities and the manufactured products on the natural resources forming the foundation for life itself must be viewed in holistic terms and included in entrepreneurial actions. The stated aim of Porsche is to minimize harmful impacts on the environment arising from all its activities to the greatest possible extent. International efforts to solve global problems relating to protection of the environment are supported as well. The company already defined a dedicated environmental policy with its own clear guidelines in 1995. These have been communicated to the wider public in a variety of ways and published on the Internet in an annual environmental statement. An abridged version of the environmental policy and guidelines now forms a constituent element of the generally applicable sustainability principles.

ENVIRONMENTAL AND ENERGY MANAGEMENT SYSTEMS

On the basis of the environmental policy, Porsche has set up environmental and energy management systems at virtually all its sites. This takes account of environmental and energy related aspects when a variety of entrepreneurial decisions are taken, for example construction measures or the operation of plants, workshops and test rigs. Based on the regulations defined in Directive (EC) no. 1221/2009 relating to voluntary participation of organizations in a community Eco-Management and Audit Scheme (EMAS), ISO 14001, and ISO 50001, environmental and energy management is conceived as a holistic system of integrated measures. It regulates workflows, responsibilities and authorities in environmental protection and energy management, and ensures that each employee is not only aware of the environmental impacts of their activity but also takes account of them. The smooth-running environmental and energy management system helps to provide the company with a future-proof platform. After all, its innovative capability is improved and the environmental impacts are reduced – and ultimately this decreases costs.

 ZUFFENHAUSEN WORLD'S FIRST
 AUTOMOBILE PLANT CERTIFIED IN
 CONFORMITY WITH ISO 50001

As early as 1996, the environmental management system at the Zuffenhausen production site was validated for the first time in accordance with EMAS. EMAS (Eco-Management and Audit Scheme) is a seal of approval conferred by the European Union and it is the world's most sophisticated system for sustainable environmental management. Since 1999, the Zuffenhausen site has also been certified in conformity with the international standard ISO 14001. Additional milestones in Company Environmental Protection were certifications in conformity with ISO 14001 at the Leipzig, Weissach and Sachsenheim sites, and the integration of

Porsche resource and energy management into the existing environmental management system. In 2011, the environmental efforts of Porsche AG achieved a new level with the first-time certification of the energy management system. Porsche production in Zuffenhausen was the world's first plant in the automobile industry to achieve conformity with the new standard ISO 50001 ("Energy management system – Requirements with guidance for use"). In 2011, Porsche Leipzig GmbH and the Central Replacement Parts Warehouse in Sachsenheim were also successful in achieving certification in conformity with ISO 50001.

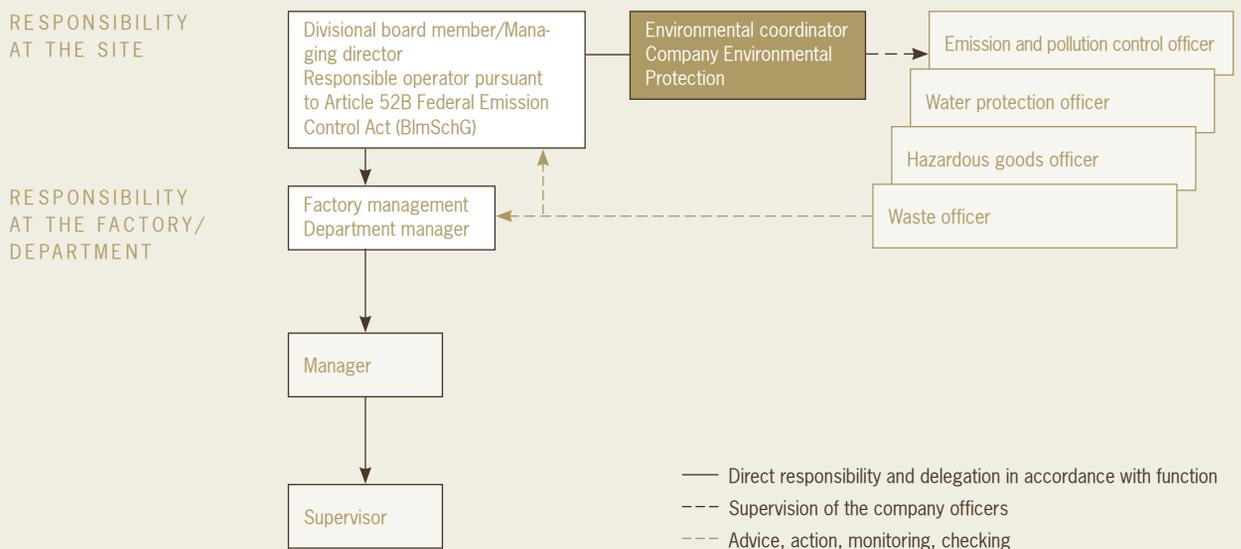
Environmental and energy audits are carried out as an internal tool on an annual basis. A system and process audit performs a full audit of compliance with environmental and energy legislation (compliance audit) and Porsche environmental policy. This assesses whether the environmental and energy management system is fit for purpose, monitors the tracking of environmental and energy indicators, and reviews the improvement in environmental performance overall. Porsche sets high benchmarks for the internal audits which

are carried out with the involvement of an external consultant qualified as an environmental and energy auditor. These detailed audit and review processes helped to ensure that no significant financial penalties or monetary fines were imposed on Porsche during the reporting period for non-compliance with statutory regulations covering environmental issues.

**GROUP GUIDELINE
"ENVIRONMENTAL MANAGEMENT"**

The introduction of the Group guideline "Environmental Management" in the year 2011 enabled Porsche to achieve the objective of applying standardized principles for environmental protection throughout the Porsche Group with the aim of conserving resources, guaranteeing compliance with statutory regulations and minimizing risks to the environment. The Group guideline regulates the key responsibilities and processes in the area of company environmental protection and thereby defines a uniform approach for environmental management within the Porsche Group.

ORGANIZATION OF COMPANY ENVIRONMENTAL PROTECTION



MILESTONES IN ENVIRONMENTAL AND ENERGY MANAGEMENT

1995

Adoption of the environmental policy of Porsche AG

Implementation and further development of environmental management

2005

Participation in greenhouse gas emissions trading

1999

Certification in conformity with ISO 14001 – sites Zuffenhausen, Weissach, Sachsenheim and Leipzig

1996

Validation in conformity with EMAS – Zuffenhausen site

2011

Implementation of the Group guideline “Environmental Management”

Certification in conformity with ISO 50001 – Energy Management – sites Zuffenhausen, Sachsenheim and Leipzig

SITES

Stuttgart-Zuffenhausen

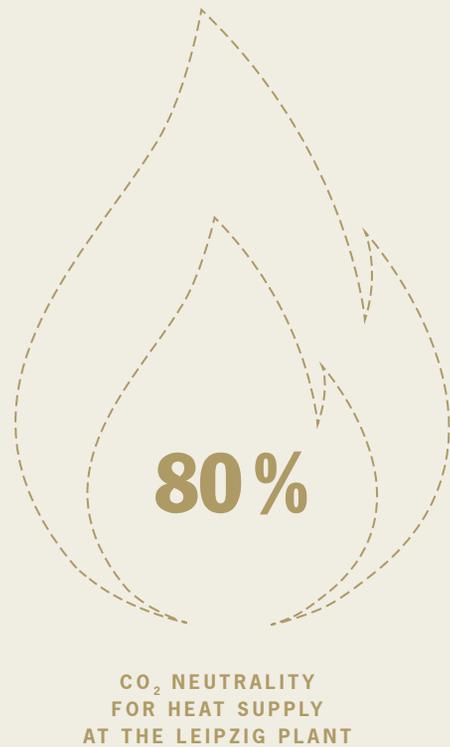
The Zuffenhausen production site is located on the north-western edge of Stuttgart in close proximity to general residential areas. This is an important reason for Porsche to define new global benchmarks with the innovative paint facility. Leading-edge technologies are used here to promote the advanced concept of fewer emissions and lower consumption of energy and resources. One of these technologies relates to the groundbreaking waste air purification system (AWS technology) for the reduction of solvents. The regenerative falling-film technology reduces the solvent concentration to a minimum without having to use fossil fuels. The efficient use of materials and the reprocessing plants avoids or at least reduces waste, and facilitates reuse. Intelligent energy management, consistent heat recovery, and insulation of intermediate driers also save energy.

Weissach

The first projects for expanding the research and development center were launched at the Weissach site. The construction measures for developing the energy center with a district heating power station was completed during the year under review. The latest highly efficient plant technology conserves resources and eliminates emissions.

Leipzig

Preparations were made for the roll-out of production in the Macan at Porsche Leipzig GmbH. A major challenge was presented by punctual approval and project planning combined with implementation of approval procedures relating to emission-control legislation. After all, this involved development of an assembly plant into a fully-fledged production facility with bodywork construction and paint shop. Already at an early stage, residential neighbors were therefore informed in a Residents' Information Bulletin about the development of the plant, including its new production operations of bodywork shop and paint facility. The process was associated with an array of measures to enhance efficiency and conserve resources. Overall, the expansion of the plant generated annual CO₂ savings amounting to 11,637 metric tons of CO₂ compared with a conventional plant construction. The biggest contribution to CO₂ reduction was provided by the deployment of a wood-pellet combustion plant. This provided carbon-neutral generation for 80 percent of the heat supplied to the Leipzig plant.



The street lighting at the Leipzig newbuild is provided by LED lamps. This results in CO₂ savings amounting to 927 metric tons. Plans have been made for further replacement of existing lighting by LEDs. The plant sections for production and construction were already informed about energy-efficient measures during the planning phase. For example, heat recovery from the cooling-water circuits of the production facility enable the heat to be channeled to ventilation systems through integrated circulation systems. These measures reduce the annual energy requirement. Energy efficiency motors located in the infrastructure of the Macan series, for example in building ventilation, are standard facilities extending beyond the statutory requirements. The savings achieved by these motors involve an annual amount of 311 MWh. This corresponds to an annual CO₂ reduction of 187 metric tons.

Future consumption is recorded using a metering concept. The installed meters enable detailed consumption to be identified and appropriate measures for improvement to be instituted as necessary. The PDCA process (Plan Do Check Act) certified in conformity with ISO 50001 will in future facilitate the measurement of consumption and allow non-conformities to be displayed. These can then be eliminated over the short term. Processes relevant to the environment and energy are then strategically optimized and new targets derived.

IMPACTS ON CONSERVATION AREAS

Contrary to the site in Zuffenhausen, the Leipzig and Weissach sites are partly on the border of NATURA2000 areas so that the surrounding environment is classified as very rich in species. Impacts may be generated by the Porsche sites that exert an effect on the neighboring conservation areas or biotopes subject to special protection measures in the surrounding areas. However, all the specified environmental conservation and species protection measures were carried out alongside FFH contractual inspections (FFH = Fauna Flora Habitat). These have demonstrated that no impacts arise from the sites which could lead to significant impairments.

PROTECTION AGAINST POLLUTION

Emission Rights Trading

Since 2005, Porsche AG has been subject to European emission rights trading with the Energy Center at the Zuffenhausen site. The upgrading and expansion of the Energy Center was a key step forward with the aim of protecting resources and reducing emissions. For example, the obsolete boiler system was replaced by a district heating power station. This permits significantly more efficient use of fuels for combined heat and electricity generation. Conversely, the energy requirement is increasing as a consequence of combined electricity generation in efficient co-generation with power and heat, and through continuous expansion of production facilities and the connection of additional buildings at the site. This also leads to an increase in absolute CO₂ emissions.

Noise

Porsche is aware of the responsibility to its neighbors and adopts technical and organizational measures to avoid or minimize noise emissions. The noise log provides a strategic planning tool for this purpose. Continual further development and updating of the noise log enables detailed information to be provided on the noise impacts when new plans are being implemented, existing plants are being modified, or logistics pathways are being amended.

The stationary sources of noise and recording of the noise emissions generated by vehicle movements can be used as a basis for making noise forecasts when new plans are drawn up or plants are modified. Alongside regular surveys of pollution measurements, these forecasts are used to maintain the statutory guide values for noise pollution in conformity with the "Technical instructions for noise" (TA Noise). The results also highlight the potential scope for reducing noise and present the development of the noise situation at the site. The control measurements carried out confirm the maintenance of the threshold values.

PROTECTION OF WATER QUALITY

Water/Wastewater

A strategic and economical approach to water is a key element of environmental activities at Porsche. The company uses new, efficient technologies in production to make a sustainable contribution to conserving water resources and protecting the soil and waterways. Consistent development of circulation systems and reuse have continually reduced water consumption over recent years. However, the comprehensive measures to expand the plant at different sites have increased water consumption during the reporting period.

Polluted wastewater from production is treated locally. For this purpose, wastewater treatment plants approved under statutory water regulations such as low-density material separators or the neutralization plant at the paint facility are in operation. The wastewater treatment plants are regularly adjusted to comply with the latest technical advances and the values achieved are consequently well below the threshold values.

Handling Water-polluting Substances

Water-polluting substances from all water-hazard classes are collected, loaded, or transported within the company at all Porsche sites. Since 1998, Porsche AG has been a certified specialist pursuant to the Water Management Act at the Zuffenhausen and Weissach sites. This enables the company to carry out servicing, maintenance and repair functions to plants treating water-polluting substances. Porsche has significantly minimized the risk of business interruptions occasioned in the process of handling water-polluting substances by equipping staff with appropriate

skills and qualifications and by installing protective equipment at the production facilities that are compliant with a high technical standard.

CONTAMINATED AREAS

Historic surveys and assessments of contaminated areas have been carried out and documented at all Porsche sites in order to comply with the Soil Protection Act. An evaluation of land with potential contamination is carried out whenever land is purchased and if necessary an expert investigation is commissioned. This approach reveals any pollution present in areas with potential contamination. Any appropriate measures are then agreed with the government authorities and are implemented. For example, the new paint facility at the Zuffenhausen site was erected on a parcel of land that had previously been used as an industrial site. After pollution had been identified on the land, the company worked together with the government authorities and a groundwater purification plant certified in conformity with water regulations was set up to clean up the site using active charcoal.

WASTE MANAGEMENT CONCEPT

Handling waste at Porsche is regulated in the existing waste management concept. Consistent collection of waste forms the basis for this waste management concept. Waste is grouped separately into individually recyclable types at the individual sites where it is generated. All waste collection points and containers are uniformly identified. The waste management concept is the enabler for improving environmental protection – while simultaneously taking account of cost-effective solutions provided by disposal technology. When procuring new production facilities any waste likely to be generated is evaluated in the upstream planning process. Appropriate requirements for avoidance of waste and using low-waste technologies are defined in the operational resources regulation "Environmental Protection" and forwarded to suppliers. Waste disposal companies are audited and approved before they are engaged by the Environmental Protection Department in order to ensure disposal in conformity with statutory regulations. This disposal audit focuses on a review of legal compliance and examines the disposal routes and procedures.





"Animal colleagues": The grazing concept at the Leipzig plant

NATURE CONSERVATION AND SPECIES DIVERSITY

Porsche has commenced various mitigation measures with the establishment and expansion of the Leipzig plant. The grazing project on the former Lindenthal parade ground at the site of the Leipzig plant – covering an area of approximately 65 hectares – was launched in 2002, partly as a mitigation measure for the construction and operation of the Porsche offroad test track. The grazing area is unique in the automobile industry due to its close proximity to the plant itself. The project ensures the upkeep of the former army parade ground with its valuable biotopes, plants and animals. It safeguards the high conservation value of the land with aurochs and wild horses.

In 2004, an internal indicator system (monitoring) was set up to document and strategically manage the effects of the grazing project on the natural environment. Monitoring is carried out at regular intervals. The former parade ground is currently home to approximately 75 aurochs and 20 wild horses in two herds. Various species of bird have also been observed, such as corncrakes, Eurasian wrynecks, western yellow wagtails, European stonechats and whinchats, common whitethroats and barred warblers, corn buntings, and red-backed shrikes. After an intervening period of ten years, there are some gratifying and significant

development trends with individual species which are attributable to the grazing land (open pasture). The conservation targets for extensive grazing throughout the year have therefore been achieved for maintaining the stocks of these populations and in some cases they have even been exceeded.

The FFH area "Brösen Glesien and Tannenwald" is located to the east of the Leipzig site on the edge of the offroad track. A small parcel of land with approximately 4.6 hectares in this area is owned by Porsche. A number of valuable biotopes protected under the Nature Conservation Act in Saxony are located in the area of the offroad track. Three parts of the FFH area "Stuttgart Basin" are also located near the Zuffenhausen site. "Greutter Forest" is the nearest section, located around 0.5 kilometers from the company complex.

Two FFH areas are located near the Development Center in Weissach. A small section measuring some 0.3 hectares of the directly neighboring area "Strohgäu and Lower Enz Valley" is owned by Porsche AG. The area "Calwer Heckengäu" is located approximately 3.1 kilometers away. There are also many biotopes protected under the Nature Conservation Act of Baden-Württemberg located close to the Development Center. Two especially valuable, protected biotopes are located on land owned by Porsche outside the boundary of the current company complex.

EMERGENCY RESPONSE ORGANIZATION

The Porsche emergency response organization guarantees that existing risks such as personnel accidents, fire, explosion, and accidents involving hazardous substances that could pollute the environment, are identified and evaluated at an early stage by the risk strategy, and that hazardous incidents can be dealt with using appropriate methods. The emergency response organization also ensures that information about damage or accidents is communicated promptly in a transparent and structured approach to the responsible decision-makers. This enables them to coordinate an appropriate response to the incident on the basis of a three-stage action plan and deal with the consequences. Substances constituting a potential hazard to the environment are transported to Porsche sites in accordance with statutory environmental regulations where they are decanted, stored and used. Operational disruptions are dealt with using the Porsche emergency response organization. No major releases occurred during the reporting period.



EMPLOYEES



The economic success of Porsche would not be conceivable without the motivation and commitment of our employees. Our workforce identifies with the aspirations of the company beyond the boundaries of all our sites and markets. Employees at Porsche pursue the fortunes of the company's products and they are always striving to "raise the bar a little higher" after existing benchmarks have been achieved.



The employees are the most important resource of a company. The success of Porsche is based on motivated people. The platform for this success is formed by equitable collective pay contracts and company agreements which benefit employees. Investment in vocational training for the next generation of workers is an important guarantee for building outstanding sports cars in the future with a workforce of well-trained employees. In 2013, 150 young people entering the world of work started their careers at the training center in Stuttgart-Zuffenhausen – this is the biggest number of apprentices in the history of Porsche. And the origin and school-leaving qualifications of these young men and women have never been more diverse.



Data analysis: Understanding a Cayenne

TRAVELING INTO A BRIGHTER FUTURE

Young Filipinos from Manila's poverty-stricken districts get more than a vocational training place at Porsche. The young mechanics take off straight away – into a better future.

A packed city bus is struggling to make its way in the early-morning rush-hour traffic when cars are bumper to bumper in the sweltering heat of the sprawling conurbation of metropolitan Manila. One of the passengers has been enduring the uncomfortable hard seat for almost two hours. Christian "Chris" Laxa is the name of the gangly, lanky young man from a rather unprepossessing suburb a long way to the east of the capital where shacks and small houses extend endlessly over the hills. Chris lives in his grandmother's house, together with his parents and nine siblings. Like every other morning, the 22-year-old is on his way to the Porsche Training and Recruitment Center Asia (PTRCA) in the center of Manila. The training workshop has been writing a real success story for the past five years. It offers underprivileged young men and women a chance to permanently improve their position in life and trains highly motivated skilled workers for Porsche service centers throughout Asia. In this constellation, social engagement and farsighted personnel management are working hand in hand.

Torsten Klavs is responsible for qualification concepts in After Sales at Porsche.

He was at the PTRCA in Manila right from the start. The model in the Philippines is regarded as a role model after just five years. It was no accident that the Philippines were chosen as the first choice location of the training center for mechatronics technicians. This was the result of an intensive analysis carried out at different sites. The majority of the population living in the island state speaks English at least in a rudimentary form. However, the mentality of the people was much more important as a deciding factor, combined with the long-standing tradition of young men and women traveling abroad to look for training and find work. Hundreds of thousands of Filipinos work on freight and passenger ships as sailors, machinery fitters or kitchen assistants, traveling on the high seas of the world. "Naturally, all these men and women suffer from home sickness but nobody throws in their job because of that," commented Torsten Klavs. This is even more the case for his protégés in view of the good working conditions and an annual vacation of 25 days. Klavs observes time and again that the young people finishing their training course at the PTRCA quickly become part of the Porsche family and then thrive as they make their way abroad.



There is also a solution to home sickness. Klavs: "After three months abroad, the young men purchase a computer – for themselves and for their family back home – and then they Skype every evening." Chris Laxa will only start working abroad in a few months. But his career path has been much more strenuous than the daily commute into Manila. He left school at 16 as a teenager and started working as a trash sorter with his uncle. "It was tough work and it was dirty," recalls Chris, "but I was proud that I was able to support my family by working." When he turned 18, he changed to work for a fast-food chain selling on-the-go food and studied hard at the same time in evening school to gain a higher qualification. But the money was not enough. Books were too expensive and the costs for getting to school were too high. He was already thinking about giving up on school and working as an independent sandwich seller when he met an old friend from school.

 THE VICIOUS CIRCLE OF
 POVERTY HAS TO BE BROKEN

"He told me about the training at Don Bosco and that they would give me a grant there," remembered Chris. His application for an apprenticeship was successful, "God blessed me."

Breaking the vicious circle of poverty is absolutely essential. The Catholic Salesian order runs Don Bosco apprenticeship centers for young people in 130 countries. Full grants enable young people and teenagers from vulnerable sections of society to take up a vocation with a future. "We aim to give young people everywhere in the world a fair chance to break out of the vicious circle of poverty," was how Christian Osterhaus, Managing Director of the World Center of Don Bosco Mondo in Bonn, described the global mission. Since 1960, young men have been completing technical apprenticeships at the Don Bosco Technical Institute



"The concept has been designed so that subsidies and government allowances are not required."

in Manila within 15 months. Porsche has been building on this sound platform since 2008. After ten months at Don Bosco, around 40 young men are able to continue their training as Porsche service mechatronics technicians for a further nine months at the PTRCA. The apprentices know right at the start that they will have a fixed job at the end of this phase – generally speaking in one of the Arab countries in the Gulf. "The concept has been designed so that it can operate without any subsidies or other government allowances," said Klavs. The importers and dealerships take over the costs of the training and they then employ "their" freshly trained technicians. The young mechatronics technicians and their families, the Don Bosco Institute, the Porsche support centers in Asia – the

program provides a win-win situation for everyone.

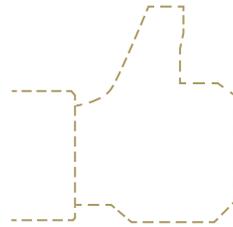
The sustainable success proves the point for Klavs. Out of a total of 160 former PTRCA apprentices, 157 are still working for Porsche across the world. The Don Bosco Technical Institute tells school children about the exceptional opportunity offered by Porsche. "This is important because these young teenagers have never heard of Porsche before – and they have certainly never seen a 911 either," explained Klavs. Chris Laxa agreed with a broad smile: "We are really only familiar with Asian cars here." In the Don Bosco workshop, too, the apprentices were only working on elderly Japanese cars before Porsche came on the scene.

THORSTEN HAGEL (LEFT IN PICTURE) HAS ALSO STAYED IN CONTACT AFTER HE FINISHED HIS STINT AS A TRAINER AT PTRCA – VIA FACEBOOK

JAYSON MARIANO SUPAN

Posted on the wall of Thorsten Hagel on 27 September 2013

“Thank you for your massive support!”



THORSTEN HAGEL

Reply

“Best wishes for the award as certified Porsche Technician Silver. My greatest respect goes to you because it has been all your own work.”

JAYSON MARIANO SUPAN

Reply

“I owe almost everything to you. Thank you once again for everything!”

The apprentices achieve the necessary high standard at the end of their training with the performance typical of Porsche. The route to a successful qualification is long and tough because the apprentices begin their training without the theoretical framework that is taken for granted in Germany. “The rationale that we cannot simply impose our German twin-track training system in the Philippines on a one-to-one basis is very important. There is quite simply a lack of basic education. We are concentrating much more on implementing the key elements of German education. We need to adapt to the conditions that exist on the ground,” said Klavs. However, the personal commitment of the highly motivated young men and women is worth a great deal and in many ways compensates for educational gaps. Chris Laxa and his colleagues are really fired-up and extremely ambitious. They listen attentively to all the explanations given by their instructors. They marvel at the special tools and they adopt an almost reverent approach when they handle the unaccustomed equipment. Initially, they are unwilling to engage with the diagnostic computers but typically of this generation, they quickly lose their reticence. They hungrily absorb any information they receive.

And even when the time comes round for cleaning every evening, they approach the task as though there were a prize for the cleanest corner of the workshop. The committed engagement and the unswerving optimism of the people from the poverty-stricken areas are positively contagious. The secondment as a trainer has even left its mark on a man like Thorsten Hagel – tough outer shell, but heart of gold. The young men call their trainer “Pop”. And whenever Pop Hagel tells stories about his young men, he is beaming. His former protégés maintain contact with their Pop through Facebook even though he has long since been living in the comparatively calm environs of Ludwigsburg near Stuttgart.

Evening has arrived in Metro Manila with its population of twelve million. The city bus trundles along, taking a tired but happy Chris Laxa across the hills and back to his suburb. However, the big target is much further away. At the end of 2014, he will take off as a freshly trained service electronics technician to work for Porsche in the Gulf state of Kuwait. “This will be a journey into a brighter future – for me and my entire family.”

Emergency Aid after Typhoon “Haiyan”

Porsche provided financial aid after the devastating typhoon “Haiyan” struck at the beginning of November 2013 to claim many victims and cause substantial damage on the Philippines. Porsche made a donation totaling 50,000 euros to support the non-governmental organization Don Bosco Mondo e. V., which delivered emergency aid to the Philippines in the wake of the devastation caused by the typhoon. The money is intended to finance the rebuilding of schools which were destroyed by the storm. “It is more important than ever before to create future perspectives when young people are in such a dire situation,” said Torsten Klavs, responsible for qualification concepts at Porsche. In 2014, the Porsche Training and Recruitment Center Asia (PTRCA) will therefore primarily focus on providing young people from the crisis-hit regions with a training.

YOUNG PEOPLE GOING INTO A “FUTURE AT PORSCHE”



In 2013, 150 apprentices started work in Stuttgart-Zuffenhausen alone

This is not just happening in the Philippines. Porsche is also offering a multitude of opportunities at the Stuttgart-Zuffenhausen headquarters to young people starting out in the world of work. The company wants to continue on its road route as one of the world's most profitable automobile manufacturers, empowered by young and highly motivated people. “Focus on performance and social responsibility have been hallmarks of Porsche for decades and they are part of our recipe for success. This is demonstrated by the mix of our apprentices,” was how training manager Dieter Esser outlined the company's culture. Porsche increased the number of apprenticeship places available at Zuffenhausen from 100 to 150 in two stages from 2011 to 2013. In technical vocations alone, 106 apprenticeship places are available to applicants in nine different vocational profiles at the Zuffenhausen apprenticeship center. The range of vocational apprenticeships extends from automobile mechatronics technician, through an industrial mechanic for “automobile manufacture”, to vehicle interior outfitter. All these apprenticeship vocations are also open to school leavers with a lower secondary school qualification. At the beginning of training in the fall of 2013, one out of three of the career starters was a young man or young woman with the most basic forms of qualification from a

secondary school. Every tenth apprentice possessed a university entrance qualification (Abitur). A stated objective at Porsche is that every vocation group consists of a mix of school-leaving qualifications – with apprentices coming from lower secondary schools (Hauptschule), higher secondary schools (Realschule), and high schools (Gymnasium) with a university entrance qualification (Abitur).

Porsche tackles the challenge of not just selecting apprentices on the basis of performance criteria but also providing scope for offering apprenticeship places to vulnerable teenagers from disadvantaged backgrounds. Porsche also aspires to motivate outstanding young men and women to contribute to the company. Each year, Porsche – in cooperation with Baden-Württemberg Cooperative State University – offers 34 school leavers with a university qualification the opportunity to complete a twin-track engineering or scientific degree course leading to a Bachelor's qualification at the end of their studies. In 2013, the proportion of women was estimated at nearly 25 percent across all vocation profiles – a value well above the average for the sector. Last year, the proportion of young people with a physical handicap among the new apprentices was nearly five percent.

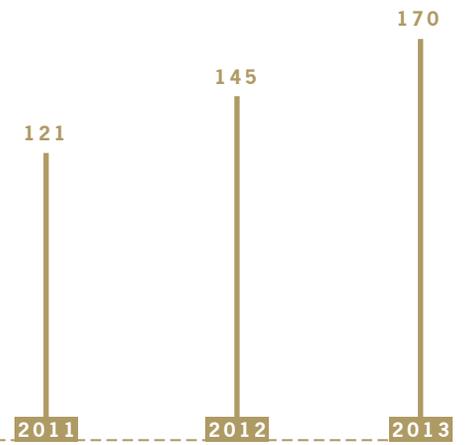
It is particularly gratifying that young people who appear to have no prospects at all are keen to make full use of the opportunity offered to them. This scheme enabled

ALL APPRENTICES ARE
GIVEN A PERMANENT JOB AT
THE END OF THEIR TRAINING

nine out of eleven young men and women to complete a foundation year at Porsche and they then started their apprenticeship training. Porsche is particularly keen to acknowledge the perseverance of these young teenagers. These young people are starting their working life with very diverse backgrounds and they have an opportunity to embark on a career at Porsche. They are able to start their “Future at Porsche”. After they have successfully completed their apprenticeship training, all apprentices are employed in a permanent position at the company. As far as the Head of Training Dieter Esser is concerned, the people are the most important success factor. “We are delighted to know that all these young employees are proud of working at Porsche.”



APPRENTICES STARTING THEIR WORK
IN ZUFFENHAUSEN AND LEIPZIG



Quality right from the start – in training and in production

The growth trajectory of the company is reflected in the number of employees in the workforce, which once again increased to a record value during the year under review. On 31 December 2013, a total workforce of 14,021 was employed at Porsche AG and Porsche Leipzig GmbH – a significant increase compared with 12,458 employees in 2012. Our aim is to remain an attractive employer for them.

PORSCHE CULTURE

In 2011, the strategy for “Human Resources and Social Affairs” was defined in the “Corporate Strategy 2018” and since then it has been continuously developed. Important milestones were implemented during the year under review. All strategic decisions relating to employees are under the responsibility of this portfolio and are agreed with the works councils. The Porsche culture automatically entails that the strategy is harmonized with the collective pay contracts and company agreements.

EMPLOYER APPEAL

The corporate culture and values were defined in the Strategy 2018 as an important interdisciplinary issue. Against the background of the realignment of the company and integration within the Volkswagen Group, the ongoing development of corporate culture and the consequent increase in the appeal as an employer are key issues. Important areas of action were defined based on the most important guidelines for action which forge the culture of the company – the Porsche governance guidelines, the Porsche Compliance Code, and the Porsche Business Rules. These include maintenance of employees’ fitness to work (work ability), measures to promote the work-life balance to reconcile the demands of career and family, or giving opportunities to young people who would otherwise have no prospects of a working career or very poor opportunities. Supporting the further development of the corporate culture is part of the most important governance functions.

In line with the defined objectives, the Executive Board and the general works council reached an agreement at the end of 2012 in the form of the policy package entitled “Employment Market of the Future”. This program of measures is projected to deliver additional enhancement of

flexibility and increases in productivity, as well as improving the work-life balance between career and family. It was implemented through a variety of different models in the business year 2013. For example, the working hours in production were shortened by one hour to 34 hours a week in return for the increased productivity – with full wage settlement. By contrast, engineers are able to work for up to 40 hours a week on a voluntary basis with correspondingly higher pay. Agency workers and temporary employees were also given attractive framework conditions which include equal pay and simplifying the process of being taken on as part of the Porsche core workforce. The number of agency workers and the maximum time for their employment was reorganized on the basis of a collective agreement specifically targeted at the relevant decision.

INTERNATIONALITY

Porsche is a cosmopolitan company and employees with more than 60 nationalities are employed at its sites. Since 2011, the Executive Board and the general works council have been committed to the nationwide initiative “Respect! – No place for racism”. The initiative originated in sport and combats racism and discrimination in society at large and in the workplace. The initiative is supported by a series of campaigns at Porsche – for example with film clips for the employee TV broadcasts, affixing “Respect” notices on the plant gates and “small “Respect” pins and balls for employees. Uwe Hück, Chairman of the General Works Council at Porsche AG and “Respect” Ambassador since 2011, stated at the employee gala in 2001: “Human dignity is the focus for everyone here at Porsche. An important aspect of this mindset is respect for people from different cultures. Racism has no place in our company.”



United Nations: Employees from more than 60 countries work at Porsche sites in Germany



Guests from all over the world in Stuttgart: Participants in the 2nd International Porsche HR Conference

PROTECTION AGAINST DISCRIMINATION

The aspiration for a corporate culture defined by diversity, internationalism, and equality entails that Porsche takes responsibility for protecting its own employees against any form of discrimination. In accordance with the Porsche Group Guideline entitled “Consultation on Employment and Social Legislation”, the Department for Employment Relations, Basic and Employment Legislation is responsible for implementation and management of court and out-of-court disputes about employment and social legislation, including breaches of the General Equal Treatment Act (AGG). In 2013, no discrimination cases were filed against Porsche AG or Porsche Leipzig GmbH.

WORK-LIFE BALANCE BETWEEN CAREER AND FAMILY

Porsche aims to provide its employees with a positive work environment and wants to empower them to achieve a maximally high quality of life – combining career and family is therefore seen as one of the key future functions in Human Resources and Social Affairs.

During the year under review, Porsche continued to work on implementing its concept of creating daycare places through joint ventures with children’s nurseries. Since 2012, a joint

venture with the “Villa Kunterbunt” (Villa Villekulla) nursery located in Mönshheim near the Weissach Development Center has been providing employees with six nursery places. During the year under review, a further 45 places were made available in Zuffenhausen after the “Belle Terrasse” nursery was opened. The ten places created in Sachsenheim will be complemented by a further five places in 2014. An additional 45 reserved places are being planned in Weissach. The packages for childcare are supplemented by school vacation daycare in Weissach and close cooperation with “PME Family Service”, which offers individual support solutions for any living situation. Porsche employees can also rely on this service to provide support if they have to care for a relative within the family.

Porsche has agreed a provision on caregiver leave together with the works council, which extends significantly beyond the statutory requirements. Employees can take caregiver leave for a maximum period of three months if they have to deal with an acute care situation involving a close relative – they continue to receive 75 percent of their gross monthly pay. On application, their pay can be topped up to a maximum of 100 percent through remuneration of time credits.

Flexible organization of workplace and working hours is also a focus at Porsche. The possibility of benefiting from “Home Office” and sabbatical arrangements can be supplemented

by the company agreement on “Working Time Choice based on Life Phase”, established during the year under review. This enables employees to reduce their working hours to a minimum of 20 hours per week for a specified period of time without losing their entitlement to the previously agreed working hours.

PROMOTION OF WOMEN

The promotion of women in the world of work is a particular focus at Porsche. Increasing the proportion of women was adopted as an initiative in the area of action “Promotion of diversity” within the “Strategy 2018”. This is being implemented by qualification and career training measures including workshops and seminars, discussion about individual experiences with female supervisors, and mentoring programs.

Since 2001, the company has been a founding member of the “Femtec.Network”, which is dedicated to motivating women to take engineering and scientific degrees. Every year, Porsche offers members a quota of internships and dissertations. The initiative “Girls Day 2013” involved 70 young women from the surrounding high schools, higher secondary schools and lower secondary schools attending taster days for vocational training in Zuffenhausen and at other sites.

PROMOTION OF EXCELLENCE AND INCENTIVIZED COMPENSATION

Gender-neutral Compensation

Fair compensation for performance is seen as an essential part of comprehensive promotion of women at Porsche. Since pay for employees relates to their particular area of activity, the system of compensation in the company is organized on a gender-neutral basis. The requirements for a particular area of activity or function are defined using the Porsche work evaluation system. The compensation system at Porsche AG is based on the pay framework collective agreement for employees of the metalworking and electrical industry in Baden-Württemberg and is defined in concrete terms by the “Framework company agreement on the application of the Porsche pay framework (P-ERA)”. The compensation system for Porsche Leipzig GmbH is defined in the local collective agreement.

Executive Board Remuneration

The Members of the Executive Board of Porsche AG receive fixed annual compensation as well as short-term (annual) and long-term variable compensation elements.



Getting the work-life balance right at Porsche is a top priority

The level of the variable compensation components for the Members of the Executive Board is defined by the Supervisory Board and is based in particular on attaining the strategic corporate targets. These include a sustainability element related to topics such as CO₂ strategy, e-mobility, and excellent employee and business partner.

Pursuant to the principles for the remuneration of Members of the Executive Board (Article § 87 Section 1 German Stock Companies Act (AktG)), the compensation structure is based on sustainable corporate development and accords with the recommendations of the German Corporate Governance Code.

PORSCHE COMPANY SPORT

Porsche company sport has now been a tradition for the past 60 years. Sport at Porsche started up in 1954 with the first football team. By 2013, company sport had expanded to 32 different clubs with around 1,250 employees. The focus of the different sports is not simply on high performance but also on the communal sporting and social activity, irrespective of the nationality, origin, skin color or religion of the athletes involved. The regular sporting activity in the various company sports clubs offers a balance for the growing stresses entailed by an employee’s job and everyday pressures. Ultimately, it also constitutes a preventive health measure. Porsche company sport promotes social contacts

that transcend functional and corporate hierarchies and thereby creates a platform for integration of all the employees working in the company.

SOCIAL ENGAGEMENT

Since 2007, Porsche managers in Leipzig have had the opportunity to work in a social service organization for a week. This “sideways move” opens up new perspectives for the participants. The project is intended to selectively promote the social and personal competence of managers, while at the same time making a contribution to the common good. The “MaxSpeed2” managers’ program was launched during the year under review. It brings benefits to the employees taking part and also provides advantages for the company as a whole and the social service organizations involved. The latter include the Leipzig correctional center, a children’s daycare nursery, a senior citizens’ home, and a refuge for vulnerable people and the homeless. The project finishes with a joint workshop of all the people involved and a visit by representatives of the participating social service organizations to the Porsche plant in Leipzig.

PARTICIPATION

Co-determination

The co-determination enshrined in the Works Council Constitution Act lays down that issues such as working hours, overtime, performance monitoring and behavior management, organization of workplaces and occupational safety cannot be defined unilaterally by the employer alone. Consequently, cooperation between human resources and the works council on all the issues relevant to employees is part of the Porsche culture. Dealings between the company management and employees or the representatives of their interests are open and are carried out in an atmosphere of trust. The employee representatives in the form of the works council are involved in all relevant company decisions and organizational issues relating to the employees.

Dialog within the Company

A number of options are available at Porsche for employees who want to make their own suggestions and present their concerns to decision-making bodies and committees. There are open and transparent communication routes – for example in the form of direct emails or an organized series of questions to the Chairman of the Executive Board – as well as “indirect” communication and escalation pathways through individual supervisors, departmental and central meetings and other committees.

The entitlement to open and direct communication is established in the Porsche governance guidelines as a key element of corporate culture. Corporate media such as managers’ newsletters, Intranet, internal magazines and corporate TV are important information channels. It is standard practice within the company for all employees and their elected representatives to be informed promptly and comprehensively about important changes in relation to operational workflows and organization. This communication is carried out in accordance with statutory national regulations, although applicable notification periods are not defined concretely in existing company agreements. Compliance with this company business practice is ensured in many different ways, including a Supervisory Board with equal employee and employer representation, the works council committees, the finance committee, or continuous updating of the company agreement database on the company’s internal Intranet. Ordinary company meetings are also held at regular intervals where the workforce is informed about the latest news and events.

Collective Agreements

Collective agreements apply to all employees of the company with the exception of executive employees. As a member of the south-west section for the metalworking industry of the Employers’ Federation, Porsche AG is part of the proactive and engaged social partnership between the metalworking and electrical industry and the Industrial Union of Metalworkers (IG Metall). All the employees working at Porsche AG therefore come under the agreed industry-wide collective pay agreement. The employees at Porsche Leipzig GmbH are covered by the agreed local collective agreement.

Sentiment Barometer

A company-wide employee survey in the form of a sentiment barometer was carried out at Porsche AG for the first time in 2013. 9,221 employees (88 percent of the employees entitled to participate) made use of the opportunity to express their views on key issues such as cooperation with colleagues and supervisors, the quality of the working environment or provision of information relating to the latest developments at Porsche. The results demonstrate a high level of satisfaction among employees. 95 percent of the respondents say “I like working at Porsche”. The survey of the sentiment profile in the workforce serves as a basis for individual assessment meetings between managers and their teams. The aim is to analyze the results and work out improvement measures.

CO-DETERMINATION AND SUSTAINABILITY



Uwe Hück, Group and General Works Council
Chairman of Porsche AG and Deputy Chairman
of the Supervisory Board

Co-determination means joint responsibility. And joint responsibility entails sustainability. Co-determination is part of everyday business practice at Porsche and we regard it as an important pillar supporting entrepreneurial success. The result is our unique Porsche culture. This culture is reflected in motivated employees who contribute exceptional performances and at the same time have an almost unsurpassed emotional loyalty to the products and to the company. Porsche culture means: We need to make profits in order to protect the social fabric. This is only possible because at Porsche productivity and flexibility are not denigrated. Social security for the employees, performance-related compensation, good working conditions, ongoing upgrade of qualifications and career development of employees, equal opportunities regardless of origin, religion or gender, and continuous improvement in the work-life balance between career and family.

Ultimately, the employees and the company benefit equally from this model. The smooth-running social partnership between the collective bargaining partners Industrial Union of Metalworkers (IG Metall) and the Employer's Federation of the Metalworking and Electrical Industry for Baden-Württem-

berg (Südwestmetall), as well as between the works council and the company management allows arrangements and agreements to be achieved that frequently make Porsche a pioneer in the sector. One such example relates to the initiative "Employment Market of the Future". We have already reached framework agreements with this package of provisions which will only be on the agenda of the collective bargaining partners in the upcoming round of pay negotiations.

Employees at Porsche have access to an array of social benefits from the company, ranging from advanced and future-oriented working time models and the participation of all employees in the success of the company through annual one-off single payments. Examples are the company pension, variable pension "VarioRente", the Porsche phased-in retirement scheme, childcare and caregiver leave, home office, voluntary personal sabbaticals, the 34-hour week with full pay settlement in production, and the 40-hour week for engineers on a voluntary basis.

Another pillar for Porsche culture is the promotion of young people. The works council and the company management increased the number of new apprenticeship places from 100 in 2011 to the current figure of 150 per year. In order to ensure that all apprentices can receive state-of-the-art training, we are building an advanced and pioneering training center in Zuffenhausen with capacity for more than 500 apprentices. This facility is due to be completed by 2015.

Porsche culture also means giving young people an opportunity who might otherwise fail to achieve their full potential. Porsche allocates 40 percent of its apprenticeship places for technical vocations to school leavers from lower and higher secondary schools. Since 2013, we have also enjoyed a great deal of success in implementing the foundation year agreed between the collective bargaining partners. This scheme prepares selected young

people who have been designated as unsuitable for apprenticeship training to go through the apprenticeship training scheme at Porsche. However, these young people need to be committed and bear in mind that a lot of hard graft is involved for a successful outcome.

Sustainability also means restricting the amount of temporary work such as agency jobs, contracts for services, and short-term contracts as far as possible. In order to meet the need for more personnel as a result of growth, we give agency staff and employees with short-term contracts permanent positions at Porsche before jobs are advertised externally and new appointments are made.

We believe an important factor is involving our colleagues in the success that Porsche generates through their work. This is not only manifested through the one-off annual payment agreed between the works council and the employer. By implementing performance-related elements of the company pension and the employee-financed VarioRente variable pension we are proactively taking up the challenge of combatting the threat of poverty in retirement and offering employees attractive options for pension provision.

This brief insight into a wide range of issues regulated by agreements between employees and employers demonstrates that Porsche not only manufactures fast and environmentally friendly automobiles but also adopts a very serious approach to sustainability. This is because we do not make empty statements about co-determination but are committed to co-determination and make it part of our business practice.

Yours

BASIC TRAINING AND CAREER TRAINING

VOCATIONAL TRAINING

Young people are one of the most important resources for Porsche. This is precisely why the company takes their training very seriously. The places for new apprentices at Porsche AG were increased from 100 to 150 between 2011 and 2013. At the end of the year under review, a total of 408 apprentices were employed in Zuffenhausen. At the end of the business year 2013, a total of 51 apprentices were undergoing training at Porsche Leipzig GmbH, and at the end of 2013 the total had risen to 61 apprentices. The Leipzig plant underwent significant expansion for production of the new Macan model. The number of apprentices was also increased. The training workshop was expanded and a new training area for mechatronics technicians came onstream with the aim of providing training to high standards in future. Any apprentice successfully completing their training is given a permanent position at Porsche, as laid down in the applicable collective agreement and a company agreement. Up to 40 percent of apprenticeship places in technical vocations are reserved for school leavers from lower and higher secondary schools. This quota helps to improve the opportunities for school leavers from lower secondary schools on the employment market. Part of the recipe for success from this strategy is an improvement in the mix of school leavers from lower and higher secondary schools, and from high schools with university entrance qualifications. The achievements of the “stronger” members of the group exert a motivating effect on all the other apprentices. When allocating apprenticeship places in the technical vocations and in the engineering degree courses, Porsche is particularly keen to attract young women.

Foundation Year for Young People

In 2012, the “foundation year” was offered for the first time. The objective of this foundation-year model agreed between the collective bargaining partners is to give young people with specific deficits, e.g. poor school grades or no leaving certificate at all, opportunities to have a training which leads to a qualification. The participants are selected without applying standardized criteria by a committee made up of employee and employer representatives. The participants in the foundation year go through a foundation program lasting ten months which is intended to provide them with the skills and knowledge to successfully complete a standard apprenticeship training. Out of eleven

participants, nine were successful in completing the foundation year and they have been training as apprentices at Porsche since September 2013. Another eleven teenagers started the foundation year in 2014.

Cooperation with Vocational Training Centers

The vocational training department works together with non-governmental care organizations Paulinenpflege in Winnenden (hearing and speaking impairment) and Nikolauspfllege in Stuttgart (visual impairment) in order to give young people with significant hearing, speaking or visual impairments the opportunity to have an apprenticeship training at Porsche. The company experience of the experts from the vocation training centers allows them to provide expert advice on whether a company training scheme is possible, and if so under what conditions. The vocational training center and Porsche communicate on a regular basis to establish how training should be structured in each individual case. They also discuss the support that can be organized for the company and the young apprentices.

New Training Center in Zuffenhausen

Porsche is investing strategically in the expansion of vocational training in order to successfully support the planned growth. In line with Strategy 2018, the total number of training places has been increased from the current level of 300 to 450. Since the capacity of the previous training site was no longer adequate, an advanced and future-oriented training center is being constructed at the Zuffenhausen headquarters at a cost of some 30 million euros for more than 500 people starting in the world of work. This training center is due to open in 2015.

EMPLOYEE DEVELOPMENT

A key cornerstone of personnel and management development at Porsche is the consistent professional development of all employees. The focus here is on expansion of individual skills, competences, and knowledge. The platform for this is established in the annual planning rounds for developing competence and potential. During the reporting year 2013, the expansion of existing career training packages and standards was combined with advice from the individual specialist areas on potential changes to support career training for specialist employees.

Porsche Management Program

The promotion of additional qualifications for experienced employees in management positions is carried out in the company through the Porsche Management Program. The focus of this modular program designed in close cooperation with major business schools is the advancement of general management expertise, the expansion of a joint management understanding, and the establishment of networks within the company. The fifth Porsche Management Program was delivered from the end of 2011 to July 2013. 77 managers successfully completed this program. A total of 300 managers have now participated in the program.

Promotion of Junior Employees

Young high-flyers are identified through the Porsche program for promoting junior employees, which is implemented over a period of two years. Their careers are fast-tracked

and integrated within the company. The program comprises basic content which is taught to all participants and individual modules which are selectively tailored to the individual junior employee. During the year under review, the seventh cohort passed through the program and numbered some 100 participants. A total of 500 young high-flyers have completed this program.

Human resource development at Porsche is increasingly being tailored to the specific requirements of the various "professional families". Additional qualifications and the build-up of expertise are therefore based on the requirements of their individual activity. The increasing integration of "professional families" within the Volkswagen Group enabled synergies to be exploited and group-wide career training packages to be developed during the year under review. One example of this trend is the "Group IT Academy".

PENSION PROVISION AND ADVICE

COMPANY PENSION PROVISION

Apart from the statutory pension provision, company pension provision is becoming increasingly important. This is based on benefit plans where the benefit was pledged and paid by Porsche out of the company's own assets. The benefits are governed by company agreements and plan commitments. The company benefit financed entirely by the employer was supplemented by an additional earnings account in 2012. This also enables Porsche employees to benefit from the success of the company through their pension provision. Porsche pays additional contributions for the employees into the "success account" linked to the return on sales for the previous year. This means that the annual pension module can be increased by up to 50 percent during periods of economic success. Porsche provides an additional ten million euros for this each year.

Since 2002, Porsche has been giving its employees the opportunity to build up a supplementary retirement pension through the Porsche VarioRente variable pension. This enables employees to convert part of their pay to pension entitlements at attractive conditions. While Porsche reduces the level of social-security deductions through these employee contributions, the employee receives a supplementary contribution of an equivalent amount from the company. Porsche also pays for all the administrative costs incurred for the VarioRente.

The participation rate at Porsche AG is 100 percent for the employer-financed plans and 66 percent for plans financed

by employees. The participation rate for employee-financed pension plans at Porsche Leipzig GmbH is 20 percent. The introduction of an employer-financed commitment for the employees is planned for 2014.

PORSCHE PHASED-IN RETIREMENT

Health issues mean that not all employees are able to continue working until their retirement pension starts, for example due to physical ailments caused by shiftwork. Phased-in retirement provides older employees with a smooth transfer to retirement at fair conditions. Simultaneously, Porsche is thereby able to build a bridge to the upcoming generation because an employee can be appointed to a permanent position for every job released by phased-in retirement. The special feature of Porsche phased-in retirement is that employees receive up to 100 percent of their previous monthly salary throughout the period of phased-in retirement.

SOCIAL SERVICE

Porsche offers its employees fast and uncomplicated access to internal social advice. Every employee is entitled to take up this package of specialist assistance. The counsellors providing the social advice work together with offices inside and outside Porsche AG. All the counsellors providing social advice are subject to strict confidentiality obligations. The core functions include advice on addiction,

debt, and crisis situations, advice for employees who have a long-term illness and advice on other life issues. The social counselling service also provides support for psychological stresses and mental illness. A company agreement for dealing with illnesses involving addiction has been in place since 1992. Regular training sessions are held to inform members of the management about the identifying characteristics and the options available for primary prevention. The seminar series entitled “Mental Health” also raises the awareness of managers and indicates how they can recognize psychological stresses in their own employees at an early stage.

COMPANY HEALTHCARE MANAGEMENT

Integrated company healthcare management provides acute and emergency medical care in the Development Center and at production sites through well-trained doctors and paramedics. The company medical personnel are also responsible for carrying out occupational health screening examinations and prevention programs. The company medical officers offer advice on a range of different health issues.

The aim of the Corporate Strategy 2018 is to provide exclusively ergonomically designed workplaces to the highest standard at all sites in the future. Since 1999, industrial workstations in production at Porsche AG have been inspected with particular emphasis on physical stresses and they have been assessed for ergonomic requirements. When planning and setting up new workstations, all the key ergonomic criteria have been taken into account right from the start. Today, all new office workstations being set up are already equipped with electrically height-adjustable desks as standard.

When employees are on extended sick leave, from the seventh week of illness Porsche generally offers more intensive medical advice for the patient in the form of a confidential discussion through so-called integration management. An integration team – made up of a company medical officer and representatives from the works council, the Human Resources Department and the Social Counselling Department, as well as a disability representative and a departmental representative – assesses the possibilities available for the employees to continue working and using their skills if they are unable to fulfill the role in their original jobs as a result of an accident or disease. This forum allows issues relating to workplace, financial support or gradual reinstatement at work to be considered.

The Executive Board of Porsche AG has advocated the concept of a Health Center at the Zuffenhausen site. The objective is to retain the health and work ability of members of staff and to improve this in individual employees

in the environment of demographic change and an aging workforce. The planned range of services encompasses workplace-related healthcare promotion and training programs alongside physiotherapy.

Since 1998, Porsche has been running the “Pit Stop” project as a medical healthcare program for prevention and early identification of medical problems. The target group covers managers in the second and third tier at Porsche AG and the subsidiary companies. Company organizational measures and health promotion measures for specific target groups are derived from an annual evaluation. The planned prevention program “Porsche Check-up” is based on “Pit Stop” and is intended for all employees. This will yield action plans required for specific target groups at short notice.

Since 2003, the “Prevention First” training program has been in operation. This highlights options available to employees for leading a healthy lifestyle geared to preventing health problems. The program covers 26 training units which extend over a period of 13 weeks in group and individual training sessions. Porsche bears a share of the costs incurred.

No working areas were identified within the company where there are significant clusters of particular health issues. There are also no working areas where operational activities are carried out with a particularly high risk of contracting a specific disease.

OCCUPATIONAL HEALTH AND SAFETY

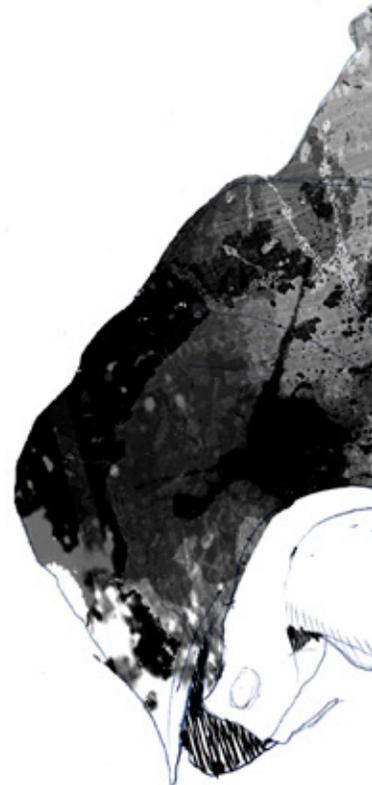
Porsche is committed to the safety and health of its employees. An organized and structured workplace safety system safeguards implementation of the statutory regulations. It avoids industrial accidents, occupational diseases and work-related health hazards. This is regulated by the Group guideline “Workplace Safety”. It provides a uniform approach and mandatory measures for the organization of occupational safety. As a Group guideline for the area of occupational safety it forms a key element of the company’s Compliance Management System and applies to all employees. Supervisors must ensure that their employees observe the regulations in this guideline and comply with its provisions. Members of the occupational safety team are available to provide advice and assistance for all employees.



COMMUNITY

Porsche regards making a contribution to the community as a duty and a choice.

Our multifaceted engagement covers the areas "Social Commitment", "Education and Research", "Culture", and "Sport". Porsche is established as a local company and acts on the international stage. Consequently, our engagement involves our local communities, as well as our national and international environment.







Trumpeter Jonathan Müller and viola player Heiner Stolle in the big concert hall of the Gewandhaus

PREMIUM MEETS

PREMIUM

Porsche supports cultural excellence with Leipzig's Gewandhaus Orchestra and the Stuttgart Ballet. The creative spirit in these institutions of cultural heritage is transferred from generation to generation – as is the case at Porsche. Musicians and dancers are inspired by the same motive, which drives them never to be satisfied with the benchmarks they have achieved and to continually redefine the boundaries of their art.



180

MUSICIANS AT THE
GEWANDHAUS ORCHESTRA

The Gewandhaus Orchestra with a complement of 180 musicians is one of the biggest professional orchestras in the world. It is unquestionably the oldest orchestra set up by the citizens of a city. The musicians have been giving ‘Big Concerts’ or ‘Grosse Concerte’ since 1743. The name Gewandhaus (cloth hall) originates from the massive attic of the clothmakers’ trading hall which was used as the first concert hall from 1781. “New American and Australian colleagues are always amazed to find out that the orchestra has a longer history than their home countries,” recounted Stolle. Or a country that only came into being 200 years after the establishment of the Gewandhaus Orchestra – like the German Democratic Republic (GDR) – has already been consigned to the annals of history.

At the end of the 1970s, the orchestra’s conductor Kurt Masur succeeded in persuading his political masters to build a new concert venue. The monumental new Gewandhaus was opened in 1981 with Beethoven’s 9th Symphony. This square building was to be the only new concert hall opened in the history of the GDR. Masur’s commitment to this project established a reputation which has given the Gewandhaus Orchestra access to concert venues throughout the world and particularly in the USA. Stolle describes the characteristic sound of the orchestra as “dark, bronze, earthy”. And retaining this sound is part of the orchestra’s tradition. Johannes Brahms, Peter Tchaikovsky and Richard Strauss all conducted their own works in Leipzig and helped to establish the Gewandhaus as an iconic legend. “I recently listened to a LP recording from 1967 and it was fascinating to hear the sound of the orchestra at that time. It was the sound of the Gewandhaus Orchestra.”

JUST A LITTLE BETTER FOR THE PAST 270 YEARS

Viola comes together with trumpet. An experienced musician meets a young colleague. One will shortly have been playing his string instrument for four decades, while the other has only been playing his trumpet in the world’s most traditional orchestra for a few weeks.

The viola is that extra bit of spice in the orchestra as far as the old hand is concerned – and the position of solo trumpeter is a dream job for the greenhorn. Heiner Stolle and Jonathan Müller have transformed their dream into profession and career as members of the Gewandhaus Orchestra in Leipzig.



“When we take on a new musician, they have to be just a little better than other members of the orchestra.”



Each new musician has to match this sound with their instrument. And each prospective new musician has to play a solo in front of the entire orchestra. Jonathan Müller also had to go through this test. He made it to the final selection and was competing for the position with two other applicants. “I had never anticipated that one day I would be playing here,” said the modest young man, going on to highlight how much luck he had benefited from. The way he played clearly impressed the members of the Gewandhaus Orchestra. An absolute majority voted for the trumpet player hailing from Swabia. As a trumpeter, he may also regularly appear at the neighboring Thomaskirche (St Thomas Church) to play in cantatas. The musicians of the Gewandhaus also provide the orchestra for the performances of Leipzig’s opera house located on the opposite side of Augustus-Platz.

Müller played his first major solo for the Gewandhaus Orchestra just a few weeks after his acceptance into the orchestra. The 23-year-old had a spirited debut in Mahler’s 9th Symphony. “He played his part well. And being so exposed at the most important point when he played a fortissimo solo, those are fantastic first steps,” was praise indeed from the senior musician for the junior orchestra member. “First steps” – that sounds rather patronizing after such a long training under the critical eyes and ears of established colleagues in the orchestra. Far from it! “When we take on a new musician, they have to be just a little bit better than the other members of the orchestra,” is how Stolle describes the secret of the Gewandhaus Orchestra. And if “musicianship just a little better” is not obvious in the audition, how do you proceed? Stolle: “Because we want to have the best, we wait. And we may have to wait several

years. We know that one day the right man or woman will come along.” Performance is the only thing that matters. The decision on every new member of the orchestra is taken with a majority vote by the musicians. This is the same today as it was 200 years ago or in the times of the GDR. Good connections or party membership were no help whatsoever. “We maintained our democratic tradition in undemocratic times. And even then this was the reason for our success,” commented Stolle. Tours in the USA, Canada and Western Europe were the highlights in his life as a musician. But he roundly rejects the label of “Gewandhaus Veteran”. With a faint smile he said: “When you look at this in the context of 270 years of tradition at the Gewandhaus Orchestra, I have only notched up 37 years.”

NATURALLY YOU NEED IDOLS

The Stuttgart Ballet bewitches audiences at home and throughout the world with its repertoire ranging from classical to highly modern. Two dancers from Spain are the perfect embodiment of the success of this world-class company.



From the Basque country to the Stuttgart Ballet: Aiara Iturrioz with prima ballerina Alicia Amatriain (right)

Does this woman need point shoes, a costume, hair combed back in a severe style? No way! Her aura and every fiber of her body marks out Alicia Amatriain as the essence of a prima ballerina when she enters the rehearsal studio – even without all the trappings of a ballerina and away from the majesty of an epic stage performance.

A young colleague is already waiting in the hall and she beams spontaneously when looking at Amatriain. “For me she is an idol,” said the 22-year-old Aiara Iturrioz. When she was a young girl she studied and admired her compatriot from the Basque region on DVD and YouTube recordings. At times it still feels somewhat surreal for her to be working with this huge role model on the stage. But she has managed to achieve this. At the age of 18 she came from the Spanish province to the John Cranko School in Stuttgart, became a junior dancer and joined the corps de ballet this season. Amatriain has no problem with her position as a role model. “Idols? Naturally you need idols,” the prima ballerina asserted, “I experienced Marcia Haydée as a dancing director here in Stuttgart and I have seen Birgit Keil and Richard Cragun on the stage.” Amatriain’s impulsive pronouncement provided a succinct description of Stuttgart’s miracle ballet and its tradition. The muses of John Cranko, American dancer Cragun who passed away in 2012, and “The German ballerina” Birgit Keil are remembered to this day as immortal stars – for the seasoned audience and for the active members of the company.

 JOHN CRANKO ESTABLISHED
 THE REPUTATION OF THE
 STUTTGART BALLET

An uninterrupted line of dancers under the management of the former director, John Cranko, established a reputation for the Stuttgart Ballet in the 1960s which has endured until the present day – celebrated in

its home base and hailed on tours across all continents. Last year the company danced “Romeo and Juliet” by John Cranko at Moscow’s Bolshoi Theater and received a rapturous reception by the Russians. Amatriain enjoys the applause but she also talks about her doubts and the stress that all artists experience as a burden. “There is massive pressure when I have to dance alone in front of 2,000 people.” As one of the current seven leading soloists, Amatriain has developed an enormous repertoire during the past twelve years. More than 30 leading roles and 20 roles developed especially for her demonstrate the breadth of this exceptional artist. “This is very important for me. I love to take on as many challenges as possible.”

From Giselle to Modern

The mix of classical and modern dance has been a hallmark of the Stuttgart Ballet Company for decades. The extensive repertoire includes classical, neo-classical, the masters of the twentieth century contemporary pieces and world premieres. “Evolution in dance is very important,” emphasizes Amatriain. “You can’t just have a classical repertoire. Particularly if we want to get young people enthusiastic about ballet.” Demis Volpi’s full-length action-packed ballet “Krabat” is based on the retelling of a legend by

64

BALLERINAS AND
 BALLET DANCERS AT THE
 STUTTGART BALLET

German-speaking children’s author Ottfried Preußler. The company has succeeded in attracting a fan base of young people with the choreographer’s interpretation of this story. Another premiere by Demis Volpi is also scheduled for this season – a world first with 30 female dancers on the stage all at the same time. Nearly all the female members of the company will be taking part. This means another new ballet for the performers, more tough rehearsals, day in and day out, until every one of the dancers is able to create the perfect impression of weightlessness. This perfection is achieved with the hardest of taskmasters for ballet dancers and ballerinas. The big mirror on the wall mercilessly shows everyone the smallest weakness without embellishment, immediately and uncompromisingly. “A lot of hard work is behind the effortless impression,” highlighted Aiara Iturrioz. “In the mirror, I can immediately see the smallest error.” The dancers practice in front of the incorruptible taskmaster for up to nine





“Evolution in dance is very important. You can’t just have a classical repertoire. Particularly if we want to get young people enthusiastic about ballet.”

hours from Monday to Saturday. Amatriain has only words of praise for her young colleague: “Aiara has found her own way and she is highly professional.” The young women are delighted to have established a fledgling line from the Basque country at the Stuttgart Ballet. “Aiara’s parents called me up four years ago when she was accepted by the John Cranko School. And I promised them that I would keep an eye on her.” Aiara’s commitment has paid off for her – only a few students achieve the quantum leap from the school to become a junior ballerina or even more impressively becoming a member of the company’s corps de ballet.

Amatriain experienced her darkest hour five years ago at a performance of “Onegin”. During a difficult pirouette involving a lift and turn with her partner, she dislocated her right shoulder. The tendons were no longer able to stand the strain of the constant physical stress. It was not the first

time this had happened. At a performance of “Swan Lake”, she had her shoulder put back in place behind the curtains and immediately carried on dancing. This time there was no chance of this option. Amatriain had to undergo surgery. After a high-risk operation – “the chances were fifty-fifty” – and following six months of rehabilitation and training, she was back on the stage. “This was the worst six months of my life but I came out of it much stronger with a very different head,” was how Amatriain described the start of her second life as a dancer. “At the beginning of my career, when I was a young dancer, I threw myself everywhere and was full of energy. Today, I operate on a higher level but my aspirations are also much bigger.” Experts say that the blond ballerina from the Basque country has many years in front of her as a top ballerina. Her physique is regarded as ideal for dancing the entire repertoire well beyond the age of 40. However, three small surgical scars on her

shoulder remind the prima ballerina that her “dancing career could come to an end at any moment.” Aiara Iturrioz looked at her idol very seriously at this moment and both dancers touched wood on the backs of their chairs to bring them luck. When all is said and done, a little superstition can provide a helping hand on top of all the talent, relentless training, and steadfast commitment.

SOCIAL COMMITMENT

Strengthening children and giving vulnerable people an opportunity – these are the two key focuses of the many different aspects of social engagement at Porsche.

COMMITMENT TO SOCIAL ENGAGEMENT

In Germany...

During the reporting year 2013, Porsche played a proactive role throughout Germany with its project “Kids Driving School”, a concept developed with “Kinder Surprise” by Ferrero Rocher. It is intended to give children a playful way to learn about correct behavior in road traffic. Children are divided into two age groups of five to seven years and eight to ten years. The motto of the campaign is “Having fun and traveling safely”. Children go round a circuit with a wide range of different games and obstacles that are varied and designed to educate children about how they should behave on the road. Successful completion of the course leads to their obtaining a personal driving license from the Kids Driving School. In 2013, the Kids Driving School went to Stuttgart, Berlin and Frankfurt and was very popular wherever it went.

During the year under review, Porsche provided financial and material support for a wide array of organizations carrying out social functions and projects with the focus being on the company's sites. In Stuttgart, these organizations include the street newspaper “Trott-war”, which gives socially vulnerable people the opportunity to get back into the world of work. Porsche also supports the work of children's wards and pediatric hospitals such as the “Olgäle” hospital foundation, as well as the Stuttgart citizens' foundation (Bürgerstiftung Stuttgart), Kinderland Foundation Baden-Württemberg, projects for people with disabilities, hospices, various counselling centers and church-run institutions. The company also supports similar projects and institutions at the Leipzig site.

Since 2004, the sponsored project “Nummer gegen Kummer” (kids and youth helpline) has provided an anonymous hotline for children and adults alike, offering counselling for anyone experiencing an acute crisis. A total of 2,000 calls every day to 92 centers highlight the importance of the helpline, to which Porsche donates 150,000 euros every year.

Financial help is also provided for the Agapedia Foundation established by Jürgen Klinsmann, former national football player. The organization provides emergency aid to children in need in Germany and Eastern Europe.

...and Abroad

Porsche also plays an active role on social issues abroad. The company supports the non-governmental organization “Un Techo Para Mi País” (A Roof for my Country) in Latin America, for example in Brazil, Argentina and Chile. Since 1997, this organization has been providing vulnerable and isolated people living in 19 countries of Latin America and the Caribbean with a secure home, and ensuring that they are integrated in a stable community. The aim is to help them play an active role in improving their own quality of life and living circumstances. The working model of “Un Techo” is divided into three phases: the construction of temporary houses, programs for social inclusion, and sustainable organization of the social environment. Financial support from Porsche has contributed to enabling more than 250 houses to be built and more than 2,000 volunteers to have been recruited, including the team from Porsche Latin America, as well as employees from the local Porsche importers. Local support from the Porsche importer in Chile has enabled three residential areas to be renovated and refurbished to provide 44 families with a better life. Overall, Porsche and “Un Techo” have so far been able to help nearly 1,500 people in this way. Porsche has already decided to continue the cooperation with “Un Techo” until at least the end of 2014.



Early practice: The next generation learns about safe behavior in traffic at the Kids Driving School

EDUCATION AND RESEARCH

How does a company get highly qualified employees? The best way is to have an intensive program of promoting the next generation of talented employees within the company. Porsche therefore supports talented young people and students alongside schools and universities.

EDUCATION PARTNERSHIPS

Porsche is promoting a special kind of cooperation with two MINT high schools (MINT = Mathematics – IT – Natural sciences – Technology) in Stuttgart, the Ferdinand Porsche Gymnasium and the Friedrich-Eugens-Gymnasium. The company is collaborating at these schools with an array of activities, for example career information days, lectures on specialist subjects, non-cash donations to facilitate teaching in MINT subjects or outside trips for school children and teachers.

In the university sector, Porsche is a joint-venture partner supporting the student's organization AIESEC, the design competition Formula Student and Fem.tec, an organization supporting women in science and engineering.

In 2013, the Chair for Strategic Management and Family Companies was established at the Leipzig Graduate School of Management (HHL) with financial support from Porsche amounting to 300,000 euros. The private management school located in the city of the Porsche production site Leipzig is 115 years old and the chair has been set up to develop research in the academic areas covered by the chair with a focus on practical applications. The holder of the Dr. Ing. h.c. F. Porsche AG Chair for Strategic Management and Family Companies is Professor Stephan Stubner.

Since 2012, the "Porsche Automotive Campus" (PAC) at Nürtingen-Geislingen University of Applied Science has formed the platform for a major cooperation over the long term. During the year under review, six grants were awarded to excellent students on degree courses with studies on the automobile industry (B.A.) and automotive management (M.A.).

GRANT PROGRAMS

During the year under review, Porsche awarded 36 "Deutschlandstipendien" (Germany grants) to 15 selected universities and applied universities throughout Germany with an investment of 64,000 euros. This commitment was complemented by six "Südweststipendien" (south-west grants) at two applied universities in Baden-Württemberg. The program is intended to strengthen teaching and research in courses of study leading to bachelor's and master's degrees while also providing financial support for outstanding students with a commitment to social issues. The grants are primarily intended for technical and scientific degree courses.

For the past five years, Porsche has also been a sponsoring member of the Foundation of German Business (sdw). Porsche is involved in the selection procedure at this foundation for awarding grants to undergraduate and doctoral students. Holders of grants awarded by the Foundation of German Business are also regularly invited on trips and given the opportunity to attend specialist lectures at Porsche.

PRIZES FOR SPECIAL ACHIEVEMENTS

In the reporting year 2013, Porsche awarded the "Ferry Porsche Prize" for the twelfth time in cooperation with the Baden-Württemberg Ministry for Culture, Youth and Sports. The 275 school leavers who achieved the best grades in their university entrance examinations (Abitur) in the subjects of mathematics, physics and technology received an award. All the prizewinners were invited to the Development Center at Weissach together with their parents to a prize-giving event. Six prizewinners drawn from the group are invited to spend an internship at a subsidiary company abroad. The aim of the prize is to enhance the appeal of mathematics and scientific subjects and motivate future students to study for a degree in engineering.

Porsche awarded the state prize for technical schools (Werkrealschule) for special achievement in the compulsory elective subject science and technology for the first time in the reporting year 2013. The prize was awarded to the ten best school leavers in this subject in the state of Baden-Württemberg. The objective of awarding the prize is to promote practical vocational training at technical schools, and to support school leavers from technical schools in transferring directly from school to a twin-track training.

CULTURE

Premium meets Premium: Porsche promotes outstanding cultural achievements at its main operational sites – the Stuttgart Ballet and the Leipzig Gewandhaus Orchestra.

PARTNER OF THE GEWANDHAUS ORCHESTRA

Since 2011, Porsche has been the main sponsor of the Leipzig Gewandhaus Orchestra. The cultural partnership with the world-famous orchestra was extended last year to 2017. The orchestra carries the seal of quality “Made in Leipzig” and acts as a Porsche ambassador on tours and concerts throughout the world. Apogees were the concerts in the Brahms Cycle given in London, Paris and Vienna. In 2013, the Gewandhaus Orchestra similarly opened the Leipzig Opera Ball with a musical introduction. This was the first time that Porsche had taken on the role of presenter at this people’s ball. Starting in 2014, residents of Leipzig will derive even more benefit from the partnership between the Gewandhaus Orchestra and Porsche. After a break of three years, Porsche will be bringing the popular open-air “Rosental Concerts” to people living in Leipzig. These huge concerts known as “Große Concerte” conducted by Alexander Shelley provide two days of popular works from the program of the “Last Night of the Proms”. Entry to the summer concerts is open to anyone free of charge.



Elegance and perfection: the company of the Stuttgart Ballet

CLOSE LINK WITH THE STUTTGART BALLET

The motto “Premium meets Premium” is particularly applicable to the relationship between the Stuttgart Ballet and Porsche. The world-class company acts as a Porsche ambassador on its tours across the world. The highlight in 2013 was provided by the performances at the Bolshoi Theater in Moscow, which were received with critical acclaim by the seasoned audience. Porsche is also supporting the new building for the John Cranko School in Stuttgart for trainee dancers. This sponsorship commitment by Porsche provides a clear signal for an enduring partnership with mutual benefits for both sides.



“Lighthouse project” of Porsche cultural sponsorship: the Leipzig Gewandhaus Orchestra

SPORT

Sport means more to Porsche than simply motor sport – the company is engaged in grassroots and elite sport in Baden-Württemberg and Saxony.

PROMOTION OF ELITE SPORT

Leading world-class players in women's tennis came to Stuttgart for the Porsche Tennis Grand Prix for the 36th time during the year under review. The event is part of the WTA Tour and posted a new attendance record with 42,215 spectators. The Porsche Tennis Grand Prix was voted by the players as the most popular tournament for the fifth time.

The year under review was also the second year that Porsche supported the German national ladies team in tennis (Porsche Team Deutschland). This sponsoring cooperation with the German Tennis Association (DTB) is initially planned for three years and includes the promotion of talented young players in the Porsche Talent Team.

The two state sports associations in Baden-Württemberg and Saxony also received 30,000 euros each. These financial resources provide support for elite athletes on their path to the Olympic Games and World Championships.

PROMOTION OF GRASSROOTS SPORT

Porsche sports sponsorship also provided 500,000 euros to support unrivalled project work in sports clubs in 2013. The company is making a major commitment to grassroots sport with a particular focus on youth sport in clubs. The sponsorship program covers a period of three years, and support was provided for seven clubs in Baden-Württemberg and Saxony for the second time in close collaboration with the sports federations in those regional states. The concepts receiving support are impressive particularly in view of their focus on integration. For example, young weightlifters at Kraft-Werk Schwarzach e. V. act as mentors for disabled athletes. Both sides benefit from this cooperation through development of their personalities and their social skills. Porsche sports sponsorship supports this valuable social contribution toward inclusion with the sum of 40,000 euros. In Saxony, Porsche sports sponsorship assists in reconstruction after the devastating floods in spring 2013. One of the clubs receiving assistance was SC Riesa e. V., which received a grant of 40,000 euros to



Major sport with a long tradition: Chairman of the Supervisory Board Dr. Wolfgang Porsche (right) and Matthias Müller congratulate Maria Sharapova, the winner of the 36th Porsche Tennis Grand Prix

Sponsored Projects in Baden-Württemberg

Kraft-Werk Schwarzach e. V., inclusion project in weight lifting
 TG Mannheim e. V., construction of a landing pit for gymnastics
 TSV Phönix Lomersheim e. V., installation of an artificial grass pitch
 SV Schwäbisch Gmünd e. V., expansion of facilities for water sports
 SpVgg Lahr 1926 e. V., construction of a grass pitch and mini pitch
 SG Köndringen-Teningen e. V., SpoFunnis – training for volunteer assistants
 FC Wallbach ASV e. V., construction of an artificial grass pitch

Sponsored Projects in Saxony

SC Riesa e. V., repair of sports facilities after flooding
 SG Leipziger Verkehrsbetriebe e. V., refurbishment of boathouse
 MSV Bautzen 04 e. V., children's sport carousel and climbing wall
 SV Sternburg Lützschena e. V., expansion of the club due to a significant increase in the population
 Rollhockeyclub Aufbau Böhlitz-Ehrenberg e. V., refurbishment of a building after flooding
 Fechtclub Schkeuditz e. V., intensive work on next generation
 Radefelder SV 1990 e. V., continuous work on next generation and development of membership recruitment

repair its damaged sports facilities. Skate hockey club Rollhockeyclub Aufbau Böhlitz-Ehrenberg e. V. received 10,000 euros for the clean-up operation to help with refurbishing a club building damaged by the floods.

PERFORMANCE AND POTENTIAL

PERFORMANCE

Market Launch of the Panamera S E-Hybrid and Presentation of the 918 Spyder: Porsche continues its hybridization strategy with pioneering models for the future. Both models – the premium saloon and the super sports car – are the first cars in their individual classes to combine the consumption of a compact car with the performance of a sports car.

Plant Expansion in Leipzig to High Energy and Environmental Standards: The development at the Leipzig site with the new production facilities of bodywork and paint facility is associated with an array of measures to enhance efficiency and conserve resources. Overall, the expansion of the plant generated annual CO₂ savings of around 12,000 metric tons. The energy and environmental measures at the sites are going to be expanded.

First Survey of Employees with the Sentiment Barometer: A company-wide survey in the form of a sentiment barometer was carried out for the first time in 2013. 9,221 employees entitled to participate made use of the opportunity to express their views on key issues, such as “cooperation with colleagues and supervisors”, the “quality of the working environment” or “provision of information relating to the latest developments at Porsche”. The results demonstrate a high level of satisfaction among employees. 95 percent of the respondents say “I like working at Porsche”.

Fuel Consumption of the Vehicles needs to come down: All key automobile markets worldwide have established more stringent statutory regulations on fuel consumption and emissions. As a manufacturer of sports cars and sporty luxury vehicles, Porsche cannot comply single-handedly with the thresholds defined by these laws. However, recent years have seen all Porsche vehicles becoming significantly more efficient. These efforts need to be reinforced in future so that the Porsche vehicle fleet can make a significant contribution to complying with the group-wide targets as part of the assessed consumption and emission community of Volkswagen AG.

Proportion of Women in Management Positions still needs to be expanded: Even though the company has expanded the proportion of women in management positions in recent years, there is still a need to catch up. Porsche set ambitious targets in the Strategy 2018 and in the Sustainability Program to address this challenge.

Further Optimization for Conservation of Resources: In recent years, Porsche made far-reaching improvements to the consumption of resources and energy in production. The company is not intending to rest on the laurels of past achievements in the future. Increasing production figures and expansion of plants in Leipzig and Zuffenhausen also mean that the company is faced with significant challenges. Porsche will counter the increasing energy requirement with further measures to enhance efficiency. Ambitious targets have been defined in the Sustainability Program.

POTENTIAL

PRIZES AND AWARDS 2013**...in Business:**

Automotive Brand Contest 2013

"Brand of the Year" (Porsche brand)

"Brand Manager of the Year" (Matthias Müller)

Conference "600Minutes CFO"

CFO of the Year (Lutz Meschke)

...for our Products:J.D. Power Studies ¹⁾

Initial Quality Study

Top rated nameplate

1st place (Porsche brand)

Midsize Premium Sporty Car

1st place (911)

Compact Premium Sporty Car

1st place (Boxster)

APEAL Study ²⁾

Top rated nameplate

1st place (Porsche brand)

Midsize Premium CUV

1st place (Cayenne)

Compact Premium Sporty Car

1st place (Boxster)

World Performance Car 2013

1st place (Boxster and Cayman)

China Green Car of the Year 2014

1st place (Panamera S E-Hybrid)

South African Car of the Year 2013

1st place (Boxster)

...as Employer:

HR One Conference 2013

"Honor Award 2013" for excellent personnel work

Trendence Employer Ranking ³⁾Graduate Barometer ⁴⁾

Business: 4th place Engineering: 3rd place IT: 16th place

Young Professional Barometer

6th place

School Children's Barometer

5th place

Universum Employer Ranking ³⁾Student Survey ⁴⁾

Business: 3rd place Engineering: 3rd place IT: 14th place

Young Professional Survey ⁴⁾

Business: 3rd place Engineering: 3rd place IT: 9th place

¹⁾ The studies referred to by the US market research institute J.D. Power relate to the US market²⁾ Automotive Performance, Execution and Layout Study (APEAL)³⁾ Survey of students/graduates/young employees on the most popular employers⁴⁾ Survey of students/graduates/young employees with degree course/degree in "Business", "Engineering" and "IT"

INDICATORS AND DATA

ECONOMIC INDICATORS

The economic indicators presented below relate to the Porsche AG Group (including subsidiary companies).

QUANTITY DATA

		2011	2012	2013
Deliveries	Vehicles	118,868	141,075	162,145
911	Vehicles	19,377	25,457	30,205
Boxster/Cayman	Vehicles	12,753	11,825	25,704
Cayenne	Vehicles	59,898	74,763	84,041
Panamera	Vehicles	26,840	29,030	22,032
Production	Vehicles	127,793	151,999	165,808
911	Vehicles	21,748	28,419	29,751
918 Spyder	Vehicles	-	-	35
Boxster/Cayman	Vehicles	12,207	13,316	28,996
Cayenne	Vehicles	62,004	83,208	81,916
Panamera	Vehicles	31,834	27,056	24,798
Macan	Vehicles	-	-	312
Revenue	€ million	10,928	13,865	14,326
Financials				
Total assets	€ million	21,556	22,747	24,560
Equity	€ million	7,001	7,402	9,039
Fixed assets	€ million	5,944	7,083	8,539
Capital expenditure ¹⁾	€ million	1,678	1,873	2,236
Cost of materials	€ million	6,822	8,124	8,282
Personnel expenses	€ million	1,349	1,658	1,865
Amortization and depreciation	€ million	871	1,114	1,415
Cash flow from operating activities	€ million	2,522	2,692	2,917
Operating result (EBIT)	€ million	2,045	2,429	2,579
Profit before tax	€ million	2,108	2,638	2,784
Profit after tax	€ million	1,460	1,833	1,939

¹⁾ Relates to investments in intangible assets and property, plant and equipment

VALUE ADDED AT THE PORSCHE GROUP

The value added statement presents the growth in value generated in the business year under review as a contribution by the company to the gross national product of the individual state and highlights its distribution. The value added of the Porsche Group was 7.2 percent higher in the year under review than the equivalent year-earlier figure.

	2011		2012		2013	
Breakdown in € million						
Revenue	10,928		13,865		14,326	
Other income	448		400		443	
Cost of materials	-6,822		-8,124		-8,282	
Amortization and depreciation	-871		-1,114		-1,415	
Other advance payments	-91		-622		-351	
Value added	3,592		4,405		4,721	
Allocation in € million						
	2011	%	2012	%	2013	%
to shareholders (profit transfer)	871	24.2	1,312	29.8	1,414	30.0
to employees (wages, salaries, social benefits)	1,349	37.6	1,658	37.6	1,865	39.5
to the government (taxes, deductions)	449	12.5	667	15.1	689	14.6
to lenders (interest expense)	336	9.4	247	5.6	228	4.8
to the company (retained earnings)	587	16.3	521	11.8	525	11.1
Value added	3,592	100	4,405	100	4,721	100

GOVERNMENT ALLOWANCES

Government allowances amounting to 0 million euros (2012: 2 million euros, 2011: 6 million euros) for investments in the years 2007 to 2010 were set against procurement costs for property, plant and equipment. A figure in the amount of 0 million euros (2012: 1 million euros, 2011: 1 million euros) was reported for depreciation on the relevant assets of property, plant and equipment already undertaken in previous years. All applications for the granting of government subsidies and allowances were submitted or prepared for submission. Compliance with all the conditions linked with the allowance is assumed.

Performance-related government allowances amounted to 19 million euros (2012: 0 million euros, 2011: 0 million euros) in the year under review.

DONATIONS

During the year under review, Porsche AG made donations amounting to around 2.8 million euros.

Systematic checking and documentation of donation requests is ensured with a dedicated in-house CSR Check Form.

ENVIRONMENTAL AND ENERGY INDICATORS

A distinction is drawn between production sites and other sites for the environmental indicators presented below. The Stuttgart-Zuffenhausen and Leipzig plants including the administration are classified as production sites. Other sites are Weissach (development) and Ludwigsburg (sales).

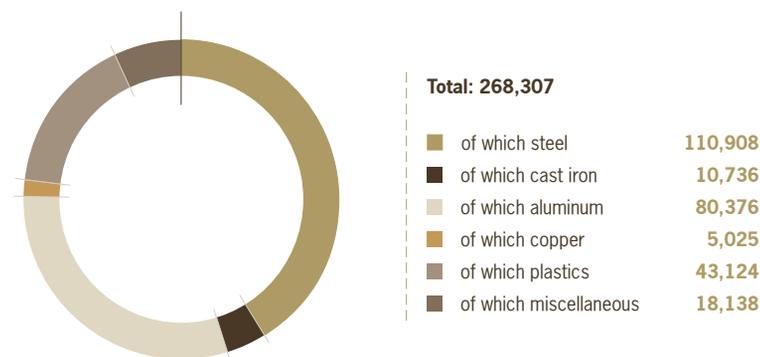
The increase observed for some of the absolute environmental indicators is explained by increased production

figures and extensive expansion measures at the different sites. These include expansion of the Leipzig site to a fully-fledged plant, and integration of factory 4 at the Zuffenhausen site.

Unless otherwise specified, all values relate to Porsche AG and Porsche Leipzig GmbH.

MATERIALS

Material Consumption 2013 in metric tonnes ¹⁾

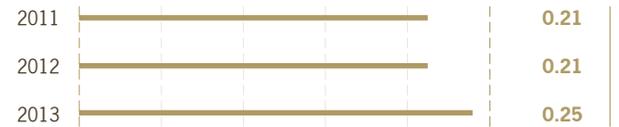
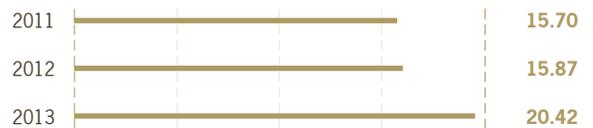


¹⁾ Extrapolated value based on the Porsche 911, partly using values from previous years

ENERGY

Direct Energy Consumption by Primary Energy Sources in MWh	2011	2012	2013
Total ¹⁾	170,463	197,714	286,300
Production sites	136,260	149,192	223,406
Gas	133,669	124,281	203,762
Fuel gas for production processes	0	19,442	17,780
Heating oil for heat	2,591	5,469	1,720
Special energy products	-	-	144
Other sites	34,203	36,288	48,682
Gas	31,068	33,620	47,343
Heating oil for heat	3,135	2,668	1,333
Special energy products	-	-	6
Fuel (in liters)	1,243,173	797,271	1,281,606
Production sites	-	-	351,728
Other sites	1,243,173	797,271	929,878

¹⁾ Total amount incl. district heating power station

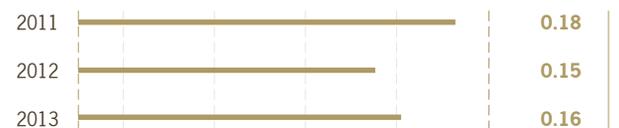
Direct energy consumption in MWh/vehicle ¹⁾¹⁾ only production sites**Direct energy consumption in MWh/m²****Direct energy consumption in MWh/employee ²⁾**²⁾ Total direct energy consumption (Porsche AG and Porsche Leipzig GmbH) in relation to the number of employees

The rise in energy consumption is primarily due to the expansion of the Leipzig site to become a fully-fledged manufacturing facility, the ramp-up of the new Macan series, and the integration of factory 4 at the Zuffenhausen site.

Indirect Energy Consumption by Primary Energy Sources in MWh

	2011	2012	2013
Total	147,621	136,512	178,521
Production sites	97,260	86,022	130,115
Electrical energy ¹⁾	97,260	86,022	109,777
District heating	-	-	20,338
Other sites	50,361	50,490	48,406
Electrical energy ¹⁾	42,697	46,479	44,369
District heating	7,664	4,011	4,037

¹⁾ The electrical energy is made up of 49.2 % coal, 8.5 % nuclear energy, 4.8 % natural gas, 2.5 % other fossil fuels, 29.4 % renewable energies (subsidized under the Renewable Energies Act) and 5.6 % other renewable energies.

Indirect energy consumption in MWh/vehicle ¹⁾¹⁾ only production sites**Indirect energy consumption in MWh/m²****Indirect energy consumption in MWh/employee ²⁾**²⁾ Total indirect energy consumption (Porsche AG and Porsche Leipzig GmbH) in relation to the number of employees

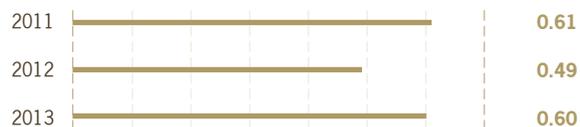
EMISSIONS

Emissions in metric tonnes	2011	2012	2013
Direct and indirect greenhouse gas emissions in mt CO₂ equivalents (Scope 1 and 2)			
Total	110,256	107,552	119,464
Production sites	76,781	73,438	88,648
Other sites	33,475	34,114	30,816
Direct greenhouse gas emissions in mt CO₂ equivalents (Scope 1)			
Production sites	25,233	27,846	41,993
Other sites	9,439	8,744	11,218
Indirect greenhouse gas emissions in mt CO₂ equivalents (Scope 2)			
Production sites	51,548	45,592	46,655
Other sites	24,036	25,370	19,598
Other indirect greenhouse gas emissions (Scope 3)			
Total number of business trips	-	-	9,435
Rail ¹⁾	-	-	10
Air	-	-	9,425
NO_x emissions			
Production sites	21.8	23.9	35.8
Other sites	5.5	5.9	7.8
SO_x emissions			
Production sites	0.13	0.14	0.22
Other sites	<0.05	<0.05	<0.05
Volatile organic compounds (VOC)			
Production sites	99.6	43.7	44.0
Other sites	<5	<5	<5
Dust emissions			
Production sites	0.15	0.18	0.24
Other sites	0.06	0.05	0.06
Ozone-depleting substances ²⁾			

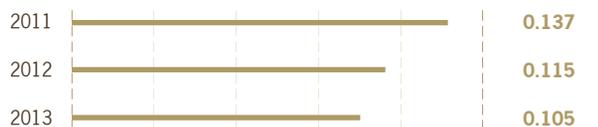
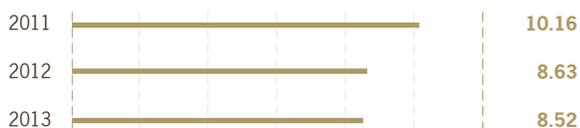
¹⁾ Due to an internal system reorganization, the emission value could only be determined for the months April to December 2013.

100% green electricity is used for long-distance traffic, emissions are therefore only generated in local traffic.

²⁾ During the period under review, there were no emissions of materials which are included as depleting materials in annexes A, B, C and E of the Montreal Protocol on Substances that Deplete the Ozone Layer.

Direct and indirect greenhouse gas emissions in metric tonnes/vehicle ¹⁾


¹⁾ only production sites

Direct and indirect greenhouse gas emissions in metric tonnes/m²

Direct and indirect greenhouse gas emissions in metric tonnes/employee ²⁾


²⁾ Total greenhouse gas emissions (Porsche AG and Porsche Leipzig GmbH) in relation to the number of employees

FRESH WATER AND WASTEWATER

Water Withdrawal and Water Discharge in m ³	2011	2012	2013
Water consumption (drinking water)	331,792	317,776	365,704
Production sites	222,941	203,091	253,829
Other sites	108,851	114,685	111,875
Amount of wastewater	273,657	245,425	286,592
Production sites	202,245	165,911	226,049
Other sites	71,412	79,514	60,543

Amount of fresh water in m³/vehicle ¹⁾

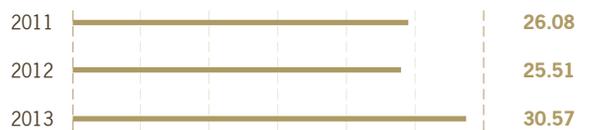


¹⁾ only production sites

Amount of fresh water in m³/m²



Amount of fresh water in m³/employee ²⁾



²⁾ Total amount of fresh water (Porsche AG and Porsche Leipzig GmbH) in relation to the number of employees

WASTE

Waste by Site, Type and Disposal Method in metric tonnes	2011	2012	2013
Total	9,403	11,406	12,760
Production sites	5,179	6,432	7,491
Waste for recycling			
Hazardous waste	649	678	1,035
Non-hazardous waste	3,321	3,723	4,062
Non-production-specific waste	102	290	144
Metallic waste	976	1,340	1,841
Waste for disposal			
Hazardous waste	126	356	317
Non-hazardous waste	0	40	79
Non-production-specific waste	5	5	13
Other sites	4,224	4,974	5,269
Waste for recycling			
Hazardous waste	352	639	538
Non-hazardous waste	902	1,035	1,158
Non-product-specific waste	54	68	45
Metallic waste	2,152	2,286	2,556
Waste for disposal			
Hazardous waste	2	3	4
Non-hazardous waste	761	937	965
Non-product-specific waste	1	6	3

Total decrease in weight in metric tonnes/vehicle ¹⁾



¹⁾ only production sites

Total decrease in weight in metric tonnes/m²



Total decrease in weight in metric tonnes/employee ²⁾



²⁾ Total waste (Porsche AG and Porsche Leipzig GmbH) in relation to the number of employees

PACKAGING MATERIALS

Proportion of Reusable Packaging Materials for Replacement Parts	2011	2012	2013 ¹⁾
Paper, cardboard and cartons	82%	87%	92%
Plastics	84%	94%	97%
Tinplate/aluminum	–	100%	100%

Porsche has a documented procedure for taking back and re-using sales packaging. Apart from participating in the officially recognized dual disposal system, the company submits a declaration of completeness for first-time sales of packaged goods in the market certified by an external third party. To this end, the volume of packaging created for the market in Germany is calculated and documented each year. The internal packaging materials of Porsche AG are not included in the indicator.

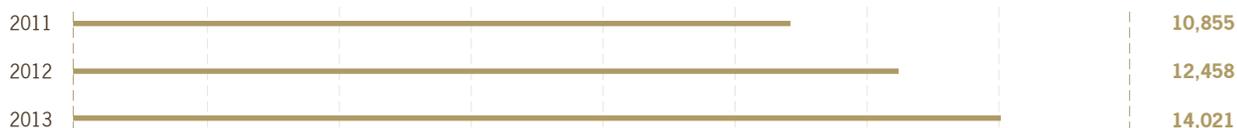
¹⁾ Only preliminary figures were available for the year 2013 when this report went to press. Final indicators will be published in the update in 2015.

PERSONNEL AND SOCIAL INDICATORS

The entire Porsche workforce continues to grow, and the structure and composition of the people working in the company are undergoing a continuous process of change. The following personnel and social indicators provide an

overview of this and other aspects relevant to employees. Unless otherwise specified, all values relate to Porsche AG and Porsche Leipzig GmbH.

Total Workforce



Employees by Type of Employment	2011	2012	2013
Full-time employees	10,395	11,874	13,369
Of which apprentices	375	399	469
Part-time employees	460	584	652
Payscale employees under collective agreements	9,549	10,995	12,459
Non-payscale and executive employees	1,306	1,463	1,562

Definition of full-time employee (full-time equivalent): Full-time employees are all employees with contractually agreed weekly working hours of at least 35 hours. In the case of employees working in production, who are included in the category of short-time working under the "Company agreement on employment market of the future", the reduced working hours agreed here are regarded as applicable for full-time employment. No seasonal fluctuations in employee figures occur.

Employees by Region and Gender	2011	2012	2013
Number of employees by region			
Baden-Württemberg	9,915	11,315	12,073
Saxony	940	1,143	1,948
Number of employees by gender			
Female	1,387	1,645	1,844
Male	9,468	10,813	12,177

Employee Turnover



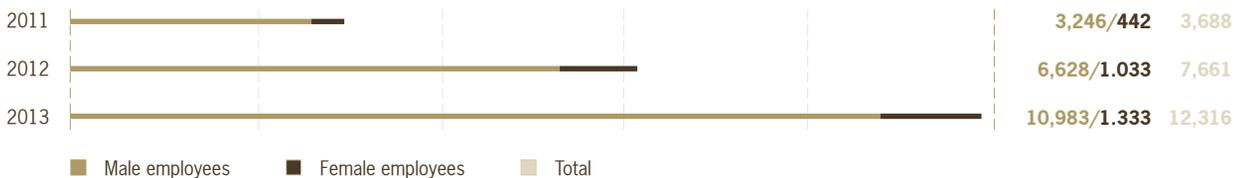
Indicator is determined without employees on short-term contracts, employees starting retirement and phased-in retirement.

Age Structure of Employees	2011	2012	2013
Porsche AG			
Employees, < 30 years	18.0%	20.2%	20.8%
Employees, 30-50 years	57.0%	55.8%	54.9%
Employees, > 50 years	25.0%	24.0%	24.3%
Porsche Leipzig GmbH			
Employees, < 30 years	39.8%	38.6%	36.5%
Employees, 30-50 years	56.6%	57.2%	58.5%
Employees, > 50 years	3.6%	4.2%	5.0%

Proportion of Foreign Employees	2011	2012	2013
Porsche AG			
Foreign employees	12.9%	13.0%	12.9%
Porsche Leipzig GmbH			
Foreign employees	0.6%	0.8%	1.0%

Distribution of Executive Employees by Gender	2011	2012	2013
Female employees	0%	1.7%	5.3%
Male employees	100%	98.3%	94.7%

Participants in Career Training Measures



Number of Accidents, Days of Absence and Fatalities	2011	2012	2013
Total			
Accidents	152	153	136
Days of absence	2,121	1,373	2,022
Fatalities	0	0	0
Porsche AG			
Accidents	142	139	125
Days of absence	2,037	1,252	1,908
Fatalities	0	0	0
Porsche Leipzig GmbH			
Accidents	10	14	11
Days of absence	84	121	114
Fatalities	0	0	0

Minor injuries (minor accidents) are not included in the report. Accidents not necessitating days of absence (calendar days) are regarded as minor accidents. Working days are counted as days of absence (generally Mon.-Fri.), the day of the accident is not included (≥ 1 calendar day of absence). Leased temporary workers, employees of subcontractors, and independent contractors cannot be included in the report.

Injury Rate at Porsche AG



Injury Rate at Porsche Leipzig GmbH



Injury rate = Accident Frequency Index provides information on how frequently accidents have occurred in the company related to the total number of working hours worked. The underlying calculation formula is the number of occupational accidents x 1 million hours / number of hours worked.

OTHER INFORMATION



EMISSION AND CONSUMPTION DATA

Model	Output kW (PS)	Fuel consumption urban (l/100 km)	Fuel consumption extra-urban (l/100 km)	Fuel consumption combined (l/100 km)	CO ₂ - emissions combined (g/km)	CO ₂ - efficiency class (Germany)
Boxster	195 (265)	11.4	6.3	8.2	192	G
Boxster PDK	195 (265)	10.6	5.9	7.7	180	F
Boxster S	232 (315)	12.2	6.9	8.8	206	G
Boxster S PDK	232 (315)	11.2	6.2	8.0	188	F
Cayman	202 (275)	11.4	6.3	8.2	192	G
Cayman PDK	202 (275)	10.6	5.9	7.7	180	F
Cayman S	239 (325)	12.2	6.9	8.8	206	G
Cayman S PDK	239 (325)	11.2	6.2	8.0	188	F
911 Carrera	257 (350)	12.8	6.8	9.0	212	G
911 Carrera PDK	257 (350)	11.2	6.5	8.2	194	F
911 Carrera S	294 (400)	13.8	7.1	9.5	224	G
911 Carrera S PDK	294 (400)	12.2	6.7	8.7	205	G
911 Carrera Cabriolet	257 (350)	13.1	7.0	9.2	217	G
911 Carrera Cabriolet PDK	257 (350)	11.4	6.7	8.4	198	F
911 Carrera S Cabriolet	294 (400)	14.1	7.2	9.7	229	G
911 Carrera S Cabriolet PDK	294 (400)	12.4	6.9	8.9	210	F
911 Carrera 4	257 (350)	13.2	7.1	9.3	219	G
911 Carrera 4 PDK	257 (350)	11.7	6.8	8.6	203	F
911 Carrera 4S	294 (400)	14.2	7.5	9.9	234	G
911 Carrera 4S PDK	294 (400)	12.7	7.0	9.1	215	G
911 Carrera 4 Cabriolet	257 (350)	13.5	7.2	9.5	224	G
911 Carrera 4 Cabriolet PDK	257 (350)	11.9	6.9	8.7	205	F
911 Carrera 4S Cabriolet	294 (400)	14.4	7.6	10.0	236	G
911 Carrera 4S Cabriolet PDK	294 (400)	12.9	7.1	9.2	217	F
911 Targa 4	257 (350)	13.1	7.5	9.5	223	G
911 Targa 4 PDK	257 (350)	11.8	6.9	8.7	204	F
911 Targa 4S	294 (400)	13.9	7.7	10.0	237	G
911 Targa 4S PDK	294 (400)	12.5	7.1	9.2	214	F
911 Turbo	383 (520)	13.2	7.7	9.7	227	G
911 Turbo S	412 (560)	13.2	7.7	9.7	227	G
911 Turbo Cabriolet	383 (520)	13.4	7.8	9.9	231	G
911 Turbo S Cabriolet	412 (560)	13.4	7.8	9.9	231	G
911 50th Anniversary Edition	294 (400)	13.8	7.1	9.5	224	G
911 50th Anniversary Edition PDK	294 (400)	12.2	6.7	8.7	205	G
911 GT3	350 (475)	18.9	8.9	12.4	289	G

Model	Output kW (PS)	Fuel consumption urban (l/100 km)	Fuel consumption extra-urban (l/100 km)	Fuel consumption combined (l/100 km)	CO ₂ - emissions combined (g/km)	CO ₂ - efficiency class (Germany)
Panamera	228 (310)	11.2	6.8	8.4	196	D
Panamera Diesel	221 (300)	7.7	5.6	6.4	169	B
Panamera 4	228 (310)	11.4	7.1	8.7	203	D
Panamera S	309 (420)	11.9	6.9	8.7	204	E
Panamera 4S	309 (420)	12.2	7.2	8.9	208	D
Panamera 4S Executive	309 (420)	12.4	7.3	9.0	210	D
Panamera GTS	324 (440)	15.7	7.8	10.7	249	F
Panamera Turbo	382 (520)	14.7	7.7	10.2	239	F
Panamera Turbo Executive	382 (520)	14.9	7.8	10.3	242	E
Panamera Turbo S	419 (570)	14.7	7.7	10.2	239	E
Panamera Turbo S Executive	419 (570)	14.9	7.8	10.3	242	E
Macan S	250 (340)	11.6–11.3 ¹⁾	7.6–7.3 ¹⁾	9.0–8.7 ¹⁾	212–204 ¹⁾	E–D ¹⁾
Macan S Diesel	190 (258)	6.9–6.7 ¹⁾	5.9–5.7 ¹⁾	6.3–6.1 ¹⁾	164–159 ¹⁾	B
Macan Turbo	294 (400)	11.8–11.5 ¹⁾	7.8–7.5 ¹⁾	9.2–8.9 ¹⁾	216–208 ¹⁾	E–D ¹⁾
Cayenne	220 (300)	15.9	8.5	11.2	263	G
Cayenne Tiptronic S	220 (300)	13.2	8.0	9.9	236	E
Cayenne Diesel	180 (245)	8.4	6.5	7.2	189	C
Cayenne S	294 (400)	14.4	8.2	10.5	245	E
Cayenne S Diesel	281 (382)	10.0	7.3	8.3	218	D
Cayenne S Hybrid	279 (380) ²⁾	8.7	7.9	8.2	193	B
Cayenne GTS	309 (420)	14.8	8.5	10.7	251	F
Cayenne Turbo	368 (500)	15.8	8.4	11.5	270	F
Cayenne Turbo S	405 (550)	15.8	8.4	11.5	270	F
Plug-in hybrid						
Model	Output kW (PS)		Power consumption (kWh/100 km)	Fuel consumption combined (l/100 km)	CO ₂ - emissions combined (g/km)	CO ₂ - efficiency class (Germany)
Panamera S E-Hybrid	306 (416)		16.2	3.1	71	A+
918 Spyder	652 (887)		12.7	3.1	72	A+
918 Spyder (Weissach package)	652 (887)		12.7	3.0	70	A+

¹⁾ Versatility depending on the tyre set used²⁾ Overall performance

INDEPENDENT ASSURANCE REPORT

The assurance engagement performed by Ernst & Young (EY) relates exclusively to the chapter „Indicators and Data“ within the German print version of the Sustainability Report 2013 of Dr. Ing. h.c. F. Porsche AG. The following text is a translation of the original German Independent Assurance Report.

To Dr. Ing. h.c. F. Porsche AG, Stuttgart

Our Engagement

We have been commissioned to perform a limited assurance engagement on the quantitative statements of the chapter “Indicators and Data” within the Sustainability Report 2013 of Dr. Ing. h.c. F. Porsche AG (hereinafter: the report), covering the reporting period from 1 January 2013 to 31 December 2013.

Limitations to our Engagement

Our engagement is exclusively limited to the German print version of the chapter “Indicators and Data” within the report.

Criteria

We assessed the report against the criteria set out in the Sustainability Reporting Guidelines G3.0 issued by the Global Reporting Initiative (GRI). We believe that these criteria are suitable for our assurance engagement.

Responsibility of the Legal Representatives

The Executive Board of Dr. Ing. h.c. F. Porsche AG is responsible for the preparation as well as the content of the report in compliance with the above-mentioned criteria. This responsibility also includes the conceptual design, implementation and maintenance of internal monitoring processes, in order to ensure a reporting that is free from material misstatements, is in accordance with the above mentioned criteria and is based on suitable methods for data acquisition. The latter includes estimates and assumptions with regard to individual sustainability data.

Our Responsibility

Based on our work performed, it is our responsibility to issue an assurance report on the quantitative statements contained in the chapter „Indicators and Data“ within the report, covering the reporting period from 1 January 2013 to 31 December 2013.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000. This standard requires that we comply with our professional duties, and plan and perform the assurance engagement in such a way as to obtain a limited level of assurance to preclude that the quantitative statements of the chapter “Indicators and Data”, reported for the period from 1 January 2013 to 31 December 2013, are not in accordance, in material respects, with the aforementioned reporting principles and criteria. In a limited assurance engagement, the evidence gathering procedures are less extensive than in a reasonable assurance engagement, and therefore less assurance is obtained in comparison to the latter.

In the course of our engagement, the independence requirements of the IFAC Code of Ethics for Professional Accountants were taken into account.

Key Procedures

The performance of our engagement mainly involved the following aspects:

- Inquiries of employees of the department „Politics and External Affairs / Sustainability and Issue Management“ concerning the sustainability strategy, sustainability principles and sustainability management of Dr. Ing. h.c. F. Porsche AG.
- Attendance at a workshop where sustainability aspects have been assessed with regard to their materiality, based on the results of a stakeholder survey.
- Inquiries of employees of Dr. Ing. h.c. F. Porsche AG operating in the fields of Sustainability Management, Personnel, Company Environmental Management, Occupational Health and Safety, Supply Chain Management, Production, Compliance and Corporate Citizenship, and being responsible for the processes of data gathering and consolidation as well as for the preparation of the chapter “Indicators and Data”. The inquiries were aimed at assessing the sustainability reporting system, the methods of data acquisition and processing as well as the internal supervision to the extent of being relevant for the assurance engagement of the chapter “Indicators and Data”.
- Inspection of the relevant documentation of the systems and processes for gathering, analyzing, and aggregating sustainability data during the reporting period as well as randomized verifications of this documentation.
- Analytical measures at aggregated group level (Dr. Ing. h.c. F. Porsche AG and Porsche Leipzig GmbH) regarding the quality of the reported data.
- Inquiries and inspection of documents on a sample basis relating to the collection and reporting of selected sustainability data during on-site visits at the Zuffenhausen and Leipzig plants.
- Review of material qualitative statements within the report in regard to plausibility and consistency in relation to the results of the limited review of the chapter “Indicators and Data”.

Our Conclusion

Based on the procedures performed to obtain a limited level of assurance, no issues have come to our attention that cause us to believe that the quantitative statements of the chapter “Indicators and Data” within the Sustainability Report 2013 of Dr. Ing. h.c. F. Porsche AG, covering the reporting period from 1 January 2013 to 31 December 2013, have not been prepared, in all material respects, with the aforementioned criteria.

Munich, April 29, 2014

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Nicole Richter	ppa. Nina Müller
Wirtschaftsprüferin	Wirtschaftsprüferin
(German Public Auditor)	(German Public Auditor)



Statement GRI Application Level Check

GRI hereby states that **Porsche AG** has presented its report "Sustainability Report 2013" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 31 March 2014

A handwritten signature in black ink, appearing to read "Ásthildur Hjaltadóttir".

Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative



The "+" has been added to this Application Level because Porsche AG has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 25 March 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

IMPRINT

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GRI INDEX

	Level of Reporting	Reference
Strategy and Analysis		
1.1 Foreword by the Chairman of the Executive Board/Supervisory Board	fully	4f.
1.2 Description of key sustainability impacts, risks and opportunities	fully	12–14, 16–21, 29
Profile of the Company		
2.1 Name of the company	fully	U2
2.2 Brands, products, and/or services	fully	8–10
2.3 Divisions and structure of the company	fully	11
2.4 Headquarters of the company	fully	11
2.5 Countries where the company has major operations	fully	10
2.6 Ownership structure	fully	11
2.7 Markets	fully	10f.
2.8 Size of the company	fully	11, 29, 86f.
2.9 Changes to the size, structure, and ownership of the company	fully	11
2.10 Awards received in the reporting period	fully	22, 85
Report Parameters		
3.1 Reporting period	fully	U2
3.2 Date of the most recent previous report	fully	first report
3.3 Reporting cycle	fully	U2
3.4 Contact point for questions regarding the report	fully	U7
3.5 Process for defining the report content	fully	U2, 13, 19
3.6 Boundaries of the report	fully	U2
3.7 Specific limitations on the scope or boundary of the report	fully	U2
3.8 Joint ventures, subsidiary companies, outsourcing	fully	U2
3.9 Data measurement techniques	fully	U2, 14
3.10 Explanation of any re-statements of information	fully	first report
3.11 Significant changes in the scope, boundaries, or measurement methods	fully	first report
3.12 GRI Index	fully	U5, U6
3.13 External verification	fully	U2, 98f.
Governance, Commitments, and Engagement		
4.1 Governance structure of the company	fully	13f., AR 6–9
4.2 Independence of the Chairman of the Supervisory Board	fully	AR 8f.
4.3 Number of independent members of the executive management	fully	Not applicable, because there is a Supervisory Board
4.4 Mechanisms to provide recommendations of shareholders to the Executive Board	fully	67f.
4.5 Linkage between compensation of the Executive Board and the corporate performance	fully	66
4.6 Mechanisms to ensure that conflicts of interest are avoided	fully	26ff.
4.7 Expertise of highest governance bodies in terms of sustainability	fully	13f.
4.8 Corporate mission, Code of Conduct and values	fully	8, 14f., 26, 50
4.9 Processes at board level for overseeing sustainability performance	fully	13f., 27, 29
4.10 Processes for evaluating the performance of the Executive Board on sustainability matters	fully	66
4.11 Implementation of the precautionary principle	fully	27, 70f.
4.12 Endorsement for external initiatives	fully	U2, 23f., 29, 50f.
4.13 Memberships in associations and advocacy organizations	fully	23, 28, 34
4.14 List of stakeholder groups engaged by the company	fully	16–19
4.15 Basis for selection of stakeholders to engage	fully	16–19
4.16 Approaches for stakeholder dialog	fully	16–19, 67
4.17 Key topics and concerns raised by stakeholders	fully	14, 19
Performance Indicators		
Economic – Management Approach		
EC1 Direct economic value created and distributed	fully	13, 15, 20, 80
EC2 Financial implications of climate change ¹⁾	fully	29, 61, 80–83, 86f.
EC3 Coverage of defined benefit plan obligations	partially	29, 33, 84
EC4 Financial assistance received from the government	fully	70f., AR 119
EC6 Selection of locally-based suppliers	fully	87
EC7 Local hiring for senior management positions ²⁾	not reported	–
EC8 Infrastructure investments and services provided primarily for the public benefit	fully	58–61, 67, 80–83

	Level of Reporting	Reference
Environmental – Management Approach		
EN1	Materials used by weight or volume	fully 15, 20, 30, 34, 44, 50f.
EN2	Percentage of materials used that are recycled ³⁾	fully 39, 88
EN3	Direct energy consumption by primary source	not reported –
EN4	Indirect energy consumption by primary source	fully 88f.
EN5	Energy saved due to environmental measures and efficiency improvements	fully 89
EN7	Initiatives to reduce indirect energy consumption	fully 46–49, 52f., 84, 88f.
EN8	Total water consumption by sources	fully 47–49, 53
EN11	Location and size of land used in protected areas	fully 54, 91
EN12	Description of significant impacts of activities in protected areas	fully 55
EN16	Total direct and indirect greenhouse gas emissions by weight	fully 53
EN17	Other relevant greenhouse gas emissions by weight	fully 52f., 90
EN18	Initiatives for reduction of the emission of greenhouse gases	fully 53, 90
EN19	Emissions of ozone-depleting substances by weight	fully 34, 46, 49, 52f., 84, 90
EN20	NO _x , SO _x and other significant air emissions by type and weight	fully 53, 90
EN21	Total water discharges	fully 53, 90
EN22	Total weight of waste by type and disposal method	fully 54, 91f.
EN23	Total number and volume of significant spills	fully 55
EN26	Initiatives to mitigate environmental impacts of products	fully 8–10, 34f., 36–39
EN27	Recycling of packaging materials	fully 92
EN28	Fines and sanctions for non-compliance with environmental regulations	fully 51
Labor Practices and Decent Work – Management Approach		
LA1	Total workforce by employment type, regions, and gender ⁴⁾	fully 15, 21, 58, 64–71
LA2	Breakdown of employee turnover by gender, age groups, and regions ⁵⁾	partially 64, 92f.
LA4	Employees covered by collective bargaining agreements	partially 93
LA5	Minimum notice periods regarding significant operational changes	fully 67
LA7	Injuries, days of absence and work-related fatalities	fully 67
LA8	Risk control and programs relating to serious diseases	fully 71, 94
LA10	Basic training and career training for employees ⁶⁾	fully 70f.
LA13	Composition of employee structure and governance bodies ⁷⁾	partially 69f., 94
LA14	Remuneration by gender and employee category ⁸⁾	partially 64f., 93f., AR 6–9
LA14	Remuneration by gender and employee category ⁸⁾	fully 66
Human Rights – Management Approach		
HR1	Investment agreements with human rights clauses	fully 15, 24f., 65
HR2	Screening of suppliers on human rights issues	fully 24f.
HR4	Incidents of discrimination and action taken	fully 24f.
HR5	Freedom of association and collective bargaining agreements	fully 65
HR6	Operations with increased risk for incidents of child labor	fully 15, 24f., 67
HR7	Operations with increased risk for incidents of forced or compulsory labor	fully 15, 24f.
Community – Management Approach		
S01	Impacts on local communities	fully 15, 21, 26f., 28f.
S02	Business units analyzed for risks related to corruption	fully 52–54
S03	Training sessions for anti-corruption policies	fully 26f.
S04	Incidents of corruption and action taken in response	fully 26f.
S05	Participation in public policy development and lobbying	fully 26f.
S08	Fines and sanctions for non-compliance with laws and regulations	fully 28f.
S08	Fines and sanctions for non-compliance with laws and regulations	fully 26f.
Product Responsibility– Management Approach		
PR1	Impacts on health along the product life cycle	fully 15, 20, 22f., 28, 30
PR3	Product information and labeling	fully 15, 30, 40–43
PR6	Standards in relation to promotion and advertising	fully 28
PR9	Fines and sanctions for non-compliance with regulations about the use of products and services	fully 28
PR9	Fines and sanctions for non-compliance with regulations about the use of products and services	fully 27

¹⁾ We do not report because the data cannot be recorded. Providing empirical data is extremely complex and is subject to factors which are outside our sphere of influence. We will not be able to provide these quantified data in future.

²⁾ This indicator is not applicable because the important sites are in Germany.

³⁾ We do not have access to these data and therefore cannot report on them.

⁴⁾ The number of agency workers and part-time employees is not reported separately because they receive equal pay.

⁵⁾ We do not report the employee turnover broken down by age group, gender and region because these numbers are not material for us since they are not relevant to tax.

⁶⁾ We report the number of participants in career training measures instead of the average number of career training hours per employee since this parameter is relevant to tax for our annual planning.

⁷⁾ We do not report on minorities because a survey may not be carried out for reasons of protecting personal rights.

⁸⁾ We do not report on the ratio of basic pay between men and women since a valid statistic cannot currently be determined due to gender neutral compensation (p. 66). We intend to report on this from 2015.

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