



PORSCHE

**Join The Route**

**Sustainability Report 2015**

## About this Report

### Content and Period Covered by the Report (G4-23)

Porsche has prepared this Sustainability Report to provide information about its key activities in the areas of “Business and Customers,” “Product Responsibility,” “Environment and Energy,” and “Employees and Community.” The report also explains how sustainability is strategically embedded in, and managed by, the company. Objectives and actions have been set out in a Sustainability Program. Relevant facts and figures have been summarized at the end of the hard copy of the report and are available in detail on the Sustainability microsite ([newsroom.porsche.com/en/sustainability](http://newsroom.porsche.com/en/sustainability)). Various reporting and processing systems within the company were used to collect and capture the data, which was then consolidated and reviewed to enhance its reliability. The Porsche Sustainability Report 2015 refers to the period from January 1, 2014 through December 31, 2015. In the interests of providing a complete picture, the report also contains information about material activities performed prior to this period. All data is valid as of December 31, 2015. Editing of the report was finalized in April 2016. Unless otherwise indicated, all information relates to Dr. Ing. h.c. F. Porsche AG and Porsche Leipzig GmbH.

### Reporting Standard

The Porsche Sustainability Report 2015 was prepared in accordance with the guidelines issued by the Global Reporting Initiative (GRI G4) using the “Core” option. The GRI Content Index details the level of completion of the Global Reporting Initiative indicators and their location in this Sustainability Report and on the Sustainability microsite.

### External Audit

The materiality analysis, selected management approaches, and some of the key figures addressed in the Sustainability Report and included on the Sustainability microsite have been subjected to an audit review by PricewaterhouseCoopers. The audited indicators are marked accordingly in the report: (✓ = audited indicator, ✓ = data taken from the audited Porsche Annual Report 2015). The statement of the independent auditor can be found on page 98.

### Reporting Cycle (G4-22, G4-23)

The Porsche Sustainability Report is fully reviewed and republished every two years. The first Sustainability Report 2013 was published in May 2014, and updates to the Sustainability Program and the facts and figures were published in June 2015. Information that was previously published but has been since reworded or amended – in the “Facts and Figures” section, for example – is marked accordingly.

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# The Executive Board

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



**Oliver Blume**

Chairman of the Executive Board



**Lutz Meschke**

Deputy Chairman of the Board  
Finance and IT



**Detlev von Platen**

Sales and Marketing



**Uwe-Karsten Städter**  
Procurement



**Albrecht Reimold**  
Production and Logistics



**Andreas Haffner**  
Human Resources and Social Affairs



**Michael Steiner**  
Research and Development

# Letter from the Chief Executive Officer

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Oliver Blume

## Dear ladies and gentlemen,

In the time it takes you to read this sentence at normal speed, 41 children will have been born somewhere around the world and 18 people will have died. For thousands of years, birth rates were on a par with mortality rates. In the mid-20th century, it took 32 years for the global population to increase from 2 to 3 billion. The rate has accelerated dramatically since then. Nowadays, our planet is home to some 7.4 billion people. The population is expected to increase to nearly 10 billion by 2050.

The extent and scope of the social, economic and environmental consequences – some of which are alarming – are disputed, starting with resource shortages, environmental pollution and climate change, and extending to impoverishment, hunger, rural exodus, urbanization and intercontinental migration. Yet one thing is certain: We need to act – sustainably and with a focus on values.

The Brundtland definition of sustainable development is development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs and choose their own lifestyles. While we cannot know what all those needs and lifestyles will be, we can continue creating a framework in which we can respond flexibly, and help to continue creating enjoyable and sustainable mobility.

The current diesel issue is affecting Porsche as well, and specifically the Cayenne Diesel model sold in the USA from model years 2013 through 2016. We continue cooperating fully with all relevant authorities and are doing everything we can to clarify this issue completely just as soon as possible. We will take care of our customers and dealers and ensure we retain their high confidence in us. We want to make it clear that trust and sustainability are not just words for us; they are guiding business principles. We are currently developing our Porsche Strategy 2025 program, which expressly features sustainability as one of four central elements aimed at safeguarding our business success, sites, and jobs over the long term – an opportunity for economic, environmental, and social progress. We are striving to inspire our customers, electrify our drives, make our factories resource-efficient, and offer safe and attractive jobs. Sustainability is the responsibility of the Executive Board. We have set ourselves the firm goal of not just continuing to be the world's most profitable

automobile manufacturer, but also the most innovative and most sustainable.

Porsche can look back on its fifth consecutive record year. We are growing in terms of both quality and quantity. At Porsche, business success and social responsibility are not mutually exclusive. On the contrary, they strengthen each other. Never before, have so many people worked for Porsche. The company stands for diversity, internationalization, and equal opportunity. The Executive Board and General Works Council together approved our “Fit for the Future” program in summer 2015. It aims to increase productivity, flexibility, and efficiency – while at the same time upholding the social standards for the entire workforce.

As a company, we want to integrate sustainability into all of our processes. An Environmental Policy with clearly defined guidelines has been in place at Porsche for 20 years. In 2015, we drew up our “Sustainability Roadmap” for the coming decade, which clearly defines sustainability targets for all business units. We want to ensure sustainability along the entire supply chain and strengthen our communication efforts in this respect so we become even more transparent. And we want to raise awareness of the issue of sustainability further among our employees.

Markets are changing, resources are becoming scarcer, exhaust emission regulations are becoming stricter, and urban





sprawls are necessitating new and intelligent traffic and mobility concepts. Porsche was the first premium manufacturer to offer plug-in hybrids in three different vehicle categories. We are focusing on optimizing the environmental performance of our vehicles over their entire life cycle. We are determined to act as pioneers in the field of e-mobility. At the end of this decade, we will be putting our first sports car powered solely by electricity on the road – Mission E made in Zuffenhausen. We build sports cars that unite performance, efficiency, exclusivity, and social acceptance.

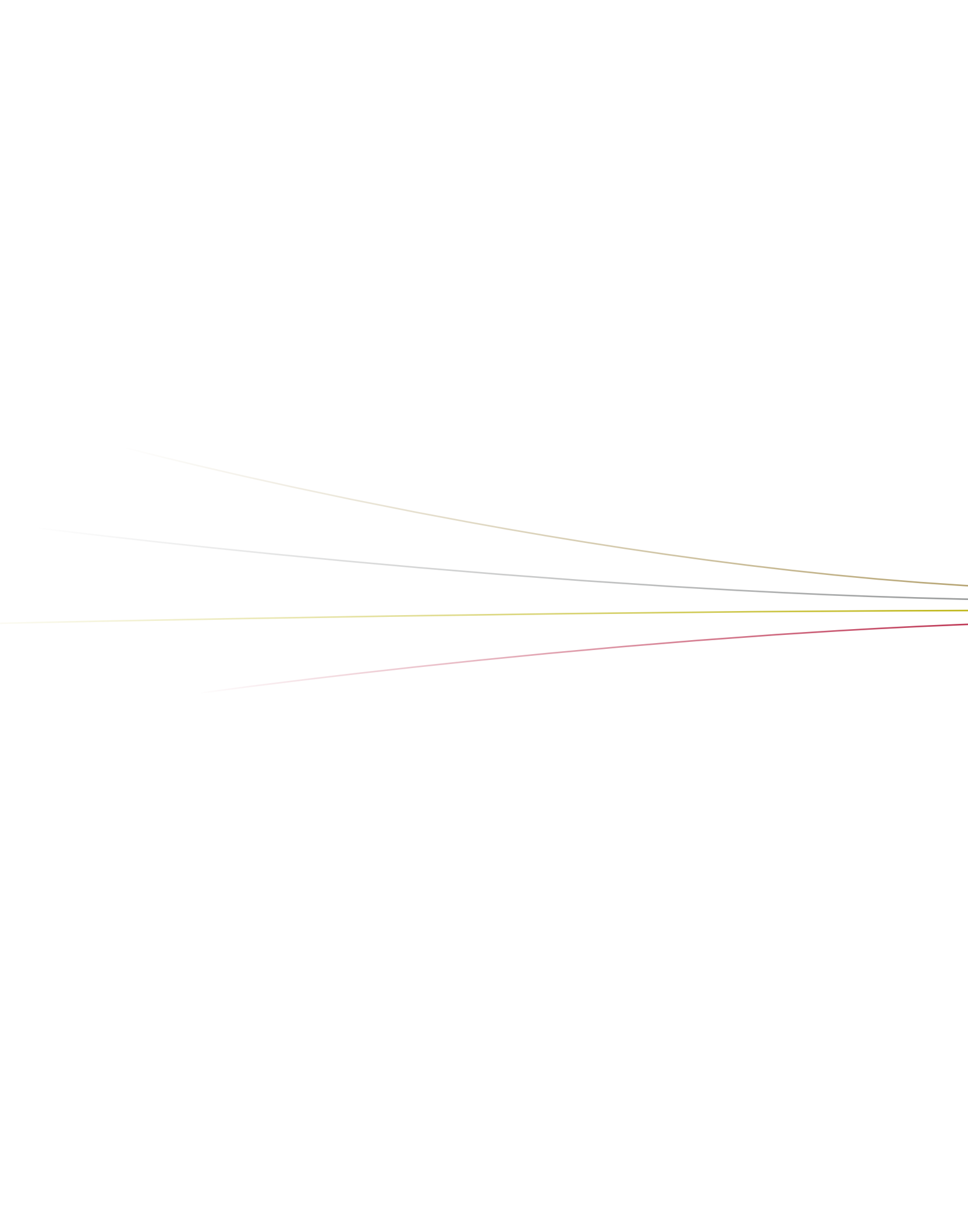
Our actions relating to economic, environmental, and social themes are consistent; the facts speak for themselves. But see for yourselves. This report provides insight into the challenges facing the world's most successful manufacturer of sports cars – and how we at Porsche are responding to them. Learn more about the diversity of our activities and join us on a tour of Porsche's company philosophy, which has always been driven by a fascination for individual mobility in a world that is worth living in.

On behalf of my colleagues: be our guest.

I hope you enjoy reading this report.

Yours,

Oliver Blume





# Join The Route

Looking ahead, becoming better and more efficient – Porsche's efforts in this respect do not just focus on the development, production, and sale of highly emotive premium sports cars that inspire our customers around the globe. Already, we – more than any other manufacturer – are linking the fascination of driving a sports car that is so typical for Porsche with resource-efficient mobility. We are, however, also tackling the increasing challenges facing a modern and sustainable automobile manufacturer. Technology leadership always was, and always will be, our goal. We show that efficiency and social responsibility do not have to contradict each other. The world around us is, however, changing rapidly. Global megatrends such as urbanization, digitization, or demographic change are having a huge effect on our lives, our habits, and our convictions – and on the structures of our economy. How is Porsche tackling these challenges? What are we doing? What do we need to do? We have already achieved a lot. But there is still a long way to go. Please be our guest and join Porsche on its journey of sustainable action, so that together we can find solutions for sustainable mobility and a future world that we will all want to live in: **JoinTheRoute**.



# About Porsche

**Striving for value-added growth with vehicles that meet outstanding technological and quality standards – this aim that Porsche has already successfully achieved in recent years will continue to drive its actions in the future.**

## Product Portfolio

Porsche is the world’s leading manufacturer of sports cars and is present in 129 markets. Its outstanding position is assured by exclusive products, a personalized portfolio, and intensive customer relationship management. The range of models under the Porsche brand is broader than it has ever been, encompassing the 911, 718 Boxster/Cayman, Panamera, Cayenne, and Macan. Vehicles such as the Porsche 911 Turbo, 911 GT3 RS, Cayman GT4, or Boxster Spyder constitute the high end of a fascinating and individual sports car culture. At the same time, Porsche was the first premium marque to offer plug-in hybrids in three different vehicle segments. Porsche satisfies three key customer requirements with this technology: locally emission-free e-mobility, full range for long distances, and a fun drive at all times. Mission E is a concept study that was presented at the IAA 2015 International Motor Show in Frankfurt and is Porsche’s response to sports mobility of the future: 100 percent electric, full dynamic performance, and utterly fit for everyday use. Some of the technology stems from the car that won the Le Mans race in 2015 – a hybrid with complex technology that is redefining long-distance motor racing.

In recent years, the Macan has witnessed the highest demand of all Porsche models, followed closely by the Cayenne.

## Markets

Its delivery of 225,121 vehicles to customers around the world in 2015 constituted the fifth consecutive record for Porsche AG, and topped the best-ever 189,849 automobiles from 2014 by 19 percent.

In 2015, the global automobile market grew by 2.6 percent to 75.6 million vehicles – although trends differed considerably from one region to the next. Strong growth was registered in Western Europe, North America, and Asia-Pacific. New registrations in Western Europe even reached a new all-time high, at 13.2 million vehicles in the 2015 reporting year. The market in Germany expanded by 5.6 percent. By contrast, growth in Eastern Europe and South America was much lower year on year. In Germany, Porsche was able to continue where it left off at the end of its record year 2014 (23,841 vehicles delivered to customers), increasing sales by 21 percent in 2015, to 28,953 new vehicles.

With 58,009 new vehicles delivered, China took over from the USA as the biggest single market in 2015. Further expanding the network of dealerships has been key to the success of Porsche China. In 2015 alone, 12 new Porsche Centers opened for business. As of year-end, the number of dealerships was 91.

In fiscal 2015, Porsche delivered 51,756 new vehicles in the USA, topping the 50,000 sales mark for the first time ever. This equates to an increase of 10 percent year on year. In May 2015, Porsche opened its new customer experience center in Atlanta, "One Porsche Drive", which also houses the company's new North American headquarters. Costing 100 million dollars, this was the biggest foreign investment ever made in the history of Porsche and considerably enhances the company's presence in the US market.

Further information on the individual markets can be found in Porsche's latest Annual Report 2015.

## Sites

In July 2015, the Executive Board and General Works Council of Porsche AG together approved an action plan to secure the future of the Porsche sites over the long term. The agreement – called "Fit for the Future" – focuses on increasing productivity, flexibility, and efficiency throughout the company – while at the same time upholding the social standards for the entire workforce. Porsche is spending more than 1.1 billion euros to expand its sites in Zuffenhausen, Weissach, and Ludwigsburg, of which 700 million euros alone are being invested at the main plant in Zuffenhausen. Redundancies for operational reasons have been ruled out until 2020.

A new body shop is being built at the main plant in Zuffenhausen, together with a further engine plant. Once the assembly line has been expanded, Cayman models will be built here in future alongside the 911 and 718 Boxster. At the end of the financial year, the Supervisory Board of Porsche AG approved the Mission E project. The first Porsche sports car powered solely by electricity is scheduled for market launch at the end of this decade. This project emphasizes the company's focus on long-term growth. More than 1,000 new jobs will be created in Zuffenhausen alone. A new paint shop and dedicated assembly facility for the Mission E are also being built. The engine plant will, moreover, be expanded to cope with the production of the electric drives, and the existing body shop will be extended. Investment in the Development Center in Weissach also relates to this project.

### Zuffenhausen

This suburb to the north of Stuttgart is home to Porsche's main plant. Group headquarters are located here, along with management, sales and marketing, HR and social affairs, and the finance and IT functions. Around 8,500 people work for Porsche in Zuffenhausen. In addition to expanding the plant as part of the "Fit for the Future" program, Porsche is also cementing its reputation as an attractive employer. In September 2015, the Company opened its modern Training Center on a floor area of 14,000 square meters. The new building can accommodate as many as 500 apprentices and students on cooperative study programs.

### Weissach

Porsche's Development Center, which currently employs around 5,500 people, has been located in Weissach for more than 30 years. In 2014, the site was enlarged and modernized with the addition of a new Design Studio, a high-tech wind tunnel and an Electronics Integration Center. Like the site in Zuffenhausen, Weissach is also benefiting from the Mission E project.

### Leipzig

Right from the start, Porsche has relied on its second home of Leipzig. Back in 2002, when the plant was commissioned on the doorstep of this city in the state of Saxony, it was already being hailed as one of the most progressive car manufacturing plants in the world – a claim that still holds true to this day. Porsche produces its Cayenne and Panamera models in Leipzig and they were joined by the Macan in 2014. A second body shop is currently being built in readiness for full production of the Panamera, which is scheduled to commence in 2016. 3,700 people work for Porsche in Leipzig.

### Further sites

Further subsidiaries are located in the greater region of Stuttgart at Bietigheim-Bissingen, Ludwigsburg, Hemmingen, and Sachsenheim, as well as in Schwarzenberg and Dubnica (Slovakia).

## Scope of Consolidation

(G4-17)

Since August 1, 2012, Volkswagen AG has been sole shareholder of Porsche Holding Stuttgart GmbH, which owns 100 percent of the share capital of Porsche AG. Control as well as profit and loss transfer agreements are in place between Porsche Holding Stuttgart GmbH and Porsche AG, and between Porsche AG and its key subsidiaries in Germany. The scope of consolidation of Porsche AG includes 101 fully-consolidated entities, of which 24 are located in Germany and 77 abroad.

# Sustainability Management



Sustainability is of high strategic priority for Porsche. The “Sustainability Office” is therefore directly located within the area of responsibility of the Chairman of the Executive Board. Which means that – in addition to its core business, the development, production and sale of fascinating sports cars – accepting responsibility for people, the environment, and society is one of the key missions and objectives of the company.

## Targets and Structure

(G4-18, G4-19, G4-20, G4-21)

Since Porsche’s goal is to grow in terms of both quality and sustainability, the latter will play a key role in the new Strategy 2025 for all business units – from development to sales – incorporating it extensively into their work. Specific programs are being defined and continuously improved for this purpose. Consistently integrating sustainability into processes – be that product development, the continuous improvement process, or other governance processes – provides an important foundation for this.

Porsche wants to be seen by its staff as an excellent employer with a performance-focused, yet still social, corporate culture, and to make production at its sites environmentally compatible and energy-efficient. This requires a functioning social partnership with the Works Council. All of these factors aggregate into the unique Porsche Culture. Beyond the company boundaries, our sustainability targets include diverse activities in the areas “Social Commitment,” “Education and Science,” “Culture” and “Sport”. Porsche’s central mission is to create a balance between economic, environmental, and social commitment and to continuously improve the same.

## Areas of Action

All of our sustainability activities can be categorized into one of four areas of action which also form the basis for structuring the horizontal sustainability strategy:

- Business and Customers
- Product Responsibility
- Environment and Energy
- Employees and Community

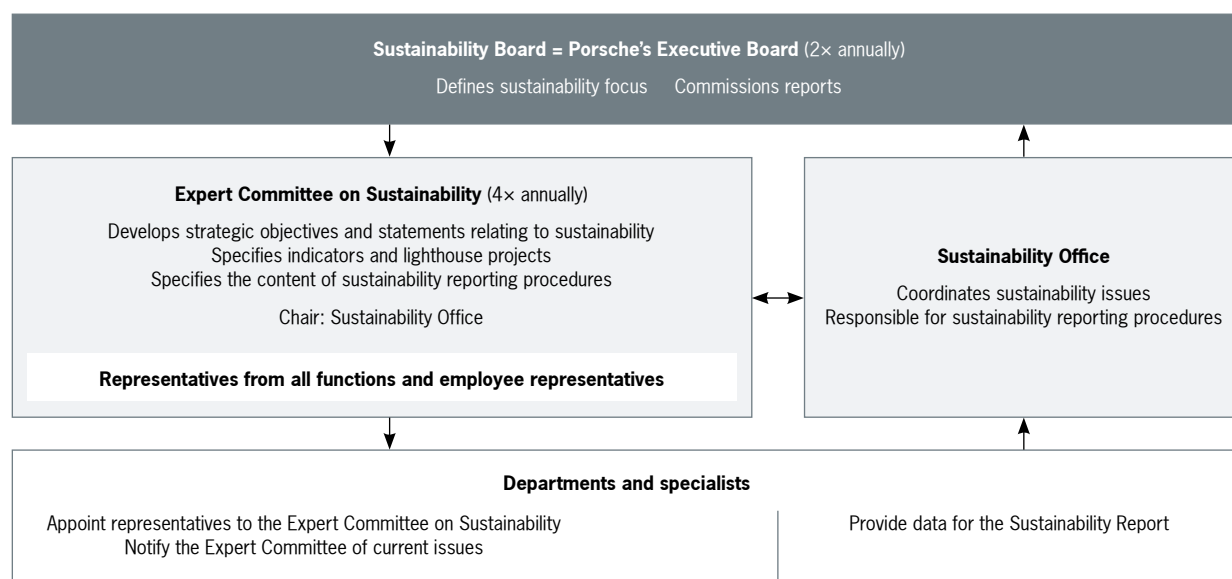
## Sustainability Organization

(G4-18, G4-19, G4-20, G4-21)

Porsche has established a clear structure for coordinating sustainability issues. The most senior sustainability body is the Executive Board of Porsche AG. The “Sustainability Board” meets twice a year to define the strategic course of the company’s environmental and social responsibility.

The “Sustainability Office” acts as the interface for all sustainability-related issues within the company. Organizationally, it is incorporated into the department for “Politics and External Affairs.” The Office is charged with coordinating all sustainability issues and reporting accordingly, while at the same time ensuring continuous and clear communication between all of the organizational units with a stake in the process.

### Porsche’s Sustainability Organization



The “Expert Committee on Sustainability” is responsible for defining specific strategic goals and statements relating to sustainability. Its organization is interdisciplinary, with members coming from all sorts of departments with a stake in sustainability. Expert Committee meetings take place four times a year and are chaired by the Sustainability Office.

This body develops sustainability targets and is responsible for decisions on lighthouse projects and indicators. It also defines the content of sustainability reporting procedures. The following departments have appointed permanent representatives for the defined areas of action and for the area of “Communication”:

Area of action	Department/Body
Business and Customers	Processes and Porsche's Finance and IT improvement process; procurement strategy and processes; product management; sales strategy
Product responsibility	Product sustainability; smart mobility
Environment and Energy	Environmental and energy management; plant structure planning; Porsche Leipzig – planning
Employees and Community	HR strategy; Works Council; Politics and External Affairs
Communication	Corporate communications

Porsche AG is also involved in shaping Group-wide sustainability activities through various steering committees within Volkswagen Group.

## Our Guidelines

(G4-18, G4-19, G4-20, G4-21)

Both management and staff align their daily activities and entrepreneurial decisions to the overarching principles of corporate governance. They form the framework for good and responsible collaboration by our employees in compliance with rules and laws, and provide guidance for decision-making and management processes. Our Compliance Code, which has been communicated throughout the company, supports compliance with both legal regulations and company-specific policies. The Porsche culture is described in detail in the Management Principles and provides guidance

within the company for issues such as staff development, internationality, and cultural diversity, as well as specifically for sustainability and social responsibility. In addition, numerous company agreements, and Group and company policies create a regulatory framework.

Actions relating to sustainability are guided by principles approved by the Sustainability Board in consultation with the Expert Committee on Sustainability. Targets and programs are defined and implemented for all sustainability principles. They are subject to annual review. Porsche regularly publishes its sustainability activities with the utmost transparency in the public domain.

## 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. Environment and Energy

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 and Community

Porsche always focuses on people – on our own staff just as on society to which we see ourselves belonging. We want to take on responsibility for them and invest in their future. Key aspects of this Porsche Culture – apart from the continuous development and upskilling of our employees – include issues such as equal opportunities, diversity and co-determination, constantly improving the work-life balance, and ensuring pay is fair and commensurate with performance. Our activities at local and international level in the fields of “Social Commitment,” “Education and Science,” “Culture,” and “Sport” focus on initiating our own projects and supporting the important social activities of external partners.



## Stakeholder Communication and Dialog

(G4-18, G4-19, G4-20, G4-21, G4-24, G4-26, G4-27)

So far, communication and exchange with our relevant stakeholders on issues of sustainability have taken the form of interviews, information events, reporting procedures, or in-house training programs. These will be expanded further.

### External Dialog

The company publishes a local newspaper entitled “targa” to keep residents informed about the latest developments at the Porsche sites. Since April 2015, some 4,700 households in Weissach and Mönsheim are being provided with information twice a year about the work and specific projects at Porsche. Starting in 2016, the program was expanded to include Zuffenhausen and Stammheim in Stuttgart, as well as the local residents surrounding Porsche’s plant in Leipzig. The company has also set up an “intercommunal workgroup” to intensify the contact with policymakers. Alongside representatives of Porsche AG, members include the mayors of Weissach and Mönsheim, the Chairs of the local councils, and representatives from the district councils of Böblingen and Enzkreis. The workgroup meets once a quarter to ensure closer ties between the work processes and early coordination of relevant issues with all stakeholders.

If residents are directly affected by site measures – such as construction projects – project-specific information events are organized for the residents. These information events focus on the rationale and aims of the projects and the changes they will entail for the residents. Residents are given the opportunity to discuss specific issues directly with the experts at these events.

When Porsche expanded the plant in Zuffenhausen, for example, CEO Oliver Blume explained the construction works associated with the Mission E project to more than 500 neighbors. In addition to a free tour of the museum, the guests were also shown the construction plans, followed by a panel of experts answering all the residents’ questions.

### In-house Dialog

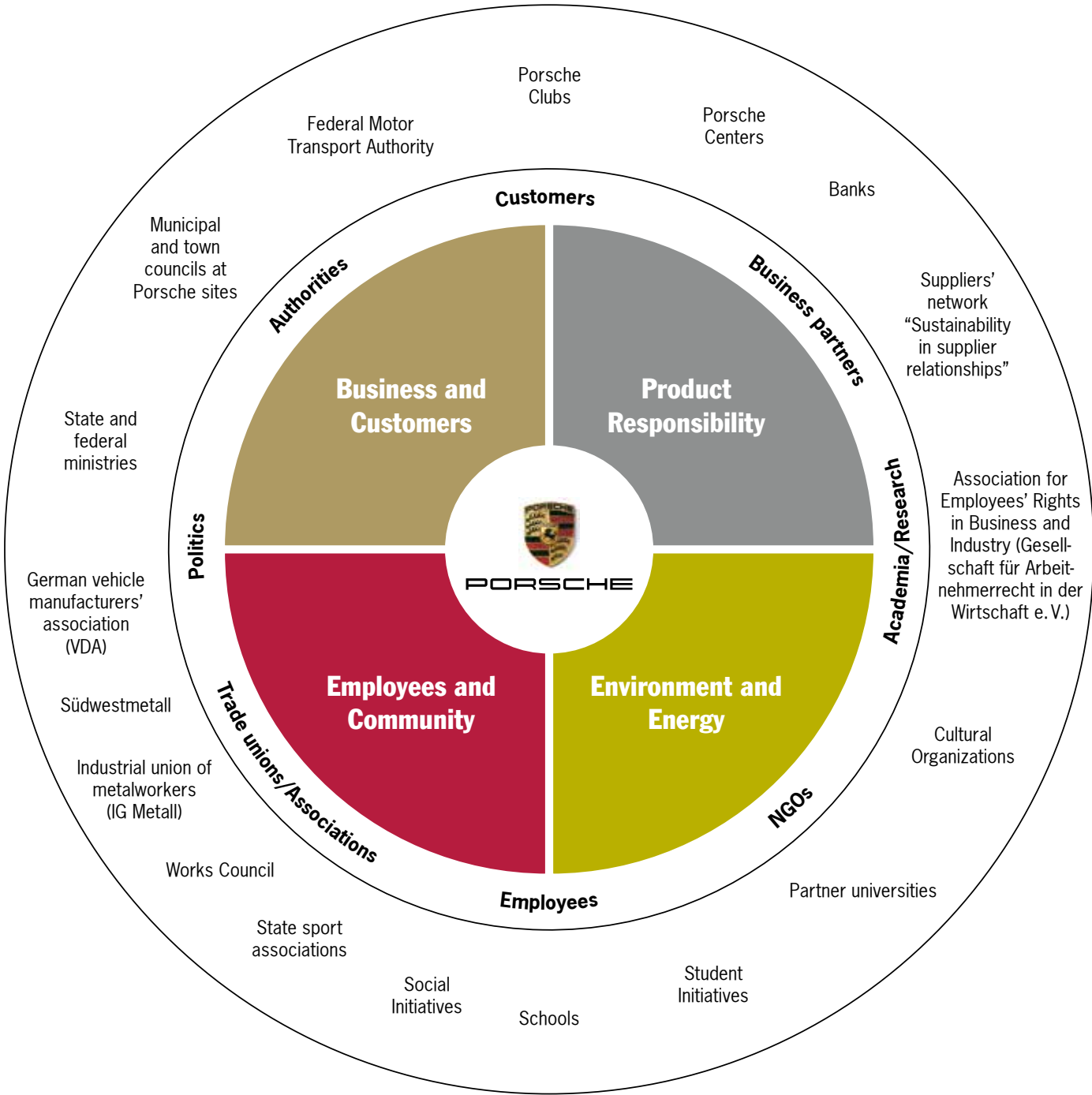
Open and direct communication is a key element of Porsche’s corporate culture and is embedded accordingly in the Management Principles. Numerous options are available to the staff to submit suggestions and voice concerns to decision-making bodies and committees. Open and transparent lines of communication and channels of information have been established for this purpose. Within the company, informing all members of staff and their elected representatives in good time and comprehensively about significant changes in operating procedures and organizational structures is established practice. Adherence to this corporate practice is ensured in many ways, including equal representation on the Supervisory Board, the Works Council committees, the Business Committee, and a constantly updated database of company agreements on the in-house intranet. General staff meetings are regularly organized to inform the workforce of any new developments.

Porsche actively seeks and strives to intensify contact and exchange with the various stakeholders. The “Sustainability Office” is responsible for this task, although the relevant departments also organize communication on specific issues.

Our Stakeholders

(G4-18, G4-19, G4-20, G4-21, G4-24, G4-25, G4-26, G4-27)

The following chart depicts the primary in-house and external stakeholders of the company as determined through in-house analysis.





Overview of stakeholder communication on issues relating to sustainability in the reporting period:

Means of communicating with external stakeholders	Means of communicating with in-house stakeholders
Annual reports	Expert Committee on Sustainability
Stakeholder survey 2015	Introductory event for new recruits ("Porsche Warm-Up")
Porsche website	Staff meetings
Environmental declaration for Zuffenhausen site	Management training programs
Press releases	"Carrera" staff magazine
Showcase projects in Baden-Württemberg, Bavaria/Saxony	"Carrera TV" staff television
Involvement in associations	"Carrera Mail" newsletter
Information events for local residents	"Carrera Online" Porsche intranet
Meetings with the authorities	Porsche information boards
Porsche newsroom	
"targa" local newspaper	
"Christophorus" customer magazine	

#### **Stakeholder Survey** (G4-18, G4-19, G4-20, G4-21, G4-24, G4-26, G4-27)

Porsche systematically examines the assessments, views, and expectations of the relevant stakeholder groups in respect of sustainability. In 2015, some 2,600 external stakeholders from our home market in Germany were invited to take part in an online survey. They included customers, business partners, representatives from the authorities, associations, trade unions and NGOs, politicians, academics, and sustainability experts. Representatives from Volkswagen Group and the individual Group brands also took part. The invitation was accepted by 15 percent who answered questions on issues relating to responsible corporate governance, production and products, and Porsche's progress with sustainability performance. The findings: Of the people interviewed, 94 percent do not see a fundamental contradiction between corporate responsibility and the production of premium sports cars. 91 percent praised the progress made by the company in respect of sustainability performance. "Long-term economic stability", "Long-term customer relationships", and "Fuel consumption and vehicle emissions" were ranked the three most important challenges facing the company. This assessment is a valuable indicator, allowing Porsche to prioritize issues.

Satisfaction with sustainability performance has also improved compared to the stakeholder survey in 2013, with 85 percent voicing their satisfaction with the company's performance in this area. This feedback clearly shows that Porsche is on the right track, albeit there is potential for improvement to justify the company's own claim of premium quality. That is what we are now specifically working on.

Future communication on sustainability can be tailored to specific target groups by polling and evaluating the most frequently used sources of information on sustainability and corporate responsibility – the general media, such as newspapers, for example, but also the website of Porsche AG or "Christophorus", Porsche's magazine for customers.

## Stakeholder Statements

(G4-18, G4-19, G4-20, G4-21, G4-24, G4-26, G4-27)

Our stakeholders comment on what they believe to be the main contributions that Porsche should make in respect of sustainability:

Representative from public authorities

**“Safeguarding and maintaining jobs, and protecting customer confidence are the most important contributions Porsche should make to sustainability.”** \_\_\_\_\_

Customer

**“Porsche products are the epitome of exemplary quality and durability. The way the company deals with its employees, resources, and the environment should be just as exemplary and sustainable.”** \_\_\_\_\_

Business partner

**“Improve resource-efficient mobility throughout the life cycle – based on strong compliance performance.”** \_\_\_\_\_

**“As a strong brand, Porsche should anchor reduced fuel and resource consumption, and fair dealings with its employees, customers, and suppliers as the main cornerstones of its responsible actions.”** \_\_\_\_\_

NGO representative

**“Superior social commitment and consistent improvement of alternative drives.”** \_\_\_\_\_

Media representative

Representative from the world of politics

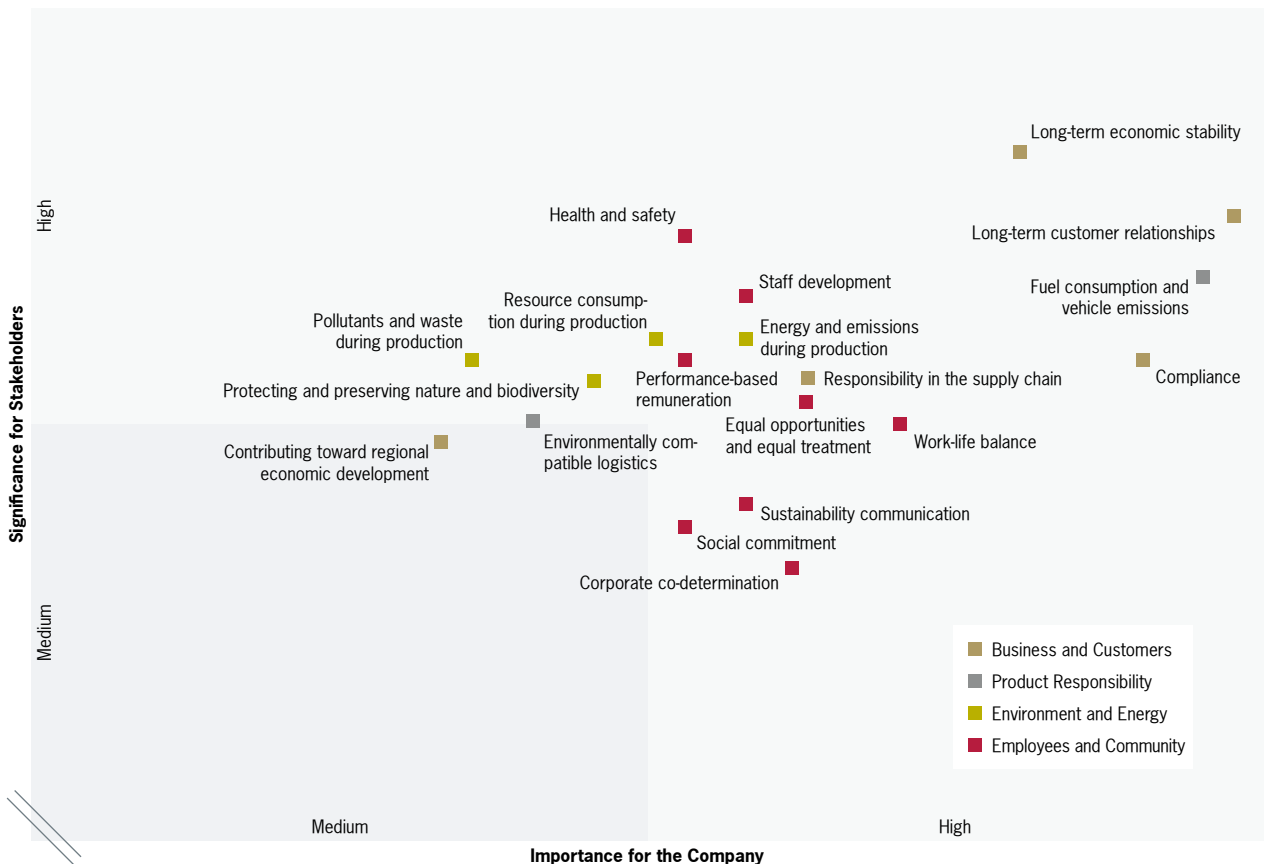
**“Given its size, degree of recognition, and impact in the public domain, Porsche should continue to demonstrate even more that sustainability and fast cars are not necessarily mutually exclusive, and that responsible companies can satisfy all their stakeholders.”** \_\_\_\_\_

**Materiality Analysis** (G4-18, G4-19, G4-20, G4-21, G4-24, G4-27) ✓

Following the survey of the stakeholder groups, the evaluated topics were subjected to what is known as materiality analysis. This involved discussion during an in-house workshop among members of staff from various functions that have a stake in sustainability. The findings from the stakeholder survey, including issues and questions raised for the first time, were examined to determine their relevance for the company in respect of financial aspects, risks, reputation, and current social debate. The materiality matrix below describes the outcome of this analysis and has been approved by the

Sustainability Expert Group. The findings of the materiality matrix were also drawn upon when specifying and prioritizing the content for this Sustainability Report.

The emergence of the diesel issue shortly before the stakeholder survey commenced has, to a certain extent, affected the assessment by the stakeholders and the company. The issue of “Fuel consumption and vehicle emissions,” which includes the nitrous oxides emitted by cars, continues to be ranked as “very important”. The topic “Compliance” has gained significantly in importance as well.

**Materiality Matrix** ✓

The strategic use Porsche makes of the materiality analysis shows just how seriously the company takes the assessments of its stakeholders. Issues identified in the analysis serve as the basis for sustainability aspects that are closely interlinked with other corporate strategy topics. The resulting aspiration might be considered a given for an ambitious company: Porsche wants to continuously improve – in respect of sustainability as well.















To produce a clearer picture, the dimension “Low” was omitted from the matrix shown here. No topics were classified as being not or only marginally relevant, neither during the in-house analysis nor the external survey.

# Sustainability Program 2015

Goal	Deadline	Action plan	
<b>Business and Customers</b>			
Safeguard and improve customer satisfaction in respect of both buying and service	Ongoing	Collect detailed knowledge of customers through international and regular market research; use scorecards to monitor customer satisfaction, design and implement measures to safeguard and improve customer satisfaction	
Continuously improve customer support quality and inspire customers	Ongoing	Expand customer experience management (CEM) by collecting and utilizing detailed knowledge about customers to derive measures to satisfy and inspire, and to seamlessly manage the entire customer journey	
Organize training programs on relevant compliance issues	Ongoing	Continue the training programs for defined target groups that started in 2013	
Assure a sustainable supply chain	2020	Conduct sustainability audits	
Continue extensive investment, including in expanding and modernizing the plants in Zuffenhausen and Leipzig and the Development Center, and high expenditure on research and development, and assuring technology leadership	2025	Invest more than one billion euros each financial year and spend the same amount on research and development each financial year, including in connection with the development and production of the Mission E electric car	
<b>Product Responsibility</b>			
Reduce consumption and lower CO <sub>2</sub> emissions by about 10 % on average in each new model generation, by improving vehicle efficiency	Ongoing	Implement extensive measures to continuously optimize consumption through drive and operating strategies and reducing resistance in operation	
Specifically improve environmental performance over the entire life cycle of the vehicles	2020	Develop life cycle studies/environmental footprints for all models to improve environmental performance during the product emergence process for all vehicle concepts	
Drive the reduction of CO <sub>2</sub> emissions in Porsche's new fleet of automobiles to about 5 % per year by raising the ratio of cars with electric drives	Ongoing	Continue rigorous implementation of the electrification strategy	
Roll out an electric power agreement for public charging facilities	2018	Design a product for customers; identify potential partners	
Use sustainable materials	2025	Systematically increase the environmentally compatible use of regenerative resources, recycled and secondary materials; identify means of improving sustainable utilization of materials	
<b>Environment and Energy</b>			
Continuously improve environment and energy management systems	Ongoing	Regularly conduct in-house and external audits of the management systems in accordance with ISO 14001, ISO 50001 and EMAS; obtain ISO 14001 certification of the international subsidiaries whose activities are materially relevant from an environmental perspective; implement the Energy Services Act (EDLG) at the European subsidiaries	
Make production more environmentally compatible by reducing the use of fresh water, CO <sub>2</sub> and VOC emissions, waste, and the total energy used at the production sites in Zuffenhausen/Leipzig (contribution to Group reduction targets: -25 % by 2018 vs. 2010)	2018	Record, assess, and implement site-specific measures	
Continue to develop system for defining environmental and energy targets for all corporate functions	2020	Analyze the status quo in the respective functions; derive targets	
Help to preserve the biodiversity at the sites and through external projects	2017	Adopt a nature conservation approach to design, bearing in mind the typical local natural conditions at the sites; initiate external environmental projects	












<sup>1)</sup> S/Turbo models and Cayenne GTS; <sup>2)</sup> Macan from 2 km/h; <sup>3)</sup> Macan; <sup>4)</sup> Already implemented on Cayenne Gen. I

☐ ☐ ☐ New target  
 ☒ ☐ ☐ Started  
 ☒ ☒ ☐ Target achieved in part  
 ☒ ☒ ☒ Target achieved  
 ☐ ☐ ☐ Ongoing target

Actions taken during the reporting period		Status
2014	2015	
Continuously optimized CRM and customer support processes based on customer satisfaction statistics, e.g., established new digital support channels to safeguard future customer needs (social CRM); implemented customer support concepts for connected car services and e-mobility	Continued piloting the Customer Concierge as a highly individualized support process at Porsche Centers; established global call center structures for Connected Car support	
–	Established CEM measures more firmly in the market by using measurement and control tools along the customer journey; designed and implemented segment-specific customer support processes (e.g., to avoid losing, and to win back lost, customers)	
Continued target group-oriented training programs based on the training plan that is drawn up each year; number of employees at Porsche AG, Porsche Leipzig GmbH, and other German subsidiaries who attended training courses on relevant compliance issues in 2014: around 4,300	Continued target group-oriented training programs based on the training plan that is drawn up each year; number of employees at Porsche AG, Porsche Leipzig GmbH, and other German subsidiaries who attended training courses on relevant compliance issues in 2015: around 7,300	
Started developing an audit concept	Completed audit concept	
Investment in tangible assets in 2014: EUR 1.047 billion (key drivers were the successor to the Panamera, the Macan, development projects in Weissach, Zuffenhausen Training Center); total spend on research and development: > EUR 1.9 billion (most of which was channeled into research and development focusing on reducing CO <sub>2</sub> in connection with vehicle projects)	Investment in tangible assets in 2015: EUR 1.388 billion (key drivers were the successor to the Panamera, Carrera 991 Gen. II, new drive testing center in Weissach, engine plant in Zuffenhausen, Zuffenhausen Training Center, new body shop in Leipzig); total spend on research and development: > EUR 2.1 billion (most of which was channeled into research and development focusing on reducing CO <sub>2</sub> in connection with vehicle projects)	
Introduction of Macan and Cayenne Gen. II: Downsized turbochargers <sup>1)</sup> , start-stop from 7 km/h <sup>2)</sup> , coasting, electromech. power steering <sup>3)</sup> , active radiator grille shutter, brake energy recovery <sup>4)</sup>	Introduced new generation 911 Carrera with downsized turbocharged drives that reduce consumption and CO <sub>2</sub> by between –8% and –15%	
–	–	
Launched the Cayenne S E-Hybrid with 79 g/km CO <sub>2</sub> in NEDC	Presented the Mission E concept vehicle at the IAA; 919 Hybrid racing car won the overall 24-hour Le Mans race	
–	Defined customer requirements; analyzed the market; approved the start of the project	
–	New goal; analyzed requisite process changes in preparation; set up a Sustainable Materials workgroup	
Revalidated the EMAS certification of Zuffenhausen; obtained ISO 50001 certification for the energy management system in place in Weissach	Implemented EDLG at 54 European subsidiaries; rolled out ISO 50001 and ISO 14001 certification at all external sites; implemented Group “Environment” and “Energy” policies (binding on all Group companies)	
Confirmed the “Resource-Efficient Production” strategy; defined production targets; rollout completed; identified resource efficiency measures that are now being implemented	Implemented a total of 57 resource efficiency measures; examples: reduced standby times of production equipment (1,150 MWh energy, 489 t CO <sub>2</sub> ); optimized paint shop pre-treatment process (5,496 m <sup>3</sup> water); reduced glue waste in body shop (122 t); developed new concept for reusing solvents in the paint shop (270 t).  Measures put in place to sustainably reduce environmental pollution in production at the plant in Leipzig saved a total of > EUR 500,000, e.g., projects to reuse solvents (instead of disposing of them) and to utilize rainwater/well water on steering pads (instead of tap water)	
–	–	
Implemented a monitoring program in Leipzig and Weissach (including tree maintenance concept)	Installed nesting aids for breeding birds (Weissach); monitored intervention vs. compensation	

# Sustainability Program 2015

Goal	Deadline	Action plan	
<b>Employees and Community</b>			
Further increase the appeal as an employer	Ongoing	Implement the program entitled "Porsche is making itself fit for the employment market of the future"; offer options for more individualized work schedules tailored to different life phases	
Maintain and promote the performance capabilities of the employees	Ongoing	Offer health promotion schemes	
Increase the quota of women in management	Ongoing	Embed in agreed management targets; extend the work-life balance scheme	
Improve training conditions (workshop space, training/social rooms)	Ongoing	Complete new training centers in Zuffenhausen and Leipzig	
Train the staff in core sustainability competences	2018	Organize training sessions on environmental issues for managers; raise awareness of sustainability issues among the employees through in-house communication and interactive concepts	
Encourage corporate volunteering to enhance social acceptance of Porsche	2020	Develop a concept to encourage voluntary work by members of staff; identify suitable partners	
Embrace the company's social responsibility	Ongoing	Extend Porsche's activities at its sites in Germany in the areas of "Social Commitment," "Education and Science," "Culture," and "Sport"; push ahead with existing lighthouse projects	
<b>Sustainability Management</b>			
Establish systematic stakeholder dialog	2016	Establish a Sustainability Advisory Board; continue the stakeholder dialog process already in place, by using surveys, etc.	
Establish an integrated sustainability management system	2025	Embed the issue of sustainability within the organization; agree on definitions and process documentation; internationalize	
Become members of sustainability networks	2016	Join sustainability networks, such as Global Compact	
Expand sustainability communication across all suitable channels	2020, then ongoing	Expand both online and in-house communication; examine the options of combined/integrated reporting procedures	

Actions taken during the reporting period		Status
2014	2015	
Introduced caregiver leave, sabbaticals, and home office opportunities	Continued the activities started in 2014; executed an agreement for all companies governing sabbaticals; management job sharing; continued the Porsche trainee program, including Porsche Leipzig GmbH for the first time	
Introduced Porsche Health Days 2014; "Prevention First" and "Boxenstopp" health schemes	Continued the activities already begun, especially early integration of employees on long-term sick leave and assignment of staff to jobs they are fit enough to do; extended the Health Days to the sites in Ludwigsburg and Sachsenheim for the first time in 2015	
Introduced job sharing for women; network meetings for staff on parental leave; Girls Day to encourage young women; expanded childcare facilities and school vacation schemes	Continuation/development of activities already begun; embedded in agreed management targets; hosted information events for parents-to-be and staff on parental leave; increased capacity in childcare facilities; organized network meetings, workshops, mentoring programs, etc., to encourage women	
Completed the shell and interior of Zuffenhausen Training Center	Completed and opened Zuffenhausen Training Center in 9/2015; decided on and started to build a new training center in Leipzig	
Presented sustainability at Porsche as part of the monthly warm-up event for new employees; start of internal communication on sustainability topics	Continued to present sustainability as part of the Porsche warm-up; regular training of environmental protection officers, environmental/energy spokespersons etc. at the sites including for environmental topics; development of internal communication on sustainability topics; introduced energy and environmental trail through production at Leipzig; introduced e-learning program to inform and train all members of staff at the plant in Leipzig	
Concept development is in process	Activities aimed at helping refugees, including setting up the "Porsche helps" online platform and encouraging employees to commit voluntarily; supported food projects for people in need	
Sponsorship activities, e.g., 40th anniversary of DHBW, GreenTec Awards 2014, guest performances at Gewandhausorchester Leipzig; donations, e.g., to John Cranko School, Stuttgart ballet ensemble, Leipzig University Church, and Joblinge Stuttgart gAG; Porsche sports promotion program for clubs in Saxony and Baden-Württemberg	Donations and sponsorship activities, including support for the UNICEF city partnership Stuttgart, main sponsor of the "Game of the Year" of the Sami Khedira Foundation, the Porsche six-hour run, open-air summer concerts by the Gewandhaus Orchestra Leipzig, "Turbo for talents" program promoting sport for children and young people	
Planned the stakeholder survey for 2015; developed stakeholder dialog program for 2016	Conducted stakeholder survey 2015; developed a concept for establishing a Sustainability Advisory Board	
Set up the Sustainability Communication workgroup; documented reporting procedures	Developed and approved an in-house Sustainability Roadmap incl. specific action plan; preparations made to integrate sustainability into the corporate strategy	
-	Evaluated and short-listed possible memberships; selected three networks (1 each local, national, and international)	
Sustainability Report 2013	Intensified in-house communication on sustainability; issued an updated Sustainability Report 2014	

# Digi

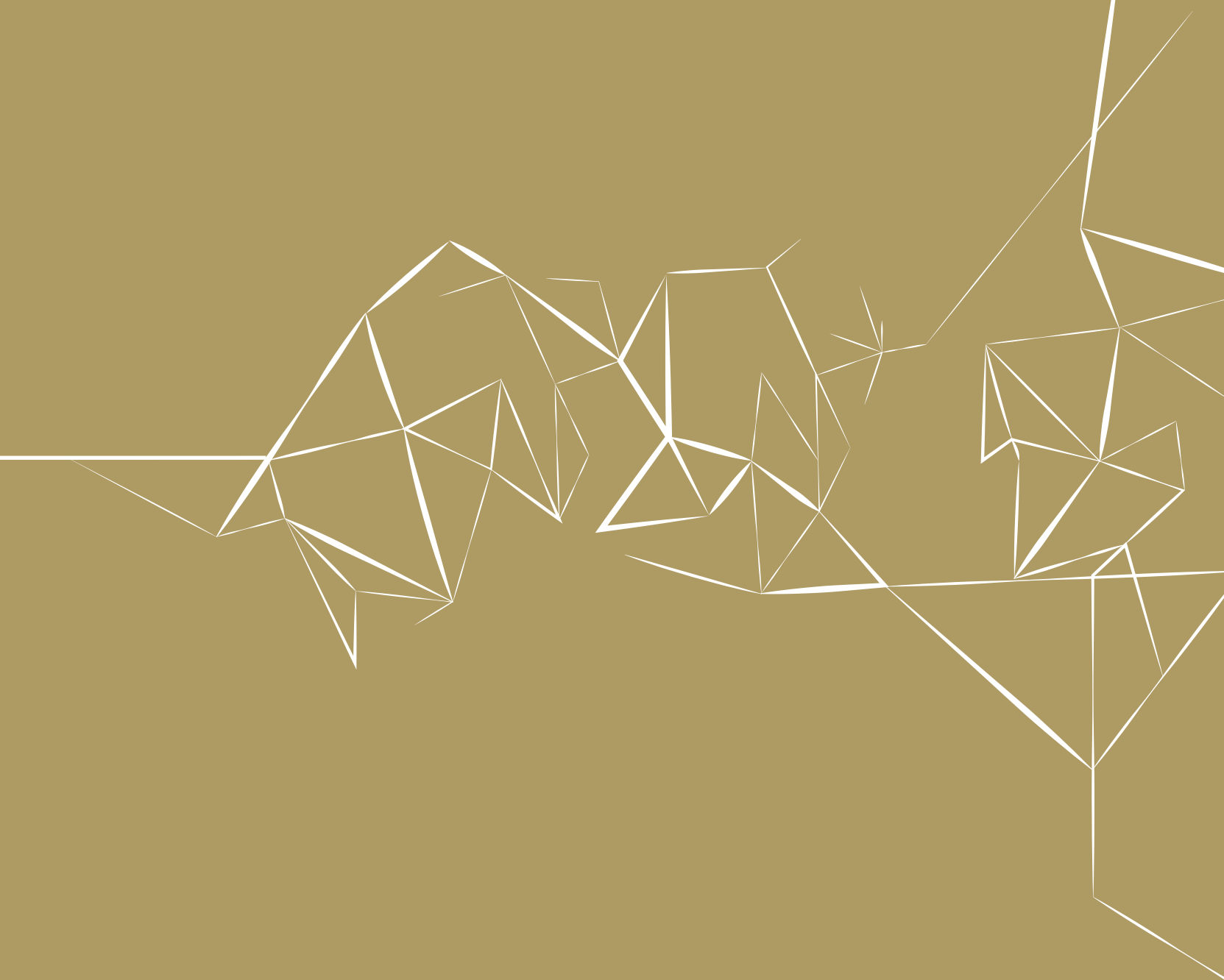


## Business and Customers

**Satisfied customers are the basis for entrepreneurial success. Core elements in the corporate strategy of Porsche are consistent focus on customers and open dialog. This applies equally to our collaboration with suppliers and business partners, with whom we want to work together as close partners for a long time. Digitization is a topic that is additionally and insistently influencing entrepreneurial behavior nowadays, while at the same time offering enormous opportunity and potential.**



# ■ Megatrend ■ tization



# The Revolution of Things

**New technologies are determining how we work, live, and communicate. Digital transformation is changing every part of our lives, and revolutionizing industry sectors, value chains, and industrial processes. The number of things that network with each other is growing fast. Everything communicates with everything else in the “Internet of Things”. Just without people.**



## **Moving and Communicating**

Mobile communication, networking among different devices, or swapping files in the cloud have long since become part of our everyday lives. Customers want individual solutions that are easy to access and intuitive to operate. Most of the world's population communicates through mobile devices. In 2010, there were around 3.2 billion subscribers to mobile communications on the planet. This figure is expected to increase to around 5.6 billion by 2020. The growth in data volumes is not a phenomenon reserved solely for the industrialized world.

## **Homes and Living**

Digital transformation is controlling our homes. Heating, household appliances, shutters, lights – we can click on all of them from wherever we are. E-commerce is changing how we shop and what shopping malls in cities look like. E-health is witnessing rapid growth and ensures easier access to medical care, supervision, and individual therapies. This can save lives, especially in rural areas where there is a shortage of medical experts.

## **Working and Learning**

Many individual working time models would not be possible without networked learning and working platforms, and software and sensor technology. Digitization links the

home office to the real one. Virtual realities are offering new options, and not just for the gaming industry. Science and education are also benefiting from the technological possibilities. Students and school pupils can move around complex models virtually, or experience research at the other end of the world in real time. What has come to be known as Industry 4.0 describes the enormous change in value-adding and production processes that the world is currently witnessing. In a networked factory, data is exchanged between humans, machines, and components for efficient and customizable production workflows. Digital transformation also questions the validity of splitting buyers and sellers, customers and vendors, as everyone is becoming a provider of data. The opportunities and market potential in “old economy” sectors, such as the automobile industry, are therefore not to be found just in the process technologies evolving from digitized production, but also in infrastructure solutions and packages that extend beyond just the project – into the networked world.

By 2030, around 500 billion devices will be connected to each other – smartphones and tablets, cameras and televisions, household appliances, machines, and vehicles. They will evolve beyond just their normal value in use. “Big data” is a huge volume of unstructured and semi-structured information, primarily from social networks. How are companies coping with data mountains that are growing at increasing speed?

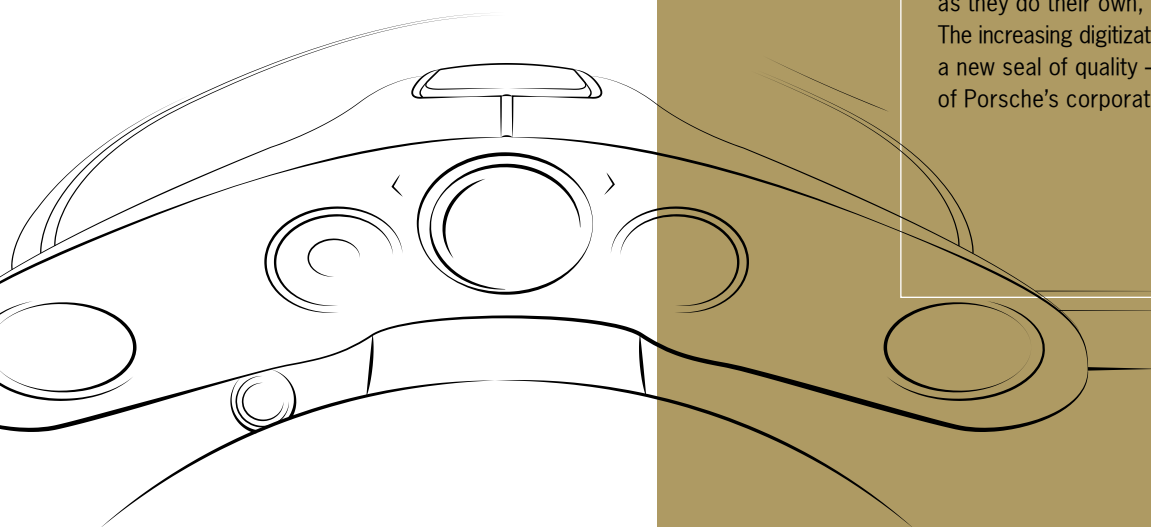


Dr. Petra Beenken,  
Data Protection Officer

## Just one question, Petra Beenken:

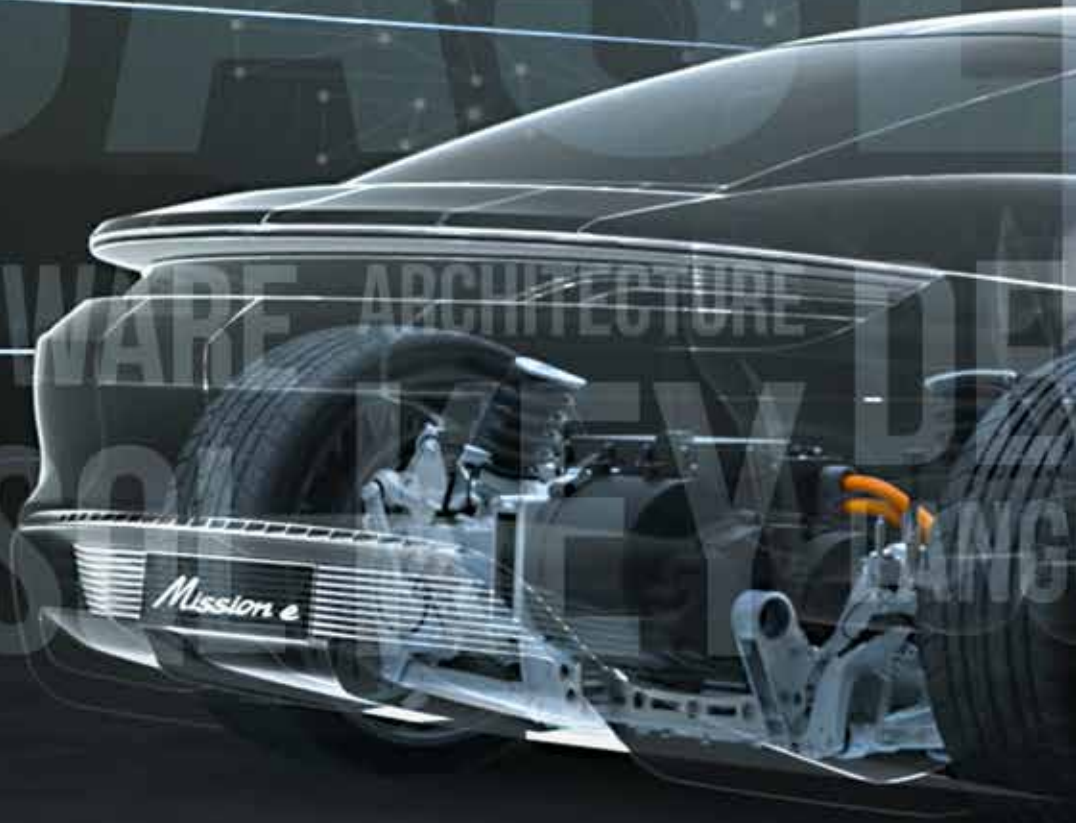
**What sort of data protection challenges does a company such as Porsche have to face as digitization increases?**

“Issues such as digitization, Industry 4.0, or big data are omnipresent these days, and Porsche is also having to deal with them. All of us – the company, my colleagues, and our customers – are leaving ever greater digital trails on the web. The protection of our data is becoming increasingly important. From a legal perspective, data protection is based on our right to determine what information is made available in the public domain: Each individual is fundamentally entitled to decide when to make their personal details available, and to whom. Companies that strive to mitigate the risk of ‘transparent customers’ and protect their customers’ data as they do their own, create a new confidence indicator. The increasing digitization of automobiles is therefore fostering a new seal of quality – and quality is one of the main pillars of Porsche’s corporate culture.”

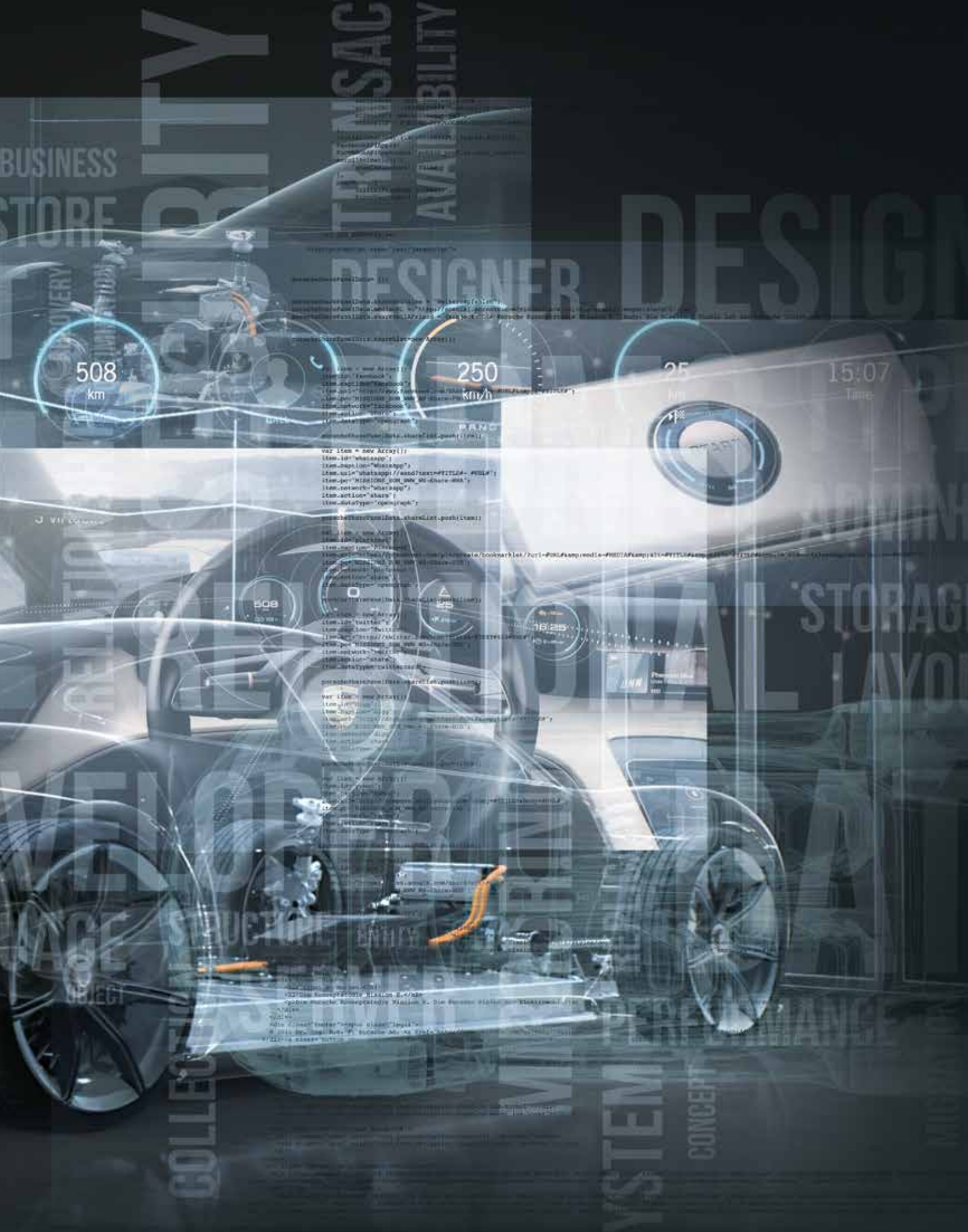


# The Legacy of the Steam Engine

**Digitization is a megatrend that is rapidly changing the world. The automobile industry is on the verge of its biggest upheaval in decades – with huge opportunities opening up.**







The future is dawning in Zuffenhausen almost without a sound, as Porsche's Mission E is powered purely by electricity. The futuristic concept study caused a sensation among the trade professionals in Frankfurt and Detroit; Mission E will be demonstrating its pioneering mobility concept on roads around the world toward the end of this decade.



The innovative display and operating concept of the Mission E: intuitive, fast, and with no distractions.

The electric drive with more than 600 horsepower will be fed from an 800 volt battery and will manage distances of over 500 kilometers. Navigation apps and networked devices in the interior are controlled by glances and gestures, while holograms put information within easy reach in the cockpit. Remote services can be used on an external tablet to configure or service the sports car.

Completely networked, combining the best of the digital and real worlds – that is the Mission E. And it embodies the future of the automobile industry on four wheels. Digitization is the all-encompassing topic occupying the industry; digital transformation is behind the most comprehensive and fastest

change in decades that is taking place at all levels. The foremost trend facing the sector is “digitization and networks” – and it could totally upend the entire industry.

#### Digitized World

Already, more than 20 billion individual devices around the globe are connected to the internet – computers and tablets, smartphones and GPS devices, televisions, toys, fire alarms, and heating systems. Experts predict that the “Internet of Things” will expand to half a trillion devices by 2030. Components in the factories of tomorrow will constitute a large portion of these networked things; made possible by drastically falling prices for processors and network technology.

In 2014, mankind used its devices to send a total of 718 billion gigabytes of data around the globe. By just 2019, this volume is forecast to increase to two trillion gigabytes. And mobile network operators expect the data volume in transit to double every 18 months. Future road users will not just be able to access continuously updated information; they will also provide sensor data about themselves.

Scientists are promoting Industry 4.0 – the fourth industrial revolution after the steam engine, assembly line, and computer technology. It is characterized by total networking and the computerization of all workflows. Everything will be communicating with and among everything else: humans and machines, components and central computers, customers and products.

So it is not just the actual Mission E gliding on its way that is heralding a new era at Porsche – new laws will also apply when it comes to producing the futuristic sports car: the laws of Industry 4.0, of intelligent production, of smart factories. As Porsche Works Council Chairman, Uwe Hück, says: “We need the technology of the future. “Over the next five years, the change in technology will be as massive as it was in the last 30 years combined,” explains Hück. “We need to make our production more intelligent, which is why we are building Porsche Production 4.0.” Porsche is investing a total of one billion euros in the Mission E project, of which around 700 million euros alone are being spent on expanding the company's long-standing main plant in Zuffenhausen – where everything began.

### Digitized Production

Digitization offers huge opportunities for the German automobile industry – equipped with the latest technology, bursting with innovation, and precise, it can use customized quality products and modern, efficient workflows to further expand its competitive advantage.

A network therefore symbolizes Porsche Production 4.0 in every respect: no linearity, instead, an interwoven pattern of huge numbers of individual strings, dynamic nodes – rapidly extendable and always in flow. The smart factory is a “cyber-physical system”; central servers not only link workers and machines in the cloud, but also individual components. A product is no longer processed; it is actively involved in its own design. Mini chips with RFID control enable even minute parts to be individually marked or assigned to a specific order – and to communicate the same.

To date, robots have been working in separate cages – in the body shop, for example. Production 4.0 envisages robots and people working alongside each other. Components will move on autonomously operating, driverless conveyor systems through the production hall, for example, and can actively seek out and head for the next free machine. Given the diversity and large number of components used in the automobile industry, the potential for efficient and lean production mechanisms is huge.

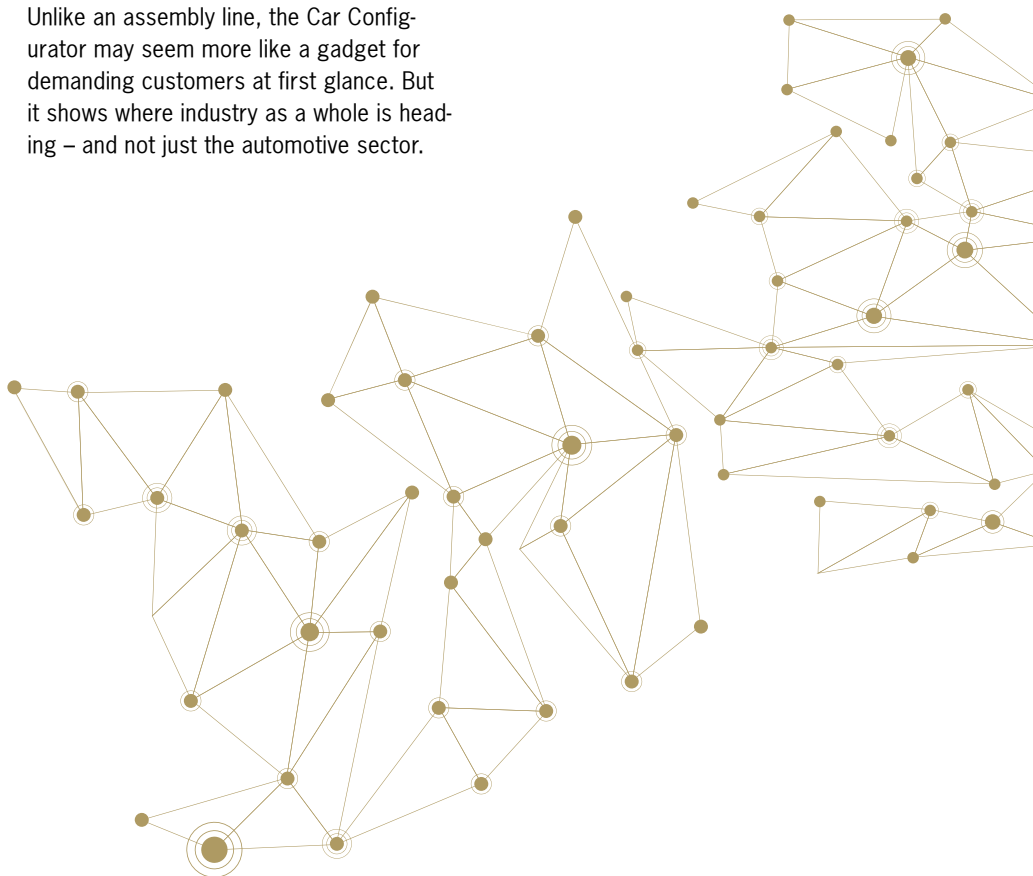
Human workers can inspect, monitor, and optimize all ongoing processes via the cloud. They can centrally service and inspect machinery that is fitted with numerous sensors. They will not become superfluous because of these machines. On the contrary: The employees remain key players; they will become creative designers, well-trained controllers. Digitization will not only make their work safer and less strenuous, but also more convenient. According to the Cologne Institute for Economic Research, job losses as a result of digitization are unlikely. It believes the need for trained professionals could actually increase further in Germany.

Products will be much more diverse in future, than they used to be. Even now,

a Porsche customer can choose from more than one sextillion possible digital combinations. Using the Porsche Car Configurator they can compile their dream car online: black, jet black metallic, or agate gray? Racing yellow, guards red, sapphire blue metallic? Leather or alcantara interior? With dual clutch gearbox and Power Steering Plus, Vehicle Tracking System or TV tuner?

Unlike an assembly line, the Car Configurator may seem more like a gadget for demanding customers at first glance. But it shows where industry as a whole is heading – and not just the automotive sector.

Increasingly, specific customer requirements and endless virtual options will need to be made reality. Customers want utterly individual customization and the smallest possible batch sizes, while producers must still guarantee maximum efficiency and perfectly coordinated workflows.



**A network symbolizes Industry 4.0 in every respect: no linearity, instead, an interwoven pattern of huge numbers of individual strings, dynamic nodes – rapidly extendable and always in flow.**





Porsche's production – this is the plant in Leipzig – is already leading the way in respect of efficiency and conservation of resources

## 96 percent of German companies in key sectors of industry see digitization as an opportunity

Production schedules at Porsche are designed in a way that customers can still amend their personal configuration up to seven days before assembly commences. This gives future Porsche drivers undreamt-of options for customization. As far as the production process is concerned, however, offering such a service adds even more complexity, which can only be mastered within the customary short space of time with the aid of intelligent solutions. Physical measurements and process data are already captured during assembly: Screw tools, for example, supply torque values in real time. Big data analytics subsequently derive information about the ongoing process by combining the data, and can identify production errors early on – and immediately rectify them. Thus enabling customization combined with the highest levels of quality.

Production 4.0 is essential if all of these demands are to be implemented with maximum efficiency and within a realistic cost frame. Since the necessary capital expenditure is, however, enormous, the opportunities offered by Production 4.0 must be

exploited in full, and the focus must center on creating conditions that are optimized for production at the early stages of planning new factories and designing processes. 3-D models and other digital planning methods can help to assure in advance that a product can subsequently be produced efficiently. In addition, production equipment can be designed to ergonomic standards, optimized material flows for the paint shop can be factored in, and processes can be digitally assured. Digital planning and the intelligent use of new technologies therefore considerably reduce ongoing production costs at Porsche long before a new model comes off the assembly line – while at the same time raising the benchmark of product perfection even further.

### Digitized Mobility

Digitization is, however, not just an opportunity for the automobile industry; it also presents a huge challenge. New, ambitious competitors are pushing their way onto the market. The competition is expanding to include software and data providers: Google is researching its self-driving car,

while rumors of an Apple iCar are stubbornly persisting. As far as conventional automobile manufacturers are concerned, they need to retain title to their customer data rather than losing the interfaces to their customers to companies in Silicon Valley, and to satisfy demand for connectivity, customization, and digital mobility with proprietary products. The vehicle industry must evolve from merely producing mobile carriers to providing intelligent mobility concepts.

Of course engines will still need to operate reliably, and chassis and software will need to be perfectly attuned in future, but a modern car has long since progressed beyond just being a means of transport. It is an office, living room, and vehicle all rolled into one. Connectivity tools create links to mobile devices, providing convenience and entertainment. The car of the future doesn't just make its drivers mobile; it creates mobility – together with all other road users.





**Mission E is a pioneering concept of mobility: completely networked on four wheels**

Already, navigation systems analyze traffic in real time, detect traffic jams, and recommend alternative routes. In future, cars, buses, and trains will actively discuss and shape the current situation together. The requirements for a smart car are increasing dramatically. It speaks numerous languages and communicates on a permanent basis. For example, it transmits safety-related information from car to car, such as where a traffic jam ends, braking maneuvers, or obstacles; real-time information is obtained by vehicle to infrastructure – from traffic signals, roadworks, or railway crossings. Communication is the crucial key to autonomous driving – a self-driving car can only find its way if it has precise information and perfectly coordinated workflows.

The data from the automobile and its surroundings is collected at what is known as the back end, and processed further. One totally new challenge facing the automobile industry is to now create the perfect interface between this background data and individual vehicles. This will necessitate new developments and cooperation partnerships,

the definition of new system boundaries, and finding answers to problems that have not yet been resolved. The security of the data connection must be guaranteed, for example: hackers must not be able to penetrate the sensitive vehicle network under any circumstances. Customers must also be reassured that their personal details are in utterly secure hands at all times.

As such, vehicle development as a whole is venturing into wholly new terrain: connectivity and artificial intelligence, big data, data mining, taking some functions out of vehicles and into computer centers, and data encryption algorithms, to name just a few examples.

Looking ahead, the mission for the conventional automobile industry is clear: It must actively help to shape digitization, further expand its areas of expertise, and lead the way on the path to future mobility. Ultimately, digitization serves just one purpose – efficiency. Traffic that is completely interlinked and coordinated saves valuable time, avoids traffic jams, and reduces emissions. Driver

assistance systems and autonomous driving concepts enhance safety and create options for performing other useful tasks during a journey. In addition, Production 4.0 streamlines processes and creates enormous scope for customization without compromising production times.

According to a survey published by industry association Bitkom at the end of 2015, 96 percent of all German companies in key sectors of industry see digitization as an opportunity. The vehicle industry proved to be the most confident: 86 percent of the managers who were interviewed see their sector ranking among the very best in respect of digitization in ten years' time, with 22 percent even believing they will become global leaders.

Yet one thing is certain: the future of the automobile is digital. Anyone wanting to stay in the lead in this race for the future needs to be in pole position now.

# Our Approach

## to the Area of Action “Business and Customers”

A company thrives on its customers. They both drive, and form the basis for, every business undertaking. Porsche is very demanding when it comes to fostering its customer relationships, and strives to inspire enthusiasm among them for its sports cars. The company involves not just the buyers, but also its own employees, suppliers, and service providers. Honest cooperation fosters trust. And trust fosters economic stability and the long-term preservation and creation of jobs, which boosts the regional economy. Revenue, operating profit and deliveries all reached new all-time highs at Porsche AG in the period under review, as did the headcount. 2015 was the most successful fiscal year in the history of the company. By delivering 225,121 vehicles, Porsche has already exceeded its sales target of 200,000 vehicles for 2018.

Porsche develops its successful relationships with all stakeholders on the basis of interaction and dialog. Since 2014, the company has been using new forms of customer communication alongside the conventional channels. Proprietary apps, video chats, and social media channels are not only used for easy and fast provision of information to customers, but also for interaction. Personal contact remains a key area of focus, of course, to establish and foster long-term customer relationships. Porsche's global customer market research is used to learn more about customers' needs, to collect them, and to make sure they are incorporated at an early stage into the development of products and services. Porsche welcomes constructive criticism as an opportunity to further optimize its products and processes. To this end, more than 150,000 customers are interviewed around the world every year. The Executive Board of Porsche AG addresses customer requirements and concerns in the “Product Quality and Customer Satisfaction Forum,” working closely with engineers and quality experts, and the Customer Relations and After Sales departments. The result of the company's activities in fostering its customer relations can be seen in the APEAL survey conducted by US opinion researchers J.D. Power, where Porsche was ranked first overall in 2015 for the eleventh consecutive year.

Porsche's compliance culture provides a framework for dealings, not just with external partners, but with employees among themselves, with customers, competitors, and public servants. It forms the basis for the company's compliance management. Applicable law forms the foundation and binding framework for all activities at Porsche. The company places great importance on its own actions and those of the employees complying with laws, in-house regulations, values, and agreements. Overall, compliance has gained significantly

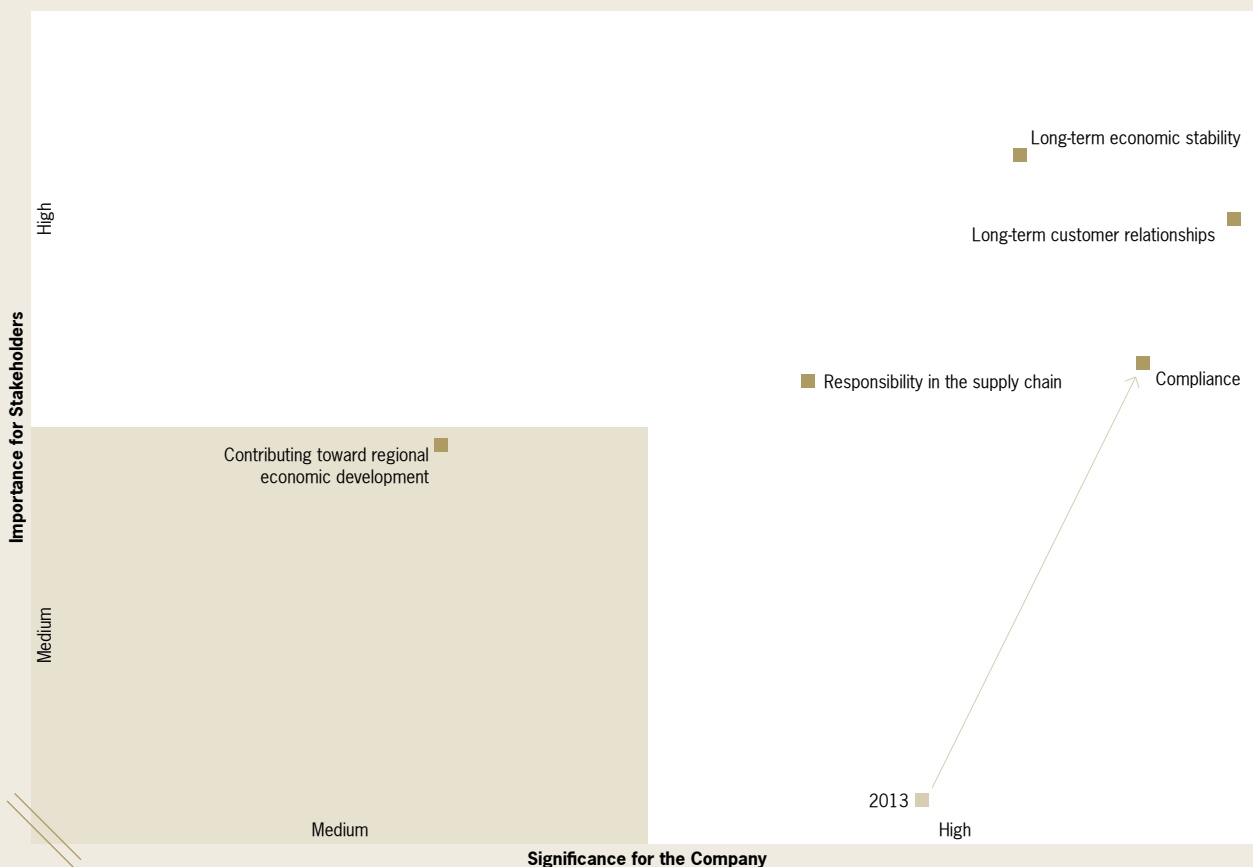
in relevance both within and outside the company. The matrix derived from the materiality analysis clearly shows the shift compared to the last analysis conducted in 2013. As compliance has always been a key area of Porsche's focus, the company already has firmly established compliance structures in place, and consistently tracks the appropriate measures.

A Compliance Code, for example, defines the compliance targets. The compliance management system helps the management and staff to comply with legal and company regulations and serves to protect the staff from violations. The Compliance Code specifies overarching rules of conduct aimed, for example, at avoiding conflicts of interest, fighting corruption, or assuring demonstrable business integrity. Our compliance organization is made up of the Chief Compliance Officer (CCO), the Compliance Coordinator, and the two bodies “Clarification Group” and “Compliance Council.” The Compliance Council coordinates preventive measures to assure compliance with legal and company regulations.

Porsche defines twelve compliance topics, each of which has an owner. Our compliance program includes preventive expert management and counseling on the individual topics; registration, evaluation, and punishment of violations; and ad hoc and regular reporting procedures to the in-house bodies. Compliance risks are identified and analyzed at regular intervals as part of a standardized risk analysis process. Identified risks facing Porsche are subjected to particularly detailed observation and evaluation in theme-specific risk analysis procedures; training programs raise awareness of these issues among staff and management. The governance risk and compliance (GRC) process reports on the status and effectiveness of measures to control compliance risks. This tool serves the joint acquisition, evaluation, and management of risks in business operations, financial reporting processes, and with regard to compliance risks.

Porsche also communicates in-depth and openly with its dealers and suppliers with the aim of optimizing workflows and products. Porsche AG has implemented a “Dealership Sustainability Initiative” to support dealerships around the world in planning, building, and operating environmentally sustainable Porsche Centers.

With regard to the supply chain, trust and shared values are crucial, especially when sales are growing and resulting in larger numbers of supply parts. Strict compliance with the sustainability requirements specified by Volkswagen Group is an essential precondition for any collaboration between

**Important Topics** (G4-19, G4-20, G4-21)

Porsche and its suppliers. This compliance is embedded in supply agreements, and non-compliance may result in inspections, statements, and – in worst cases – termination of the business relationship. Porsche regularly trains the appropriate people on sustainability requirements in the supply chain. In spring 2015, for example, the procurement team attended training on the latest findings from academia and practice relating to the sustainability of relationships with suppliers.

Porsche subjects potential new suppliers to a thorough integrity check to analyze and exclude the risk of collaboration harming its business or reputation. Questionnaires and e-learning modules are used to constantly monitor and further develop suppliers throughout the cooperation. Within Volkswagen Group, the concept of sustainability in relationships with suppliers is underpinned by a Code of Conduct

that ensures that all stakeholders observe and comply with the strict environmental, social, and human rights standards laid out in the Charter of the International Chamber of Commerce and with OECD guidelines on long-term and sustainable development. The relevant core labor standards issued by the International Labor Organization (ILO) form the foundation of the sustainability requirements. In terms of resources, Porsche also supports the efforts of the EU Commission to reduce trade in “conflict minerals”. The company is in favor of improving transparency in the resources sector and supports voluntary self-certification in the upstream part of the supply chain.

Further details of Porsche’s activities in the area of “Business and Customers” can be found on the Sustainability microsite:

[newsroom.porsche.com/en/sustainability](https://newsroom.porsche.com/en/sustainability)

## Vehicle deliveries by sales region

Europe  
**+24 %**

Germany  
**+21 %**

Asia-Pacific /  
Africa / Middle East  
**+20 %**

China  
**+24 %**

## Vehicle deliveries by model series



Macan – **80,216**



Cayenne – **73,119**



911 – **31,350**



Panamera – **17,207**



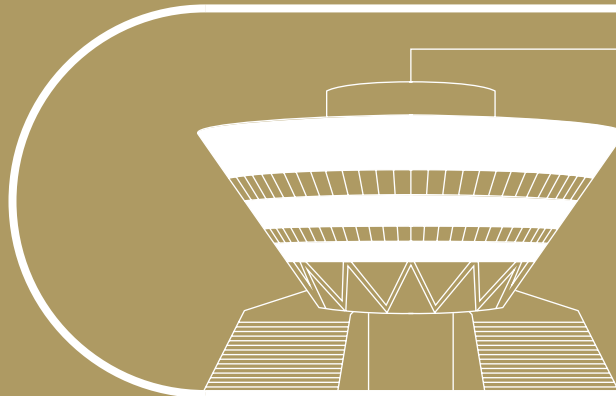
Boxster – **11,791**



Cayman – **10,872**



918 Spyder – **566**



**40,000**

people visit the  
Customer Experience  
Center at the plant in  
Leipzig each year



**>150,000**  
customers are  
interviewed around the  
world every year



**2× 1st places**  
in surveys conducted by opinion researchers  
J.D. Power: "APEAL Study" (attractiveness)  
and "Initial Quality Study" (quality)

**20 billion**  
devices are connected  
to the internet



**129**

markets around  
the world

**100%**

of new suppliers are subjected to  
environmental examination



**€1.1 billion**

are earmarked for investment  
in Zuffenhausen, Ludwigsburg,  
and Weissach between now and 2020

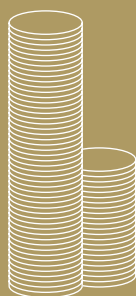
**€21.5 billion**

2015

**€17.2 billion**

2014

Revenue



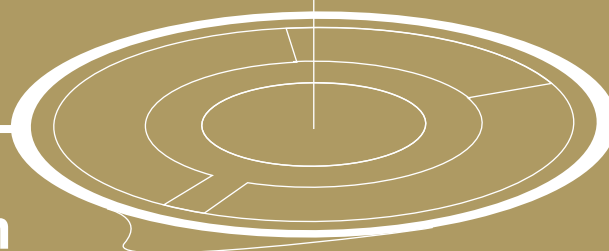
**€3.4 billion**

2015

**€2.7 billion**

2014

Operating profit



America  
**+11%**

USA  
**+10%**

As of 2015

**500 billion**

devices are connected  
to the internet

2030



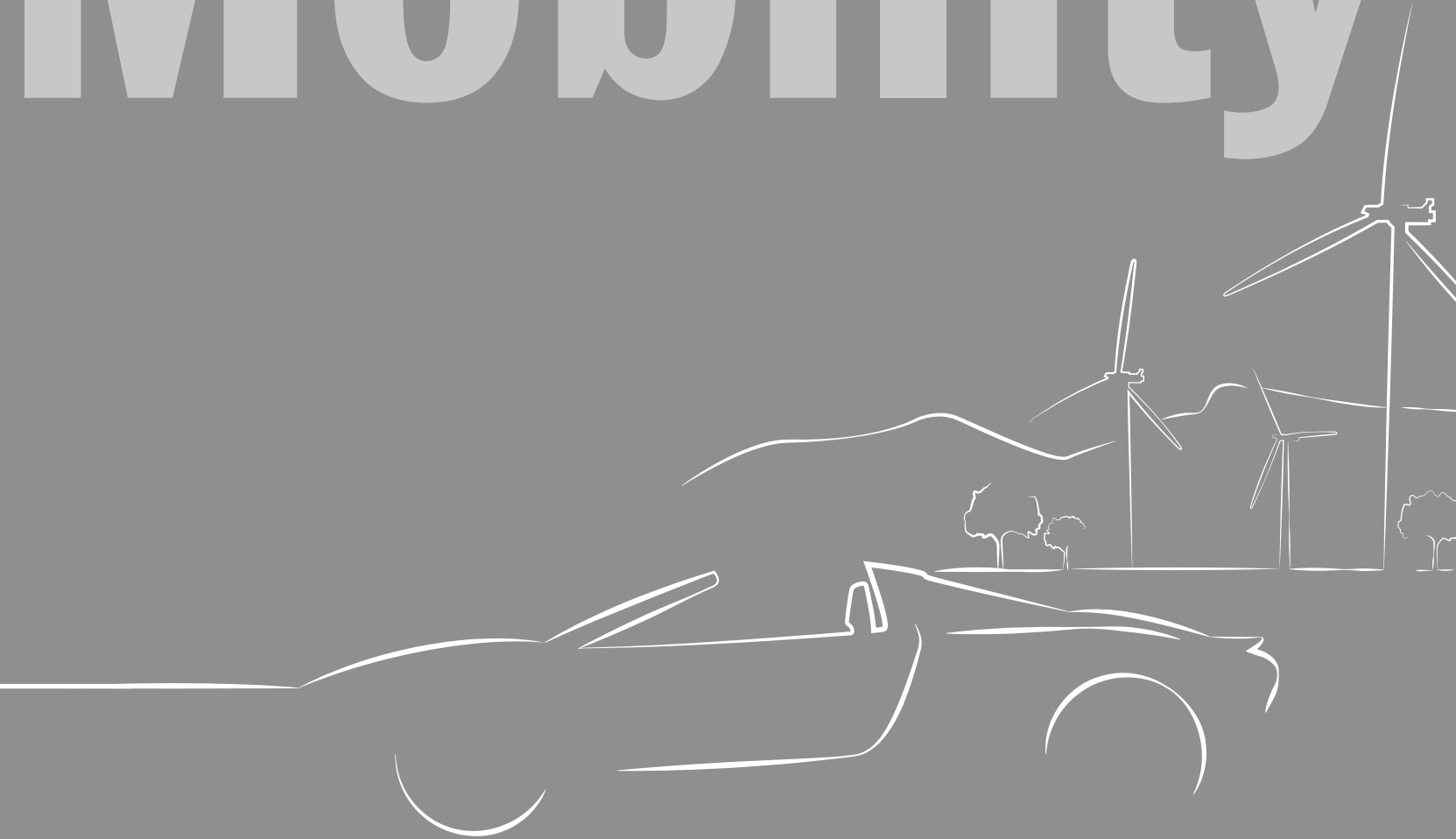
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## Product Responsibility

**Each new Porsche model is testament to our engineers' ability to reconcile the apparent contradiction between performance and social acceptability, and between exclusivity and suitability for everyday use. They unite the fascination of driving a sports car with environmentally-compatible and resource-efficient mobility. Porsche aligns its activities to the technologies and alternative drives that will shape the future, thus integrating the megatrend of e-mobility into its development and production processes.**

Megatrend

# Mobility





# Climate for a Mobile Future

**The world's population is growing and with it the need for energy. Industrialized countries such as Germany are striving to drastically expand renewable energies – solar or wind power, for example – and to reduce the harmful carbon dioxide pollution of the atmosphere by eliminating fossil fuels. At the same time, however, the economic rise of emerging markets requires enormous amounts of energy – at the cost of increasing CO<sub>2</sub> emissions.**



Scientists estimate that CO<sub>2</sub> greenhouse gas is responsible for more than 60 percent of global warming. Over the past century, our planet has warmed up by 0.85 degrees Celsius. 2015 was the warmest year ever recorded. Humans are not solely to blame for global warming, but they do cause a considerable amount of it – according to IPCC (Intergovernmental Panel on Climate Change). This is a warning and alarm call rolled into one: Sustainable climate and mobility concepts can slow the progress of global warming.

## **Catastrophic Consequences**

The United Nations agreed a Global Climate Treaty at the end of 2015. Under the Paris agreement, all countries attending the Conference have committed to climate protection for the first time. The Treaty aims to limit global warming caused by greenhouse gases to well below two degrees Celsius. In the long run, the emission of greenhouse gases such as CO<sub>2</sub> should not exceed the level that woods and forests, for example, can re-absorb. The goal will not be achieved unless all nations step up their efforts to reduce greenhouse gas emissions considerably. The consequences could be disastrous: warmer oceans, rising sea levels, and extreme weather conditions. They all threaten the habitats of humans, animals, and entire ecosystems. Hunger and shortages of drinking water, floods and natural catastrophes are frightening scenarios facing people all over the world, and could result in mass migration. Areas in coastal regions are already suffering from the consequences of climate change.

## **Alternative Opportunities**

Global traffic is responsible for nearly one quarter of the CO<sub>2</sub> emissions from fossil fuel combustion – road traffic accounted for a share of around 17 percent in 2012. Alternative drive technologies can significantly reduce this share. More than

740,000 electric cars were out and about on the world's roads at the beginning of 2015 – and this figure looks set to increase. Countries witnessing the highest growth rates of electric cars include the USA with an increase of 69 percent to a total of around 290,000 vehicles. The number of e-vehicles has more than doubled in China: to almost 100,000 vehicles. Norway is way out in front of the rest of Europe, with high taxes on vehicles with combustion engines encouraging e-mobility. 8,099 electric cars were sold in Norway in the first quarter of 2015 alone, equivalent to a share of almost 23 percent of the entire automobile market. By comparison, of the vehicles sold in Germany in the first quarter of 2015, battery or plug-in hybrid vehicles accounted for just 0.6 percent.

## **Mobile Visions**

In spite of incentive bonuses, the trend is similar in other European countries. And yet, although the share of electrically powered cars is still very low compared to the automobile market as a whole – the relative growth is enormous. Throughout Europe, a total of nearly 34,000 e-cars were sold in the first quarter of 2015 – equivalent to a 92 percent increase year on year. So demand for vehicles with alternative drives is increasing significantly. As a car nation, Germany wants to play a leading role in





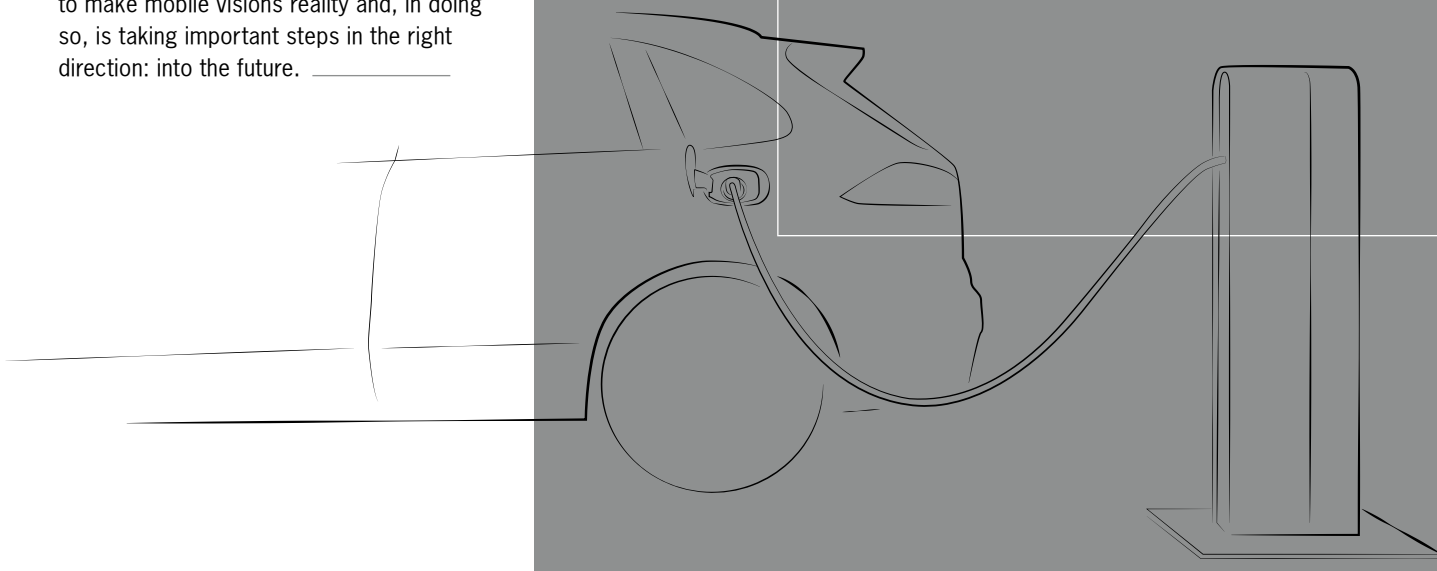
Volker Sonn,  
Manager Energy Management Mission E

## Just one question, Volker Sonn:

this field, as well, with plans for one million electric cars on German roads by 2020. Achieving this goal will not just involve raising consumer demand. Automobile manufacturers will have to develop marketable products that satisfy the growing demands for mobility, comfort, and customization in equal measure. At the same time, the development of innovative infrastructure solutions for charging battery-operated vehicles needs to be advanced. Optimizing range, and charging speed and technology, are key factors that will determine success in an electrically mobile future – in both Germany and around the globe. With its E-Performance program, Porsche is starting to make mobile visions reality and, in doing so, is taking important steps in the right direction: into the future.

**Electrification is a hot topic in the automotive industry. Would an electric drive fit right in at Porsche?**

“You bet! Porsche invented the hybrid drive. Porsche was the first and only premium manufacturer to offer hybrid drives in three different models. And, with the first purely battery-powered vehicle in the history of the brand, Porsche is making more waves in the premium segment. With Mission E, we are entering a new era of mobility. We combine typical Porsche driving dynamics with suitability for everyday use. 600 HP system performance, 0 to 100 km/h in less than 3.5 seconds, and a range of over 500 kilometers. An electric car from Porsche isn't a cop-out on wheels. It is and always will be a Porsche.”



# Motorsport Development Lab

**What do motorsport and sustainability have to do with each other?**

**Technology transfer is eminently important at Porsche.**

**Series-produced vehicles are the true beneficiaries of motor racing.**









“Doing something for the future of series-produced cars, pushing back the technological boundaries, running on innovative drives, using less fuel, and still ensuring exciting races and victories – that is motorsport at Porsche.” Said by someone who knows what he is talking about:

Timo Bernhard, Porsche factory driver and winner of the World Endurance Championship (WEC) series in a Porsche 919 Hybrid.

**919 Hybrid and Mission E –  
showcasing technology in  
motorsport and series  
production**



And nothing has changed to this day. Motorsport teaches crucial lessons for series production vehicles. In return, series production provides stimulus for racing cars – technology is transferred in both directions.

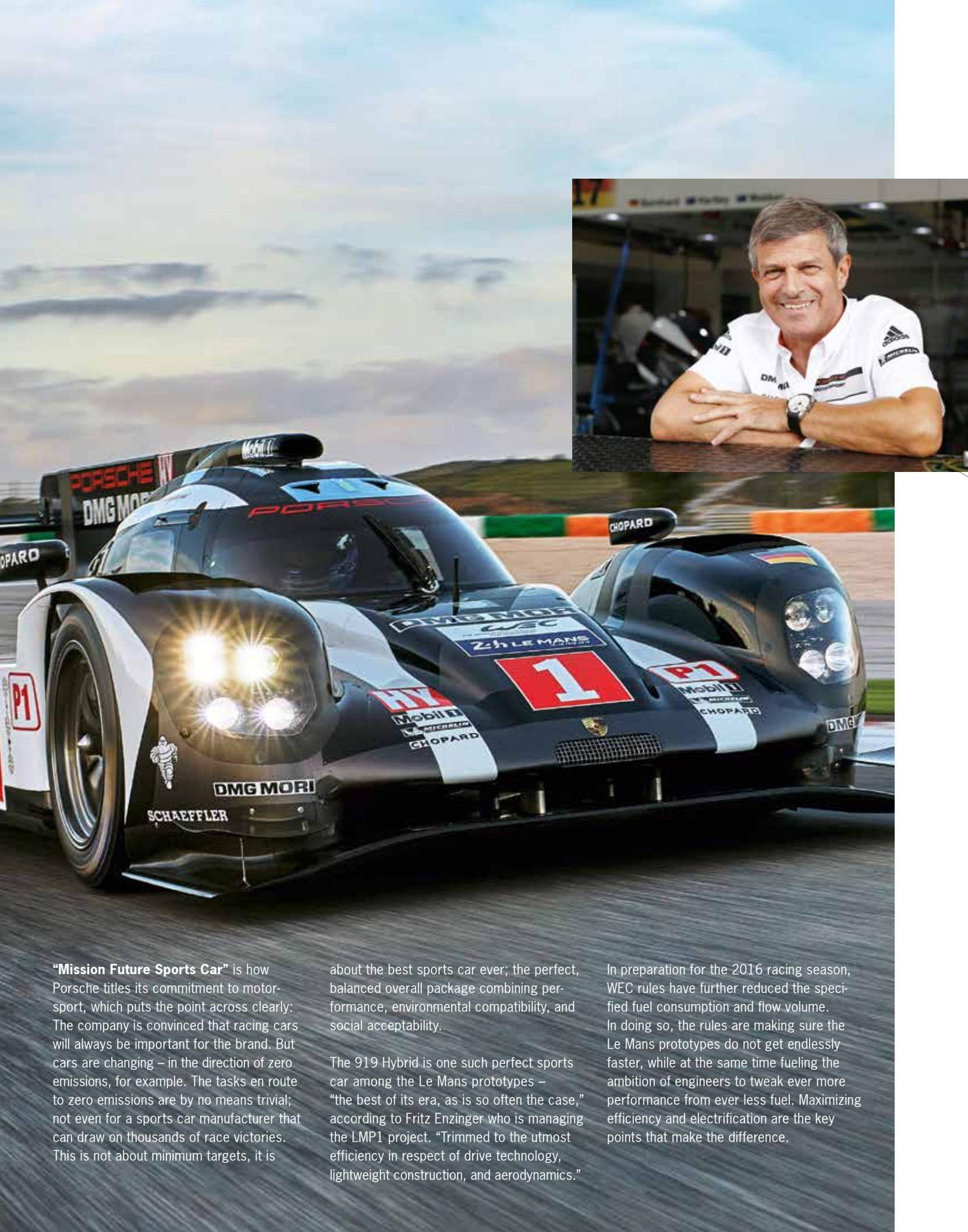
The most recent technology showcase in motorsport is the Porsche 919 Hybrid. It is the car that won Porsche its seventeenth 24 hours of Le Mans race and both the Constructors' and Drivers' Championships. Every race involves pushing the car to the absolute limit of what is currently technologically possible. The hybrid drive in the 919 Hybrid combines innovative downsized turbocharged technology with efficient gasoline direct injection for the two-liter V4 combustion engine, and uses a lithium-ion battery to store the electrical energy recovered from two different recovery systems (brake energy and exhaust energy). Weighing just 875 kilograms, system performance by the 919 Hybrid is around 900 horsepower, providing important stimulus for Porsche's development of future sports cars for the road.

By contrast, the Porsche Mission E is the latest technology showcase in Porsche's range of series production models. It too is pushing back the boundaries – of future emission-free mobility in a sports car. The company has already decided to put it into production. The first sports car for the road that is purely battery-operated and made in Zuffenhausen will be in the showrooms by the end of this decade. Porsche is investing more than one billion euros in this project.

A few key figures about the Mission E:  
Range: 500 kilometers, record recharging time. System performance: more than 600 horsepower. Four-wheel drive with Porsche Torque Vectoring. Four-wheel drive. Lightweight body, low center of gravity, with lithium-ion battery in the underbody, optimized weight distribution, perfectly balanced, perfect aerodynamics. The result is an outstanding drive with dynamic performance: 0 to 100 km/h in 3.5 seconds, 0 to 200 km/h in less than 12 seconds, a top speed of more than 250 km/h, the Nürburgring-Nordschleife in less than eight minutes – if you are so inclined.

**Motorsport and Porsche** are inseparably linked. The very first car produced under this brand proved the strength of this combination. Just a few days after obtaining road approval, the 356/1 went on to win the Innsbruck City Race – back in July 1948. Even then, the lessons learned in respect of technical improvements were incorporated into subsequent series production vehicles. The 356/1 gave the initial impulse.





**“Mission Future Sports Car”** is how Porsche titles its commitment to motorsport, which puts the point across clearly: The company is convinced that racing cars will always be important for the brand. But cars are changing – in the direction of zero emissions, for example. The tasks en route to zero emissions are by no means trivial; not even for a sports car manufacturer that can draw on thousands of race victories. This is not about minimum targets, it is

about the best sports car ever; the perfect, balanced overall package combining performance, environmental compatibility, and social acceptability.

The 919 Hybrid is one such perfect sports car among the Le Mans prototypes – “the best of its era, as is so often the case,” according to Fritz Enzinger who is managing the LMP1 project. “Trimmed to the utmost efficiency in respect of drive technology, lightweight construction, and aerodynamics.”

In preparation for the 2016 racing season, WEC rules have further reduced the specified fuel consumption and flow volume. In doing so, the rules are making sure the Le Mans prototypes do not get endlessly faster, while at the same time fueling the ambition of engineers to tweak ever more performance from ever less fuel. Maximizing efficiency and electrification are the key points that make the difference.

**Change of scene, racetrack test lab.**

Two days in March 2016. Location: Circuit Paul Ricard in the south of France. Porsche has scheduled a 30-hour test of the 919 Hybrid in preparation for the upcoming racing season. A normal, but more than simple, exercise, as it is immensely challenging for both man and machine. Where does the specification of 30 hours come from? According to Team Manager Andreas Seidl: "Le Mans is a 24-hour race and is the world's hardest endurance race. Add a few hours on top – and we know exactly where we stand." Ultimately the time will be exactly 31.7 hours and the total distance 5,939 kilometers, allowing immeasurable lessons to be learned about the vehicle, its technologies, and its performance.

**Tests under Extreme Conditions**

The 919 Hybrid drives round and round the circuit under real racing conditions, interspersed only with brief pit stops and flanked by a team of mechanics and engineers that is also testing all of their workflows. The drivers take themselves and the vehicle to the limit. As in Le Mans they take turns, driving through the day, the night, and some of the next day. Each turn lasts two to three hours – peak athletic performance for hours on end.

You can see how tense and tired Timo Bernhard is as he climbs out of the cockpit and pulls off his helmet. Straight onto the massage table for some physiotherapy – what a tempting thought. But Bernhard has not finished yet. Surrounded by engineers, he sits in front of a long row of computer monitors. His colleagues analyze the racing driver's performance against the clock, circuit by circuit. Nothing escapes them. They want to know how each individual system has worked, how the car responds in certain conditions, where the driver sees room for improvement. We are talking optimizations of tenths or hundredths of a second here.

It is a tiring meeting. After some turns, it only lasts five minutes, but this time Bernhard is not released for at least half an hour. He gives precise answers to all questions, while other lessons learned come gushing out – such as how he thought the racing start from the pit went, and how the overall 919 Hybrid system feels in minute detail. "I don't just drive at the limits," he says, "I am continuously storing a huge number of sensations and impressions. We racing drivers are data recorders of a kind that you can talk to afterwards." Bernhard looks at the engineers. They seem to be happy. Finally, the driver can hop onto the table and into the physiotherapist's care.

Racing is primarily all about circling the track as quickly as possible. But there are also important side effects – such as developing new components to maximize efficiency and stability. Without them, you cannot win an endurance race – nor sell a series production vehicle. According to Fritz Enzinger: "Nowhere else are the test conditions as extreme as in motorsport. If it works here, it can be put to everyday use." Although not every detail of a racing car is transferred to a series production vehicle, of course.

**"The 919 Hybrid is sports car perfection."**

**Fritz Enzinger,  
LMP1 Project Manager**



Timo Bernhard, racing driver and data recorder – he supplies precise information about the driving behavior of the 919 Hybrid





### Technology for Series Production Vehicles

How do Porsche's series production vehicles benefit from the 919 Hybrid? Enzinger does not even have to think about it. "What we do is pioneer work to improve batteries and ensure a vehicle has an efficient 800 volt network," he says. The exhaust energy recovery system in the 919 Hybrid is completely new. The racing car is the first vehicle to recover energy not just when it brakes, but also when it accelerates. With that and all other features, the racing car becomes a development lab and technology accelerator on wheels. It pushes back the boundaries – not just for Porsche but for the entire industry,

who constantly keep an eye on what is going on in Zuffenhausen and Weissach.

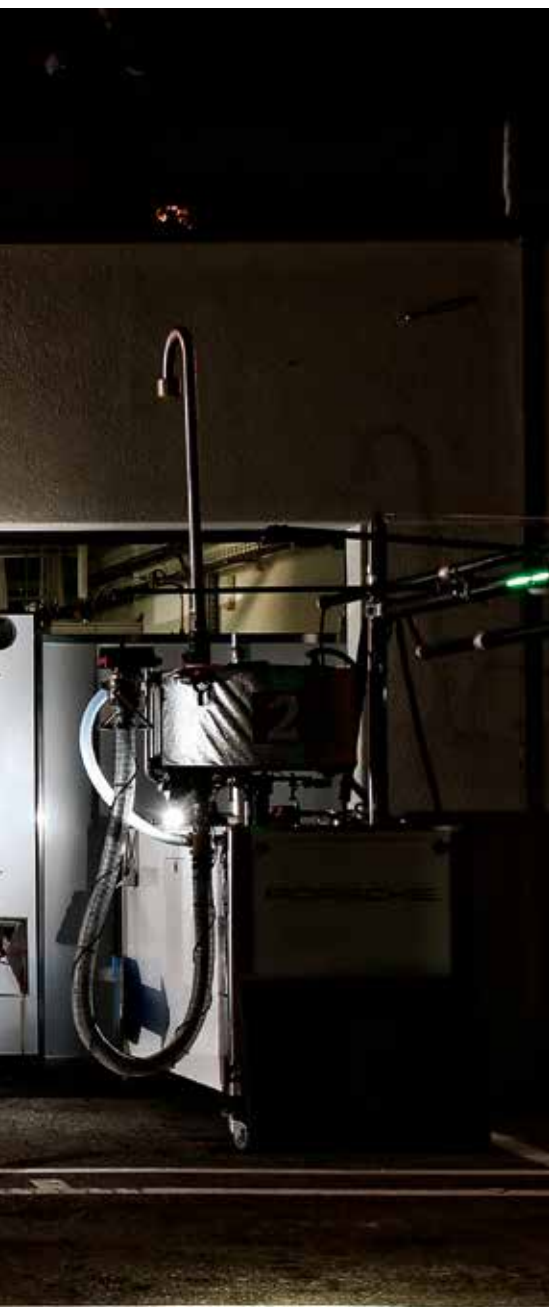
Mission E will transfer technology from the 919 Hybrid to a finished product. Just like the endurance racing car, the Mission E has two permanent magnet synchronous motors (PMSM) that are highly efficient, with high power density and consistent power performance. Unlike the electric drives that are commonplace these days, the motors demonstrate full performance capacity even when accelerating several times at brief intervals. The Mission E accelerates and brakes at a consistently high speed and without sacrificing performance. It also

houses highly efficient batteries and an 800 volt network, which ensures extremely fast battery charging. Charging is an inductive process. The Mission E simply rolls onto its charging station and tanks new energy contactlessly without the need to connect a cable. Taking all its features together, this car is a perfect example of how Porsche is driving technology transfer.

### Improving the Efficiency of all Types of Drive

The e-mobility age is, however, not going to dawn overnight. En route, it will be flanked by vehicles with combustion engines and hybrid drives – some of which will be





From racetrack to series  
production: Technology  
transfer at Porsche

outstandingly efficient. Which is definitely one of Porsche's domains. Endurance races are not won by pure strength. Nowadays, they are primarily all about fuel economy to complete the distance in the best possible way. Porsche's current range of series production vehicles with combustion engines or hybrid drives are also models of outstanding efficiency. The 911 Carrera that was introduced in 2015, for example, is 13 percent more economical than its predecessor. The 718 Boxster that was introduced in March 2016 also manages on 13 percent less energy – in spite of its increased performance. Sportiness and driving performance are not sacrificed; on the contrary, they actually improve.

With this in mind, it would not only be tempting but even almost logical to see components such as exhaust energy recovery in series production as well. "We would be delighted, of course," says Enzinger. "The technology has become a permanent fixture in our racing cars, so it is ready and waiting at the Development Center, in Weissach."

**1951 (356) –**  
**1951 (356):**  
Ring synchronization

**1970 (908/03) –**  
**1974 (911 Carrera RS 3.0):**  
Perforated and ventilated disc  
brakes

**1972 (917/10) –**  
**1974 (911 Turbo):**  
Turbocharger with bypass valve

**1972 (917) –**  
**1977 (911 Turbo 3.3):**  
Charge air cooling

**1982 (956) –**  
**1984 (911 Carrera 3.2):**  
DME digital motor electronics

**1984 (956) –**  
**2008 (911 Carrera):**  
Porsche dual clutch gearbox

**1986 (959) –**  
**1988 (911 Carrera 4):**  
Sporty four-wheel drive

**1991 (962) –**  
**2001 (911 Turbo S):**  
Ceramic brakes

**1998 (911 GT1) –**  
**2003 (Carrera GT):**  
Carbon fiber inserts


**2010 (911 GT3 R Hybrid) –**  
**2013 (918 Spyder):**  
Racing hybrid

**2014 (919 Hybrid) –**  
**2016 (718 Boxster):**  
Engine details

**“We would never have been  
able to develop the 919 Hybrid  
as quickly without our colleagues  
from series development.”**

**Andreas Seidl, Le Mans Team Manager**





The knowledge pool in Weissach remembers everything and grows bigger every day

### **Weissach – the Center of Knowledge**

Weissach – an almost magical place for automobile enthusiasts. The series production vehicles of the future are designed here, in Porsche's Development Center. The Motorsport division is also located here, with its team of around 260 employees. Porsche reinvents the sports car every day in Weissach. Always has, always will. And Weissach never forgets a thing. The knowledge pool is huge and grows bigger every day. It bundles together experiences, facts, lessons learned, and methods in databases, computers, and archives. But its most valuable capital is always the human factor.

No matter what area of expertise, the best of the best work for Porsche. The transfer of technology between series production and motorsport and back is built on a simple but very effective base: an open attitude toward temporary project teams and knowledge transfer between different departments. What tasks need performing, which challenges need overcoming? The right people provide the right answers.

According to Le Mans Team Manager Andreas Seidl: "We would never have been able to develop the 919 Hybrid as quickly without our colleagues from series development. They have masses of experience in all vehicle construction disciplines – such as hybrid technology – that is available in full to our design engineers."

Fritz Enzinger adds: "Racing is characterized by extremely short development times: We develop something for one season, and sometimes from one race to the next. Races are our acid tests. They enable us to feed new knowledge back into the pool extremely quickly. Some of that knowledge will emerge in future series production vehicles."



# Our Approach

## to the Area of Action “Product Responsibility”

Porsche is more synonymous with strength and dynamism, with the fascination of individual mobility than almost any other automobile brand. The demands facing high-performance sports cars are changing, however: Fuel efficiency, lower exhaust emissions, lightweight construction, and material recyclability are basic features of modern vehicle architecture. Electrification, digitization, and connectivity are causing an upheaval in all automotive engineering systems. Sustainability is an issue that is strongly embedded in society's consciousness, and is evolving into a decisive element in respect of a company's ability to compete. Porsche's efforts are naturally focused on meeting these high standards as well – exclusivity and social acceptability do not contradict each other in Zuffenhausen; instead they are both integral parts of the company's philosophy. Of key interest to the company and its stakeholders are issues such as fuel consumption and vehicle emissions, together with environmentally-compatible logistics.

The first aspect, particularly, not only remains of key relevance in light of the current diesel issue; it is actually becoming even more important for the company. The materiality matrix clearly shows that this issue – which also includes the nitrous oxides emitted by cars – has become even more important in Porsche's in-house analysis compared to 2013. Porsche is cooperating fully with all relevant authorities and is making every effort to clarify the issue of irregularities concerning Cayenne V6 Diesel vehicles in North America completely and as soon as possible. Porsche is striving to find answers to questions that are becoming increasingly important in light of climate change and dwindling resources: How can product emissions be reduced even further in future? How can we push back the boundaries of alternative drives? In-house workgroups deal with finding the right answers to these questions, to present possible solutions, and to implement them quickly. The company uses two typical, fundamental principles to counter these challenges: performance and efficiency. Design engineers achieve good vehicle performance with comparatively low consumption by carefully thinking through their designs, ensuring the best possible efficiency, minimizing energy loss, and incorporating intelligent technologies.

In motorsport, the rules require constructors to be energy efficient – as demonstrated by the LMP1 prototype 919 Hybrid which took first and second places at Le Mans 2015. But Porsche sets this standard for all of its vehicles, so its series-produced models benefit directly from its involvement in motor racing. This sort of expertise is reflected, for example, in the charged four-cylinder boxer engines in the

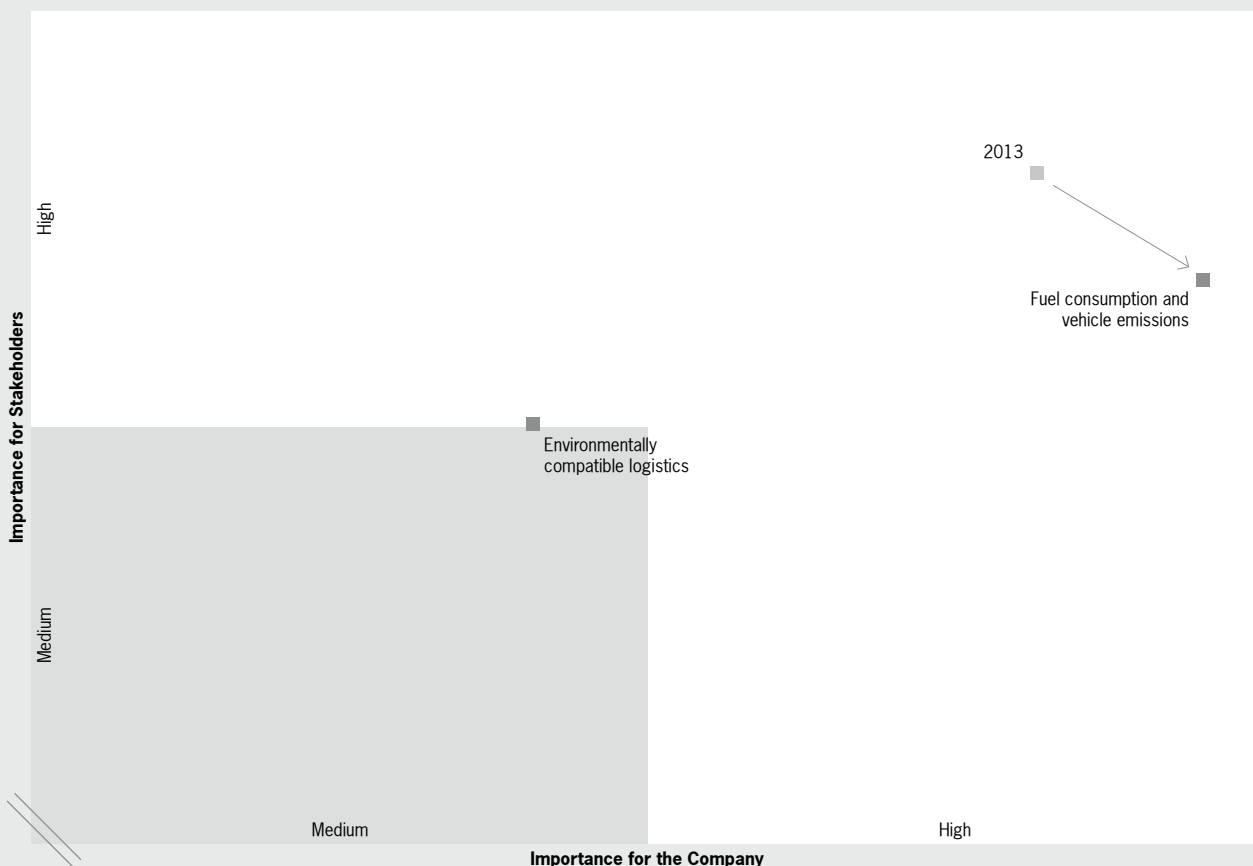
new 718 series. The performance and efficiency of the 718 Boxster have increased compared to its predecessor.

Specific measures with regard to product ecology are developed in all areas of the company. For example, less weight has a positive impact on consumption. For many years, Porsche has been testing technologies and materials for lightweight construction. By consistently implementing lightweight construction in all areas of the current 911, the weight increase due to fuel-efficient turbo engines and the expansion of new functions for the customer in the high-performance S model could be limited to only 25 kilograms. Porsche started the introduction of downsizing motors with its front-mounted engine vehicles, they will now be transferred into the boxer engines as well. Twin turbochargers and other technologies significantly increase the efficiency of the current models – improving performance despite smaller displacement volumes and less consumption. Direct fuel injection, coasting options, and assistance systems such as “InnoDrive” help to further optimize fuel consumption.

Porsche stands alone in the automobile market when it comes to resource-efficient and low-emission hybrid vehicles. The company was the world's first manufacturer to offer three series-produced plug-in hybrids in the premium class. By the end of this decade, the company will be putting its first sports car powered solely by electricity on the road – the Mission E concept study made in Zuffenhausen. The vehicle will set new standards in terms of performance, range, and charging speed. With zero emissions locally, the Mission E will thus unite all of the values that are characteristic of a Porsche: dynamic driving and comfort, extravagance and suitability for everyday use, performance and efficiency.

In addition to optimizing consumption, Porsche's engineers are faced with the particular challenge of reducing pollutants. By implementing modern exhaust gas treatments the emissions are systematically reduced. The company will continue to focus its development efforts on emissions and exhaust gas treatment, especially in connection with diesel engines, given the current situation.

Porsche has always tried to think well into the future in terms of issues such as durability, workmanship, low-wear materials and recycling, as well. More than two-thirds of the cars ever built by Porsche are still on the road today. Major plastic components are labeled with their material designation for eventual separate recycling; recycled plastics are used in exchange for new materials provided they satisfy the strict technical requirements. Porsche has issued its own

**Key Topics** (G4-19, G4-20, G4-21)

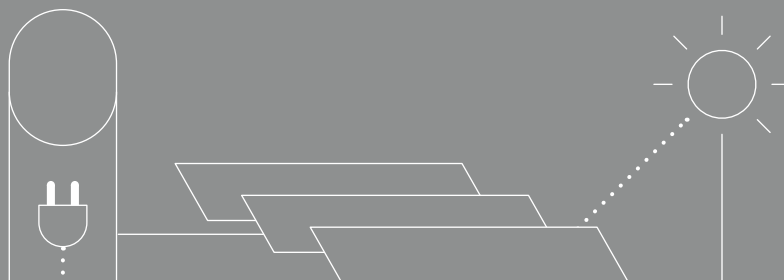
“PN 1002” standard specifying both legal and the company’s own requirements in terms of product development and design engineering that maximize recycling. Alongside other existing standards, it aims to maximize environmental compatibility in collaboration with suppliers and sub-suppliers. 95 percent of a Porsche is reusable and 85 percent is recyclable.

Porsche also demands high standards of its logistics. By using environmentally-compatible means of transport

efficiently and continuously, Porsche is thus able to improve its emissions performance and impact on the environment. All of the related processes are certified in accordance with DIN ISO 9001 and ISO 14001.

Further details of Porsche’s activities in the area of “Product Responsibility” can be found on the Sustainability microsite:

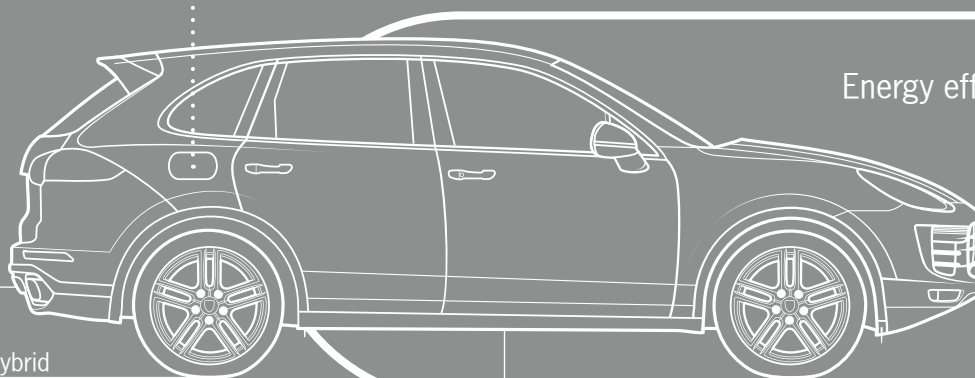
[newsroom.porsche.com/en/sustainability](https://newsroom.porsche.com/en/sustainability)



Porsche is the world's first premium manufacturer to feature **3 plug-in hybrids** in its product range

Emissions saved  
**114 g CO<sub>2</sub>/km**  
in the NEDC

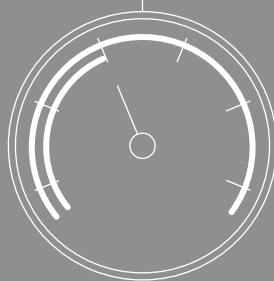
Energy efficiency class



Porsche Cayenne S E-Hybrid

Reduction in consumption compared to predecessor Cayenne S Hybrid:

Total consumption reduced by nearly **60%** (from 8.2 l to 3.4 l per 100 km in the NEDC)

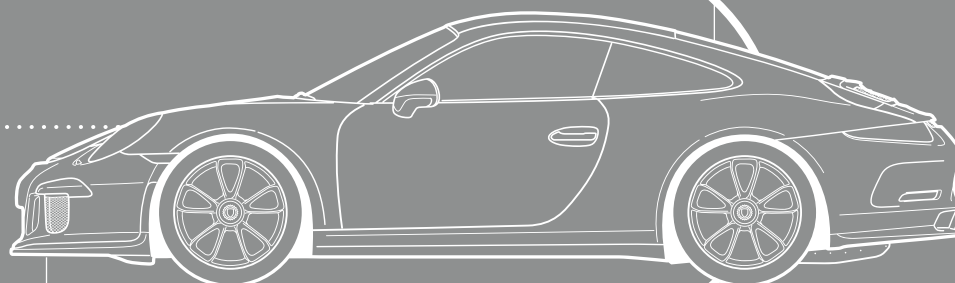


**1,300,000** – Worldwide



**Megatrend: E-Mobility**

More performance,  
less consumption



Porsche 911

Light metal use  
increased by a further  
**approx. 8%**

Connectivity



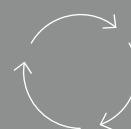
### Mission E concept study



Local emissions

**0 g**

Range in pure electric mode

**> 500 km****95%**

Reusability

**85%**

Recyclability

of Porsche vehicles

As of 2015

### Electric cars on the road 2016

**400,000** – USA**300,000** – China**55,000** – Germany



# Urbana



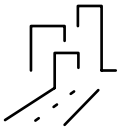
## Environment and Energy

**Porsche not only invests in environmentally-sustainable and resource-efficient products but also in efficient and environmentally-compatible production processes. The company places great value on the economical use of resources, energy, and water. Working and producing in urban surroundings poses special challenges in this respect and requires new ways of thinking.**

■ Megatrend ■

# nization





# The Future is in the Cities

**The world is becoming a city. For the first time ever, more people live in densely populated built-up areas than in the countryside. More than half of the world's population lives in around 1,000 cities around the globe, each with more than 500,000 residents. Twelve out of every 100 people on the planet currently live in 28 megacities, each with a population of more than ten million – huge urban sprawls such as Mexico City, Beijing, Sao Paulo and Istanbul. According to estimates published by the United Nations, the number of megacities will actually increase – to 41 by 2030. These metropolitan regions will then be home to every seventh person on the planet. 60 percent will be younger than 18 years old.**



All of the predictions point in the same direction. Not only are more and more people living in cities; the cities are also getting increasingly bigger. Urban centers in the emerging markets in Asia and Africa are growing fastest. The future is urban.

## **Cities are Markets**

Cities are centers of business and knowledge that bundle together a country's prosperity. They are the birthplace of trends and lifestyles; the culmination of capital, consumption, and creativity. This is where you find

customers, labor, and money – this is where the future is taking place. Business success is determined in cities, even for a company such as Porsche. Urbanization is not just a strategic challenge; it also entails entrepreneurial commitment to developing intelligent solutions to the eco-political problems associated with urbanization and thus to contributing to the sustainable development of society – with resource-efficient production processes and products, with technological and social innovations, and with socially responsible and employee-focused actions.

## **Corporate City Dwellers**

When increasing numbers of people live together in confined spaces, special requirements apply in respect of mobility and infrastructure, but also principally with regard to environmental and energy management. Porsche satisfies these requirements in many respects at its site in Zuffenhausen. Alternative routes – when moving vehicle parts, for example – relieve the public traffic burden. This is one of Porsche's responses to the infrastructural challenges of urbanization. By rigorously implementing a sustainable concept for expanding its sites, Porsche is embracing its responsibility as part of an urban system: with energy- and resource-efficient construction for the benefit of people and the environment.

## **City Life**

Over the next few years and decades, demographic change will affect Germany more than virtually any other social trend. People are leading healthier and more active lives, and are living longer – which is a positive trend. But the ratio of older people to younger people is increasing. Although the population is shrinking, the cities are growing. Dynamic growth regions are attracting more and more people from different origins, while other areas are growing older. Apart from the environmental challenges associated with this trend, it also raises important socio-cultural questions: not just about the availability of housing and jobs, but about community and living together. Cities are becoming cultural melting pots. They bring together the widest variety of lifestyles and customs in sharp contrast. They are becoming more colorful and diverse, but also more prone to conflict. Integration therefore has to begin locally. Which in Porsche's case means at work. People of more than 60 different nationalities work for the company. That makes Porsche more than just a pioneer of successful integration. In the long term, the company also embraces its role as a responsible member of an urban society, developing further concepts for HR integration to encourage, and benefit from, the potential of different communities. —

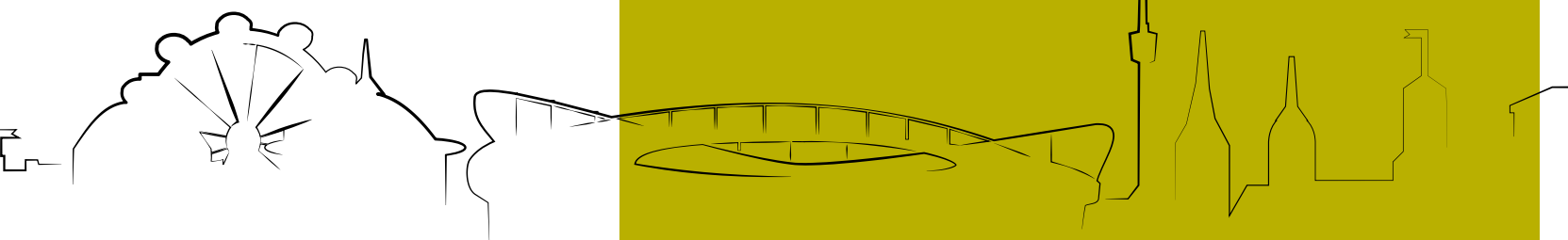


Matthias Münch,  
Specialist for mobility concepts

## Just one question, Matthias Münch:

**80 percent of the world's population will soon be living in cities. Will cars still hold any appeal at all?**

"Urbanization is a key driver behind our having to focus on new mobility concepts instead of continuing to be just a vehicle manufacturer. The impacts of increasing urbanization are clearly apparent, not just in megacities such as Beijing, New York, or Mexico City, but even here in Stuttgart. And some countries have totally banned vehicles from driving into city centers. The number of cars is soaring, and we are spending more time in traffic jams or looking for parking spaces. The actual driving experience often fades in the background. Which is why Porsche is developing products and services to make future mobility as flexible and convenient as possible. We are looking at innovative parking solutions, seamless connections to other means of transport, and temporary provision of Porsche cars. We want not just to relieve pressure on traffic, but also to give our customers a mobility experience that is relaxed, comfortable, and fast."



# Sustainably Im

**Sustainable construction should benefit the environment, company, and local residents alike. The award-winning solution at Porsche's headquarters in Zuffenhausen is a case in point. A visit to the site.**



# pressed





**Taking a deep breath is especially gratifying in a forest of birch trees. Strolling across a meadow, glancing up to the treetops, shaking off the stress from the early shift – this must have been more or less what the construction managers at Porsche had in mind when they opted not to cover the ground with concrete for the site extension.**

Dr. Christine Lemaitre is also delighted to find a patch of green at the heart of Porsche's new Plant 4. The CEO of the German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen – DGNB) has come to Zuffenhausen on a visit. She wants to see for herself how Porsche brings sustainability to life.

Jürgen King, head of construction and facility management at Porsche, shows Lemaitre – who has a PhD in construction engineering – around the premises. Chatting as they stroll, the two have just passed through the birch trees. King explains that – from a purely legal perspective – Porsche could have built on most of the site's green area. Instead, management chose to keep the havens of greenery for the employees to recharge their batteries during breaks. Christine Lemaitre nods affirmatively: "Sustainable construction means more than just building with particular materials." She notes that, here among the birch trees, it does not really feel like she is walking through an industrial area.

Porsche could have used the space. The company is growing, especially in Zuffenhausen, and these days more than 8,500 people work at the main site. More than 200 sports cars come off the assembly line every day. And Mission E is now heralding a new era in sports car engineering: The company is investing some 700 million euros – in a dedicated assembly facility, for example, and extensive modifications to the engine shop for production of electric drives – to build the Porsche that will run purely on electric power. It is a clear sign of

commitment to the Zuffenhausen site, and an important signal for the region and for Germany as a center of engineering excellence. In the long run, Mission E will create more than 1,000 new jobs in the area north of Stuttgart.

Which means the company is going to need more space. The ultramodern paint shop, the new body shop being built, the training center, the new engine shop scheduled for completion in 2016 – they all need space. By purchasing additional land, the footprint of the plant has more than doubled since 2011 – from 284,000 to 614,000 square meters.

Growth of this magnitude does not just represent opportunity, however; it also entails enormous responsibility for the site, as both Jürgen King and Christine Lemaitre agree. Any construction does not just affect the company's management and staff; it also impacts the environment, as well as local residents and road users. Porsche is fully aware of its obligation – and embraces socially and environmentally compatible expansion as a challenge: How can construction be done in a way that ensures everyone benefits?





Christine Lemaitre, CEO of the German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen – DGNB) and Jürgen King, Vice President Construction and Facility Management at Porsche



King explains that – from a purely legal perspective – Porsche could have built on most of the site's green area – instead, management chose to keep the havens of greenery



Porsche is growing, especially at its Zuffenhausen site – the footprint of the plant has more than doubled since 2011

**“For us at Porsche, the meaning of sustainability extends far beyond the ecological aspect. It applies just as much to our employees and our surroundings as a whole.”**

**Jürgen King**





The two continue on their way toward the new engine shop. As King explains, Porsche is determined to use sustainable construction. But not just as window dressing on a project that is almost done, or in reluctant compliance with the minimum legal requirements. Instead, he says, it will be an essential element in every plan, right from the very start, in keeping with the company's philosophy.

For example, the company taps into new space by efficiently modernizing or replacing old buildings. Using the principles of robust architecture it can even gain additional space with ease later – for example by including additional intermediate floors. In 2014, the German Sustainable Building Council already acknowledged how successful – and advanced – Porsche has been: The sports car manufacturer was awarded DGNB pre-certification in gold for its planning of Plant 4, making it the first industrial site in Germany to receive this highest accolade.

As Jürgen King explains: “For us at Porsche, the meaning of sustainability extends far beyond the ecological aspect. It applies just as much to our employees and our surroundings as a whole.”

For DGNB, sustainability also means accepting responsibility for current problems – such as climate change and the growing shortage of resources – instead of leaving future generations to cope with them. “I see these ideas being put into practice here,” says Christine Lemaitre.

Jürgen King explains that Porsche embraced the philosophy of sustainability from a purely ecological perspective a long time ago. The production plant in Zuffenhausen voluntarily submitted to assessment by the European Union's eco-management and audit scheme – EMAS – as far back as 1996. In doing so, Porsche was far ahead of its peers in the automobile industry, and is still far from the finishing line.

Porsche has always been eager to push the boundaries of what is technically feasible – and that applies just as much to sustainability in production. The company makes sure resources are used as prudently as possible along the entire value chain. Its environmental and energy management standards rank among the highest. The new Training Center out on the eastern edge of the tour of Zuffenhausen is a good case in point. It houses four energy regeneration systems to make sure the new building has a positive environmental impact and uses 30 percent less energy than specified in the energy efficiency directive issued by the German federal government.

In fall 2015, certification and accreditation body TÜV-Süd also recognized the company's efforts to ensure the greatest care in using resources wisely and compliance with the highest environmental and energy management standards. Their experts once again certified Porsche's compliance with ISO 14001 and ISO 50001 at the sites in Zuffenhausen, Sachsenheim, and Weissach.





## **“Porsche is a true pioneer when it comes to sustainable construction.”**

**Christine Lemaitre**

Another of the top priorities at Porsche – alongside the balance with nature – is the inner equilibrium of its employees. Having reached the new engine shop, Christine Lemaitre glances around the entrance hall with fascination: “This architecture alone creates a very good atmosphere. It will benefit all of the employees.”

The impressive curving staircase, quality of materials and spacious interior – Lemaitre described them as inspiring, and noted that space had been made for people to meet and exchange creative ideas. The construction engineer also approved of the production hall in the new engine shop,

which is flooded with daylight: “That is still by no means standard in production – not even today and not even in new buildings. People working in this hall still have a feel for the outside world, the weather, the seasons, and the time of day, all of which are important to their wellbeing.”

The fresh air concept – which is as appealing as it is energy efficient – is another high scorer in the eyes of the DGNB CEO, as are the quiet rooms and lounge areas that are spread throughout the plant, and the health center at the center of the site. Not to mention the good coffee in the new cafeteria where the two stop to rest after





**The new engine shop –  
Porsche is determined to use  
sustainable construction**

their walk. Smiling, Lemaitre says, “It is a social factor one should never underestimate. People spend a large part of their lives at work. They eat there, meet others, learn, and train. Our assessment hinges on ensuring that all endeavors focus primarily on the people.”

Christine Lemaitre and Jürgen King agree that energy efficiency, a pleasant work environment, and room to recuperate are all elements of sustainable construction that benefit employees and the environment alike. King is also aware, however, of what the strongly industrial character of the site and its expansion sometimes means for the

local residents: heavy traffic, commuters fighting for parking spaces, noise, or poor air quality. This is why looking after the neighbors on an ongoing basis is one of the responsibilities of construction management at Porsche.

The substantial increase in the number of staff parking spaces is one example of trying to maintain a good relationship: The company’s parking capacity has climbed from 3,100 to 5,700 since 2011. Equally, plans to build a tunnel under the rail tracks to connect with the new engine shop are easing the situation in Zuffenhausen as it means vehicle parts can be transported

without using the public roads, thus reducing the traffic load.

As Christine Lemaitre concludes at the end of her visit: “Porsche is a true pioneer when it comes to sustainable construction. This is why Porsche fully deserves to be one of the first companies in Germany to be awarded the pre-certificate in gold for its site in Zuffenhausen.” She also praised the site’s accessibility to public transportation and the frequency of connections, before boarding a regional train to the main rail station – sustainably impressed. \_\_\_\_\_

# Our Approach

## to the Area of Action “Environment and Energy” ✓

Humans have caused enormous changes to Planet Earth over the past two centuries. Climate change and environmental pollution, habitat loss and dwindling resources are direct consequences of our actions. A new entrepreneurial mindset and new courses of action are needed to reconcile automobility and the environment. Porsche is fully aware of these challenges – and is embracing them. Environmentally-focused and energy-efficient actions are firmly embedded throughout the company's corporate strategy, at all levels and sites. Porsche sees consistent environmental protection and the efficient use of natural resources as more than just a commitment – they rank among the company's primary goals. To achieve this, Porsche strives to reduce the harmful environmental influences of all of its relevant activities to the lowest possible level. Continuous improvement processes and innovative technologies ensure the maximum possible efficiency and less pollution of nature at all times. The topics of key interest to Porsche and its stakeholders in the field of “Environment and Energy” are energy and emissions, resource consumption, protection and conservation of nature and biodiversity, as well as harmful substances and waste.

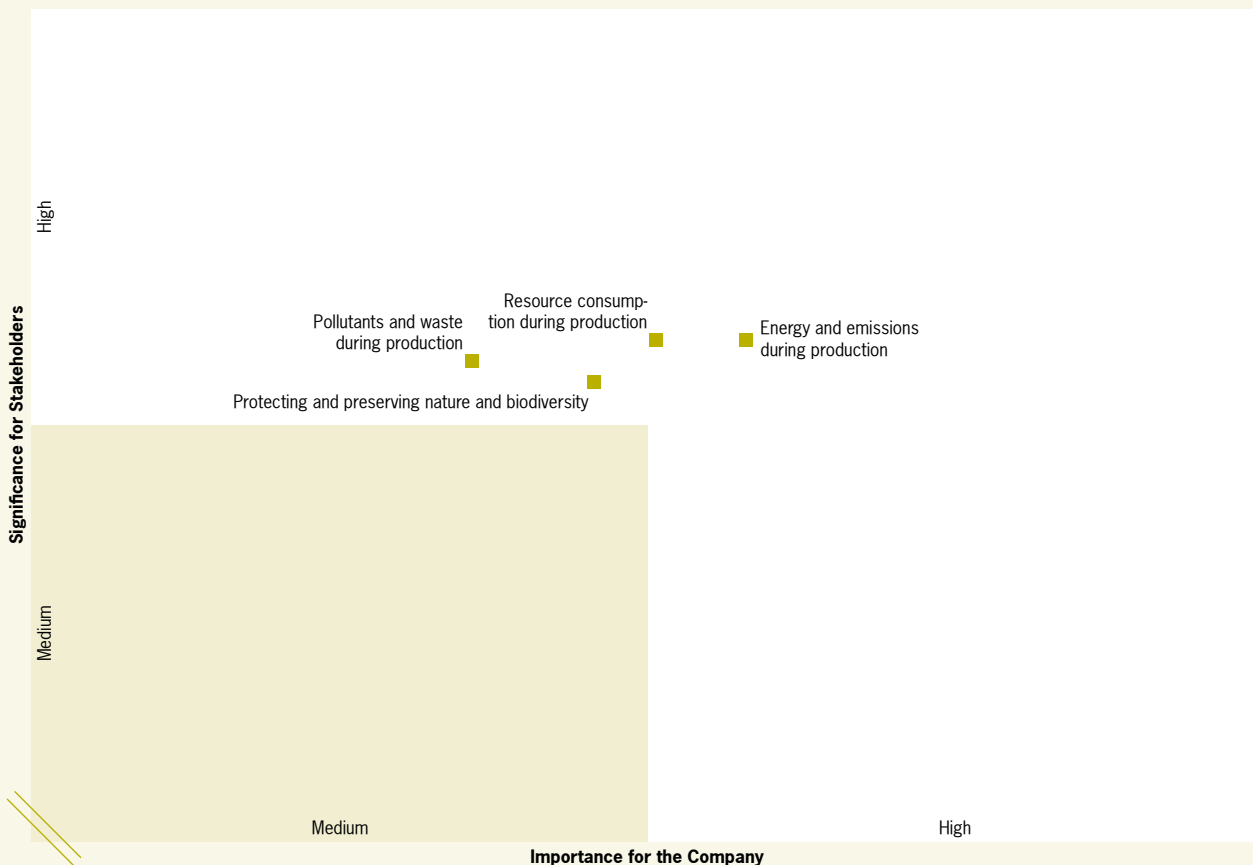
Porsche established an Environmental Policy as far back as 1995 – containing clear and binding guidance. This guidance is also integrated into the generally applicable Sustainability Principles. The environmental impacts of all development, production, sales, logistics, and management activities are continuously being followed and considered. Everyone responsible for making decisions incorporates these environmental and energy-focused aspects into the process.

Environment management systems ensure that all production sites define – and implement – specific goals and programs. As part of its current corporate strategy, Porsche is striving to reduce energy and water usage, CO<sub>2</sub> and solvent emissions, and disposable waste by 25 percent per unit produced, at Group level and by 2018 compared to 2010. An environment program – containing all planned actions, clear ownerships, the requisite means, and deadlines for target achievement – has been defined for the implementation of each of the environmental and energy goals. Goal of the “Environment Management” Group policy is to define standardized environmental protection principles throughout the Group, ensure resource efficiency, and support international activities aiming at solving global problems and challenges of environmental protection. The Group policy also clearly regulates ownership: The Executive Board Member for Production and Logistics is responsible and also ensures systematic implementation of the defined measures. Porsche's central Environment and Energy

Management is embedded in this company's department and ensures that all employees are not just aware of how their work affects the environment, but also take these impacts into consideration.

Porsche has aligned its in-house rules with the international environment management standard ISO 14001, the energy management standard ISO 50001 and EMAS, the European Union's voluntary community scheme for eco-management and audits. Zuffenhausen submitted its environment management system to EMAS for validation for the first time back in 1996. And Porsche in Zuffenhausen was the world's first plant in the automotive industry to comply with the ISO 50001 energy management standard. Porsche Leipzig GmbH and the central spare parts warehouse in Sachsenheim as well as the sites in Ludwigsburg, Hemmingen, Rutesheim, Asperg, and Mönsheim also comply with the standard. In Leipzig alone, various environment and energy projects save costs of more than one million euros each year and relieve the burden on the environment, as a result. Porsche has put a risk strategy in place in its risk mitigation organization for the early identification, assessment, and rectification of damage events involving environmentally hazardous substances. Diverse tools are used to monitor environment programs in-house, as well. Annual system and process audits validate compliance with environmental and energy legislation in particular. Porsche demands high standards of these in-house auditing and inspection processes, and engages external environmental and energy auditors. The site footprint procedure introduced in 2002 is a standardized method for assessing material environmental aspects throughout Porsche. The assessment criteria are based on data and key figures, together with a grid for classifying environmental relevance as high, moderate, or low. Building on this assessment of environmental aspects, specific measures to reduce impacts on the ecosystem are determined and integrated into a target-defining process. The Porsche Environment and Energy Cockpit (PUCE) is an interdisciplinary board that regularly evaluates the defined targets and develops necessary actions.

One key success factor for implementing the environmental principles is open and transparent dialog with all relevant stakeholders. Management and staff, service providers and suppliers, customers and the general public are being informed of the currently applicable specifications on a regular basis. Being able to discuss environmentally relevant topics in a trustful atmosphere with all stakeholders is an important prerequisite and integral part of Porsche's environment and energy management systems.

**Key Topics** (G4-19, G4-20, G4-21)

The following initiatives are just some examples of the company's efforts to ensure a balanced environmental footprint at the production sites:

The new Training Center in Zuffenhausen is a particularly good example of ISO 50001-certified energy management. Four regenerative energy systems ensure a positive environmental footprint for this new building, which uses 30 percent less energy than specified by the German government's Energy Saving Ordinance (EnEV).

The conscious and economical use of water is a key element in Porsche's environmental activities. Circulation systems and multiple recycling make sure this valuable resource is used as efficiently as possible. Another area of focus is the handling of polluted wastewater from production activities. Decentralized treatment plants that are regularly upgraded ensure that Porsche stays well below water pollution limits. The skills of our staff and the high standards of the technical safeguards on production equipment have significantly minimized the risk of interruptions in operations when handling water-polluting substances.

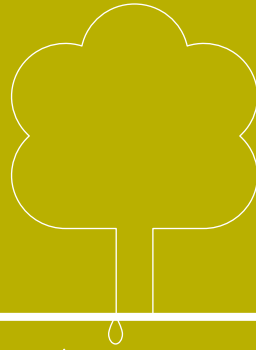
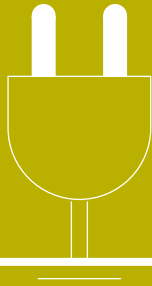
Porsche sees biodiversity conservation as a key contribution toward safeguarding nature and the countryside for generations to come. Its efforts focus on natural landscaping that respects the typical local conditions at all sites. To compensate the construction and operation of an all-terrain track on the test course run by the site in Leipzig, for example, Porsche management put a grazing project in place that is unique throughout the automobile industry: Wild horses and aurochs were given a new home on the former Lindenthal parade ground, which has also become a habitat for whinchats, wrynecks, and many other species.

Key areas of focus of the waste management concept include waste avoidance, low-waste technologies, and sustainable disposal solutions. The concept clearly stipulates the direction, and tracks target achievement both in-house and at suppliers' facilities through the "Environmental Protection" operational resources guideline.

Further details of Porsche's activities in the area of "Environment and Energy" can be found on the Sustainability microsite:

[newsroom.porsche.com/en/sustainability](https://newsroom.porsche.com/en/sustainability)





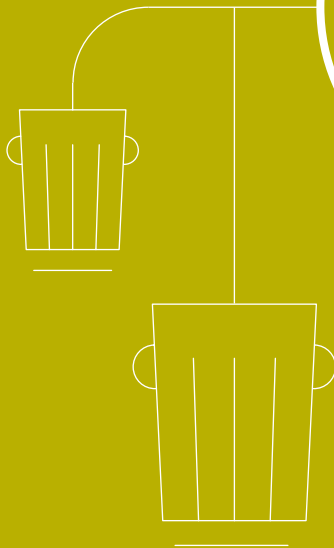
**265,915 MWh**  
Total energy consumed  
(direct)



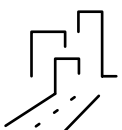
**645,568 m<sup>3</sup>**  
of water used



**18,802 t**  
of waste produced



**30%**  
less energy than statutory due to usage  
of regenerative energy systems in the  
new Training Center in Zuffenhausen



**Megatrend: Urbanization**

# 800,000 kWh

Solar power generated each year by the photovoltaics plant on the body shop in Leipzig

Photovoltaic pylon in the Porsche Center:

BERLIN

## 7,776

Solar cells generate

## 30,000 kWh

of solar power each year

Reduction in annual CO<sub>2</sub> emissions compared to conventional plants of nearly

## 12,000 t

LEIPZIG

## €42,731,402

Invested in environmental protection at Zuffenhausen and Weissach

## 74

Aurochs

## 21

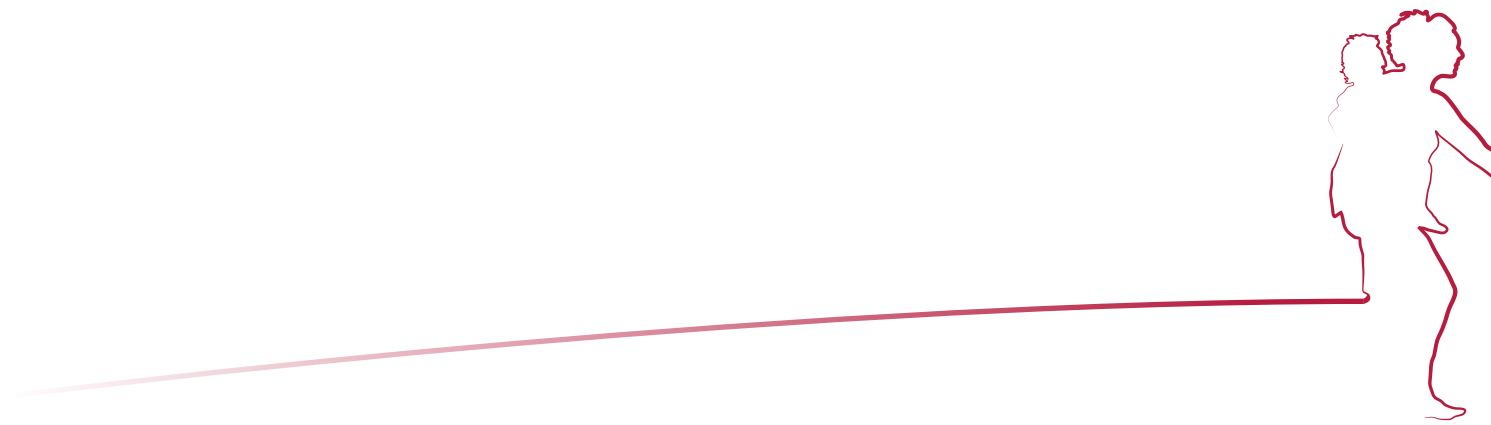
Exmoor ponies

1,013  
Cities with more than  
**500,000**  
residents

28  
Cities with more than  
**10,000,000**  
residents

As of 2015

# Societal



## Employees and Community

**Porsche focuses on people – on our own employees just as on society to which we see ourselves belonging. The company's success as a business is only conceivable with the commitment and dedication of our employees, and with the strong identification of the staff with the Porsche philosophy and goals. We see it as our entrepreneurial duty to pass on some of this success directly to society – at a local, regional, and international level. Porsche is active in many areas in the fields of “Social Commitment”, “Education and Science”, “Culture”, and “Sport”.**

# Megatrend Changes





# Generation of Change

**Our planet is home to almost 7.5 billion people. The population is expected to increase to nearly 10 billion by 2050. Between now and then, the populations in Afghanistan, Chad, and Niger are predicted to triple. In absolute figures, India, Pakistan, Nigeria, Congo, Bangladesh, Uganda, the USA, Ethiopia, and China will account for more than half of the global increase. By then, 40 million fewer people will be living in Europe compared to today.**



Every year, about seven million babies are born in Nigeria – a country that covers about the same area as Germany has a birthrate that is ten times higher. The latter is aging rapidly. The ratio of over-80s to total population in Germany will increase from 5 percent (2013) to 13 percent by 2050. Ten years after that, every eighth person in Germany will be 80 or older, and every third person at least 65. Long-term population forecasts predict that even a relatively large influx of immigrants will only affect the age structure of the population to a minor degree.

Demographic change constitutes the most urgent social challenge for 60 percent of all top managers in Germany. This dramatic trend is, however, not confined solely to the aging process or the ratio of young to old. It also affects the rapidly changing understanding of gender roles, the shift in values in a multicultural society, the integration of immigrants, and the expectations of younger generations in respect of an open, social, and innovative world of work.

## Changing World of Work

“Generation Y” or Millennials – people born between 1980 and 2000 – will account for more than half of the world’s working population by as soon as 2020. What is important to them? What are their needs and demands – including those relating to modern and environmentally-compatible mobility? Millennials are the first generation to grow up with the internet. They will successively reshape the world of work. They take hard work and lifelong learning for granted, but have also learned to pace themselves. Companies who want to recruit and keep talented young professionals will again need to respond to new values and changing demands in respect of work models, individualization, and personal fulfillment.

## Changing Gender Roles

Gender is another topic that is increasingly engaging our socio-political awareness.

In many parts of the world, the role of women is fundamentally changing. The tertiary education sector with its colleges and universities, for example, is increasingly being dominated by women. The ratio of female graduates was almost 55 percent in Germany in 2014. Accordingly, women are not only better educated, from a statistical perspective; their influence on purchasing decisions and spending behavior is also growing. More women are earning the household income. In Germany, around 70 percent of women work – nearly as many as men; policymakers and companies are facing the issue of women in management. At the same time, men are claiming their right to participate in family-oriented models, such as parental leave. Companies can no longer neglect the potential offered by female professionals and managers. If they don’t offer work-life balance programs, they stand virtually no chance in the “war for talent”, which is becoming ever fiercer in the wake of demographic change.

## Changing Societies

Origin is another factor influencing equal opportunities in society. Many people leave their home countries because their lives are threatened or because they are looking for a better quality of life and work. At the end of 2014, Germany had a population of about 81 million, of which every fifth person was from a migrant background. That still does



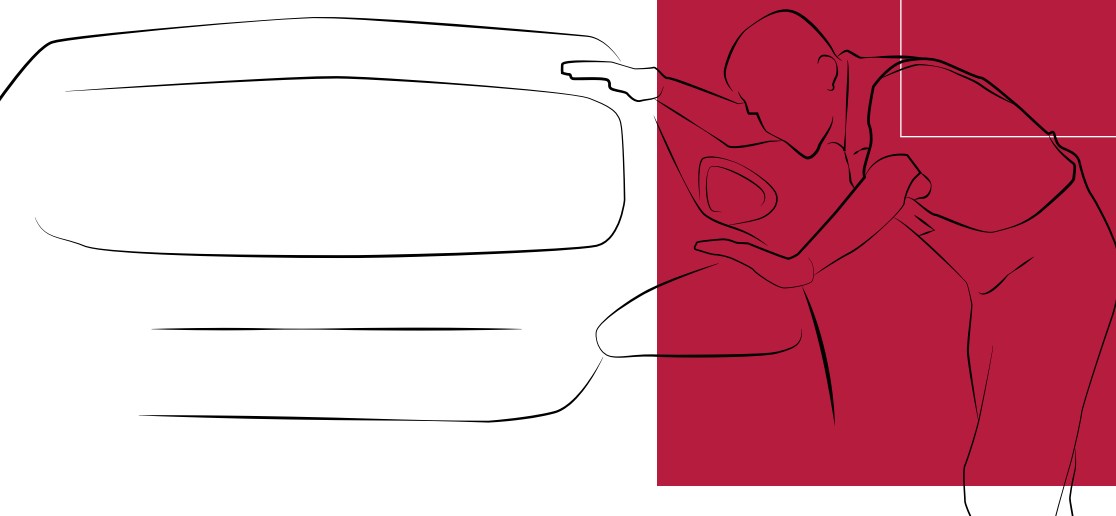
Christoph Welz,  
Head of Employer Branding

## Just one question, Christoph Welz:

not make them foreigners, as more than half of them hold a German passport. According to estimates published by the Federal Statistical Office in Germany, 900,000 more people came to Germany than left in 2015. The associated socio-political challenges are being hotly debated in the public domain. The question facing companies is whether and how immigration can help to relieve the shortage of professionals that is widely lamented. A corporate culture that unites diversity and equal opportunities is therefore a manifestation of entrepreneurial responsibility. \_\_\_\_\_

**Young people have a different attitude to work: more fun, more purpose, greater responsibility. How is Porsche responding to this?**

“As an excellent employer, we aim to continue attracting promising young staff. The ‘war for talent’ is becoming harder. The world is changing. And so we also need to change. Generation Y for example, those born after 1980, is not merely an invention by the media – they are already well into their working life. They are well-educated and, because they grew up with the internet, are especially familiar with technology. We are responding to this with flexible working hours, the option to work from home, and sabbaticals. Work-life balance is also an issue that is very important to us. Traditional gender roles are changing and this is something we are adapting to. Future decisions will not be based on age, gender, origin, or social status. Which is why Porsche promotes equal opportunities and diversity. The future belongs to those who have the best ideas and the greatest courage.”



# Responsibility in Society

**What role can a company like Porsche play in society today? CEO Oliver Blume, and Chairman of the General Works Council Uwe Hück talk about this issue and offer insight into their very personal reasons for social commitment – a topic that is close to both of their hearts.**

**Oliver Blume, can a company be good?**

**Blume:** It depends on how you define “good”. If you’re talking about aligning entrepreneurial actions with social and environmental aspects, then it’s not a question of “can” – it must be good. Good entrepreneurs are not just morally good. They actually accomplish what they set out to do.

**The moral responsibility of companies is a widespread topic of discussion. Does interest in goodness soar in a crisis?**

**Blume:** That may seem to be the case, as feelings of indignation and uncertainty are particularly pronounced at such moments in time. This was also the case during the financial and euro crises. That is why it is all the more important for a company to recognizably demonstrate genuine sustainable commitment, which the company’s management cascades down throughout all areas of the company and which is firmly

embedded in its strategy. Otherwise a so-called good entrepreneur risks disappearing behind the wall of a correctly operating company. But just because it is correct, doesn’t mean it’s good.

**What do good entrepreneurs do differently?**

**Blume:** There always have been and always will be entrepreneurs who embrace their responsibility to society very credibly and selflessly: Robert Bosch, Carl Zeiss, Berthold Beitz, and Reinhard Mohn were – and still are – role models in this respect. But I agree with former German President Horst Köhler that Germany is missing a true elite that is dedicated and consciously aware of its responsibility, which also includes the public domain. Herbert Marcuse coined the term “one-dimensional man” for someone who is oblivious to what is happening around him. By contrast, a good entrepreneur has a 360° field of vision.

**Uwe Hück, entrepreneurs such as Bill and Melinda Gates or Facebook founder Mark Zuckerberg are pouring huge sums of money into nonprofit foundations. Stock exchange guru Warren Buffet has donated the lion’s share of his huge fortune. He reasoned that it hurts to sit on so much money. Are these today’s role models of a good entrepreneur?**

**Hück:** Anyone who has achieved success must give something back to the society that made them prosperous. That has always been my motto. It is what keeps our society going. It’s all about solidarity rather than egotism. Egotism destroys social harmony. People who act like this and donate some of their wealth to charity are exemplary in my opinion. But I don’t know the reasons behind their social commitment. They certainly all deserve respect, at least. But I can’t judge whether that also makes them role models.





### So is it all just a facade, greenwashing?

**Hück:** There are numerous reasons why people who are very wealthy or super-rich give away their money. However, the most important thing is that they do something that benefits people, towns, cities, and communities. Whether or not they have other reasons for doing so, such as tax concessions, is ultimately less relevant. After all, if they didn't do it, a lot of organizations would not have the financial resources they need. What we can learn from the Americans, however, is their basic attitude: Earning lots of money and giving lots of it away is normal in the USA. Social commitment is seen as good form and garners lots of praise. In Germany, by contrast, solidarity is usually mistaken for socialism.

**You frequently reiterate that a society is not capable of survival if it does not practice solidarity and show an interest in other people. You yourself have undertaken a commitment with your foundation for learning that supports disadvantaged children and young people. Why?**

**Hück:** Because education in Germany is dictated by the size of our wallets. It is not a child's fault if its parents die, or are socially deprived, or ill. I myself learned that the hard way. And it taught me that as soon as you are someone in society, you attract a lot of recognition. But if fate has been against you, you tend to be sidelined. I set up the Hück Learning Foundation because I want to make people think, make them more aware. We must not let anyone slip through the net. Nobody can be stupid enough to not be able to train for a profession. Apart from which, the state will no longer be able to support a modern forward-looking and sustainable education system on its own; it is up to us citizens to help. It is a matter of decency, not something you can specify by law. This willingness exists; not everywhere, but it is there. I know several people who want to donate, but only to specific causes and only if they are guaranteed that the money actually goes to those who need it and is not used for other purposes. Just giving the state even more money is not going to solve the problem. They only trust the state as far as they could toss an elephant.

**Oliver Blume, is that how companies should interpret corporate social responsibility? Helping disadvantaged people. Sponsoring culture. Supporting political campaigns – against racism, for example?**

**Blume:** Only to a certain extent. First and foremost, accepting responsibility means incorporating social concerns into entrepreneurial decisions and not losing sight of the surrounding environment. Social responsibility does not just take place outside a company. It includes in-house measures aimed at promoting a sustainable business, above all. Which means that we achieve our economic targets. Our innovations give us the edge over our competition. We can therefore offer our staff good working conditions; we can recruit and retain professionals and young talent. Last but not least, we use natural resources efficiently. And we actively shape our environment.

**“Above all, taking responsibility for taking community concerns into account in corporate decision-making, without having regard for the bottom line.”**

**Oliver Blume**

**The term sustainability seems to be a little overused.**

**Blume:** I agree. And it doesn't always keep the promises it makes. As far as Porsche is concerned, however, I can say that efficiency and social responsibility are not mutually exclusive.

**Some people say that CSR focuses on a company's wellbeing rather than on the interests of the owners or profitability, which is the main purpose of an enterprise. Claiming there is no conflict is not helpful, as conflict quite obviously does exist in too many instances.**

**Blume:** Just a minute! Only someone who has misunderstood the importance of CSR from a company's perspective and who completely underestimates a company's achievements on behalf of society can make such claims. Of course companies are not responsible for society's wellbeing, whatever that might be. But they are responsible for their customers, for their employees, for their products, and for training young people. They pay taxes and are an active part of their environment. Successful companies guarantee prosperity, which is the main contribution they make in terms of social responsibility.

**Hück:** One thing should be clear to everyone: We have to earn profits to uphold the social aspects. Otherwise it won't work. Without profits, we would have nothing to distribute. And we only have profits because we focus consistently on our productivity.

## responsibility means concerns into decisions and world around us.”

and flexibility issues. What we do, however, is invest our profits in the future of our company. Which is why we always try that little bit harder. As I always say, a shirt doesn't get sweaty on its own. You have to do something to be successful. But being successful also means continuing to invest in new and forward-looking technologies. Between 2011 and today, our improvements in productivity and flexibility have enabled us to convert more than 1,600 temporary jobs into permanent employment contracts in production. If we had not been able to give these workers that opportunity, many of them may well have been unemployed. Another example is that we are investing about one billion euros in developing the first battery-operated Porsche. I call it our “New Era Project.” We are spending 700 million euros at our site in Zuffenhausen alone. It will enable us to create more than 1,200 new jobs for people who spend their wages on buying things, and pay taxes and social security contributions. The city, region, state, and Germany as a center of engineering excellence will be the long-term beneficiaries of the new technologies of the future. That is our contribution to growth and the prosperity of society!

**Around 13,000 Porsche employees in Zuffenhausen and Weissach are donating part of their wage increases to fund Mission E.**

**Blume:** Yes, we are asking quite a lot of them. But this demonstrates how far Porsche takes its social responsibility. It is not a one-way street where owners and

management only do good deeds. The fact that our employees have come on board is impressive testament to how much responsibility they themselves are willing to take on for the future of the company.

**Hück:** We developed a creative idea to get the new technology and the futuristic Mission E project allocated to our site. It is our contribution to the future. It was our idea, and I am proud of it. Everyone at Porsche is contributing to the future, not just the employees covered by collective bargaining agreements, but also the managers, heads of departments, and even right up to the Executive Board. They will receive a little less of the increases negotiated in future collective bargaining agreements. The resulting 200 million euros constitute a contribution to the future and will cover some of the capital expenditure associated with Mission E. This will enable us to develop this futuristic project in Weissach and manufacture it in Zuffenhausen. The system is unique and ingenious. Not least because the employees covered by collective bargaining agreements will get a payback – subject to the success of the project – from 2021 through 2030 in the shape of an “annual future component”. Notwithstanding that, all employees' pay will be readjusted in 2026 to the same level that would have applied if there had never been a contribution to the future. Normally, it is only the workers who have to open their wallets. Here at Porsche, everyone is joining in and thus helping to secure the future of both company and jobs. The contribution to the future was, however, just one of several components without which we would not have been able to fund the project. It is unusual for the workforce to contribute toward investing in a company that earns such profits. But that is how we can secure jobs in Germany, Baden-Württemberg, and Stuttgart. Our actions are thus forward-looking.

**Blume:** Apart from that, we take our role in society very seriously. When we use contracts for work or labor, or service contracts, for instance, we focus on assuring the flexibility we need, not on hiring people as cheaply as possible. In Leipzig, for example, we have implemented the principle of equal pay for temporarily employed workers, and signed agreements with the

temping agencies that govern the payment of these employees assigned to Porsche at the rates specified in our collective agreements. These people earn much more than the wages paid by temping agencies under collective bargaining agreements. Porsche sets global standards governing the production of exclusive sports cars – standards that have no place for cheap wages.

**Hück:** That is true. Which is why we have persuaded Porsche's Executive Board to agree relevant co-determination powers that grant us a say when work and service contracts are awarded. Don't get me wrong – we need work and service contracts in order to remain flexible. Our rights of co-determination must not be circumvented, however, nor should people be allowed to be exploited. Everyone must be able to live on what they earn. Social standards must be observed – that is a fundamental duty, especially of a premium brand like Porsche. Which is why we have reached agreement that none of the companies engaged by Porsche is allowed to pay its employees hourly wages of less than €10.50 nowadays. The agreement also governs standards for health and safety, and working hours. It is important to remember that co-determination made Germany great and successful. Unfortunately that always tends to get forgotten. But co-determination also means co-responsibility, which means acting responsibly. That must also hold true for work and service contracts.

**Many companies combine CSR with economic benefits. What are the advantages?**

**Blume:** Lüneburg University conducted an interesting survey. Its sustainability chair ranks among the leaders of its kind in Europe. The survey revealed that most sustainable companies value social acceptance more than prospects of higher profits. They want legitimation rather than profit. Surprisingly, a recent ranking of Germany's most popular employers put the “dm” drug-store chain in first place overall – ahead of Porsche, ahead of Audi, and ahead of BMW or McKinsey. Its founder, anthroposophist Götz Werner, has been a huge supporter of unconditional basic income in Germany for years.

## What does that teach us?

**Hück:** That it's about more than just money. Identification, motivation, satisfaction – are the result not just of safe jobs and attractive products. People want to work for a company they can be proud of, that takes them seriously, that makes a difference – a company that has the inner power and strength to impact society as well. Which means, we cannot separate private and public values. The same holds true for companies.

**Electrification, digitization, and connectivity are the major drivers of huge change in the automobile industry. What can your employees, what can society, expect of you?**

**Blume:** That we actively shape and survive technological change. We are just in the process of honing the details of our Strategy 2025. The goals we are setting don't just relate to us and our products. They affect all our stakeholders and how we interact with them in future, i.e., with our staff and suppliers, but also with policymakers or our direct neighbors.

**Hück:** Let's not kid ourselves: We are going to have to tear down walls. We can't just always say what is not possible. Too many people are worriers. Global competition is not going to wait for us. Which is why we need to be more intelligent, otherwise we will be unable to continue funding the high wages and the welfare state. This is a challenge facing collective bargaining policy. Factory 4.0 requires totally new answers – and a new understanding of how these changes in the world of work will impact society, in respect of education and social security, for example. The challenge is in not giving things away and in protecting privacy in respect of all technological progress.

**Companies do not just pay taxes and employ people. They are nowadays also supposed to play a significant role in tackling major social problems. And they are expected to get more closely involved in regional development processes. Two such issues are demographics and the refugee situation. Right or wrong?**

**Blume:** Right in principle, but I still have a few issues with it. It sounds as though

companies are responsible for putting everything to rights that bothers society or that is not going well in this country. To put it very clearly: That is not their primary responsibility. Yes, we are part of this society. Yes, we want to play our part. But challenges such as the aging of society or the integration of refugees are hugely complex. Mastering them will require an enormous effort by society, with everyone contributing, not just companies.

**Hück:** Firstly: The refugees! Being a refugee is not a profession; it is dreadful for the people who are affected. We need to welcome them and integrate them. We need them. By 2025, Germany will be short of around 6.5 million workers to uphold its prosperity. Secondly: We don't want to hand out any presents. We want a policy of integration that includes helping these people to learn the language and training them. We want to offer them German lessons. As a first step, 15 refugees are currently on an integration year at Porsche with the aim of teaching them enough to enable them to start an apprenticeship – in a trade, for example – at Porsche or another company. These refugees are not taking the place of apprentices wanting to learn a profession.

## Help for Refugees and Development Year

Cities, communities and the German federal states are acting in solidarity and, together, are making great efforts in the face of resistance to tackle the enormous challenges of the influx of refugees into Germany. Porsche is also doing its part to help. Back in October 2015, the company called upon its employees to do volunteer work in charitable associations and organizations working with refugees. The website "Porsche-hilft.de" presents refugee projects at each of the company's sites and provides up-to-date information about where support is needed urgently. Field reports from employees who are involved can also be found here. Since October 2015, Porsche catering has also been providing support at its three sites in Stuttgart, Weissach, and Leipzig with food and toiletries.

The new Porsche year of integration also offers refugees opportunities for work and training in Germany as well as qualified integration into the world of work. This offer is initially limited to 15 participants. In addition to the sharing of basic technical skills, the program offers insights into

different vocational professions. Language teaching is an important element. In addition, participants receive social education and, where necessary, psychological support.

The year of integration is modeled on the Porsche development year. It was launched in 2012. The goal of this collective agreement model is to give young people who lack the necessary academic qualifications the opportunity of a skilled training placement. The participants were selected individually by both employee and employer representatives. It takes ten months for them to complete the qualification program. The aim is to put them in the position to successfully complete a regular apprenticeship. Ten out of eleven young people were successfully taken on as apprentices in 2015. At the same time, 11 new young people started into their development year.



**“If we see ourselves as a performance leader, then it is practically our duty to get involved and not merely see what policies are put in place.”**

**Uwe Hück**

**The German economy has high hopes for the many refugees. Experts from the Institute for Employment Research in Nuremberg are not the only ones who believe that the influx of people could be a shot in the arm for the job market.**

**Blume:** After two years of construction, we opened our new Training Center in Zuffenhausen in 2015. The new building can accommodate as many as 500 apprentices and students, and cost 30 million euros. We want to take care of refugees in particular here. But we are still at the starting line. The hurdles are still high, especially when it comes to language skills. This is key to everything. It is a marathon, not a sprint, however. Refugees may not prove to be the solution to the lack of specialists in the German economy and the key to stabilizing our social community in the near future, but hopefully they will be in the long term if we manage to implement successful integration concepts. I am very optimistic that we will. There are people from over 60 countries working at Porsche. We therefore have a great deal of experience in this area.



**Why are companies not getting involved in politics much more? Isn't that also part of their social responsibility?**

**Hück:** But we are getting involved. Matthias Müller, former CEO of Porsche and current Chairman of Volkswagen Group has taken a clear position here. He called for clear statements against xenophobia and greater commitment for refugees from top business managers very early on. I can only stress my agreement: It is time for business leaders to give their opinions on certain matters. Industry should not hold back out of concern for share prices or personal attacks. After all, we are part of society and an important

link in the chain. Personally, I feel that if we see ourselves as a performance leader, then it is practically our duty to get involved and not merely see what policies are put in place. Alfred Herrhausen – the CEO of Deutsche Bank who was assassinated – was a strong character in this respect. Among other things, he was committed to debt relief for developing countries. We need people like him.

**Blume:** The problem is that the German economy has forgotten how to form an opinion. But the field can't be left to the politicians alone.



# Social Commitment of Employees

**Standing up for the community and effecting change is not just something the Porsche company can do as a whole. A lot hangs on the commitment of individuals. Social commitment is important to many Porsche employees – and here are four examples:**

## Helping on Vacation

Laos, a land full of traditions that stands in the shadow of its neighbors China, Thailand, Cambodia, and Vietnam, still reflects the origins of Southeast Asia. With its relaxed way of life and untouched landscape, this landlocked Southeast Asian country is peaceful and beautiful. But appearances can be deceptive. Laos holds a horrifying record, in that it is the country in the world that suffered most from cluster bombs. Unexploded devices and remnants of ammunition from the Vietnam War can still be found in endless fields and roads. Estimates suggest there are up to 80 million cluster bombs. The risk is omnipresent in this small country. It prevents farmers from tending to their fields and keeps children away from school. After a vacation, Dragan Dobric from Porsche Engineering decided immediately to make a contribution to improving the situation. He contacted the Mines Advisory Group (MAG), an international organization clearing explosive devices in former war zones, and accompanied a Mine Action Team on one of its missions – one of the most dangerous jobs in the world. After between 40 and 50 years in

the ground, the explosives are almost invisible to the naked eye – and disabling them is a life-threatening undertaking. With exceptional caution, the mission groups detect bombs, mark the places they were found, uncover them with small shovels, and then destroy them via controlled explosions from a safe distance. In the past ten years alone, 44 million square meters of land have been freed from unexploded bombs and more than 180,000 items of ordnance have been deactivated thanks to the MAG. Helping on the ground at local level – that was and remains a matter dear to Dragan Dobric's heart. That is why he also wishes to continue to support the MAG's work in Laos in future. \_\_\_\_\_

**“The feeling of standing in a field with the remnants of cluster bombs makes me anxious – an omnipresent risk people in Laos are faced with every day.”**

**Dragan Dobric**



## Looking for a New Homeland

The number of people who are seeking peace and safety in Germany is rising. Hundreds of thousands of people have left their homeland to find refuge in Europe, some under life-threatening and inhumane conditions. This immense challenge is one we can only tackle when we work together. Many people want to show solidarity and provide help, but it is a small minority that actually take any action. Even Ivette Pasymowski, a dispatcher at Porsche, did not find it easy at first. But today she is happy and thankful that she did not turn her back. She met some fantastic people in a home for refugees in Stuttgart, and even found a new friend, Rigate. Rigate comes from the North African country of Eritrea.

She had to leave her home because she could not live in freedom there for religious reasons, and the government had imprisoned her for months for arbitrary reasons. After she escaped from prison, she left her country in order to keep her family and friends out of danger. By way of Sudan and Switzerland, she finally reached Germany. Once she arrived there, she found more than just a helper in a time of need in Ivette Pasymowski. They spend a lot of time together, chatting, cooking, or going for walks. It is not just the young Eritrean who has benefited from this relationship. "Rigate made me realize," says Ivette Pasymowski, "how lucky I have been in my life and how grateful I should be."

**"Rigate is alone in a foreign country – her friends and family are in Eritrea."**

**Ivette Pasymowski**



## Sports Integration

For a soccer player like Patrick Weber, the connection between sport, fairness, and responsibility is not just important on the pitch. He has been coach of the D youth team of VFL Sindelfingen in the regional league since 2014. But Weber, who completed his training in industrial business management at Porsche in September 2015, is not just responsible for training 18 boys from six different nations in soccer skills. He is also the first point of contact in the case of problems or disputes. In September 2015, he helped two refugee children from Kosovo to integrate into his team. During the two or three training sessions per week, he not only teaches them soccer

skills, but also what values such as a sense of responsibility or teamwork really mean. On weekends, Weber accompanies his boys to league matches and tournaments. But seeing how they develop as athletes and as people is “an important part of my life” for him. \_\_\_\_\_

**“I am very proud of the boys’ progress and success.”**

**Patrick Weber**







## Being There for Your Fellow Human Beings

Students who come to Germany for a semester abroad are frequently faced with obstacles that appear to be unsurmountable. The language and way of life are foreign. Universities here in Germany follow other rules than those in their home countries. Sarah Rempp, a student on a work/study course at Porsche, is there to help. She is part of the Culture Connection Team at the Baden-Württemberg Cooperative State University in Stuttgart. She organizes trips, events, and meetings to make their stay in Germany as interesting and as educational as possible for the guest students. Sarah Rempp herself spent some time studying at a high school in the USA. From her own experience, she knows exactly how incredibly important it is to have a permanent contact

## “I am delighted to share my adventures and experiences.”

**Sarah Rempp**

when you are abroad. She has also shared her experiences at three different schools in Stuttgart and the surrounding area. Students who are interested in spending time in the United States can ask her any questions they have and plan the next steps for a year abroad together. In addition, as a youth leader, Sarah Rempp organizes the Sunday school in her home parish every other Sunday. There is a lot of singing, crafts,

and games. The children, who are between three and fourteen years old are sometimes a bit of a challenge. But simply being there for others “is the foundation of human interaction, for me”.

# Our Approach

## to the Area of Action “Employees and Community”

Today, Porsche employs more people than ever before. By the end of 2015, the number of employees had reached 24,481, which was nine percent higher than the previous year. Without their motivation and commitment, Porsche's commercial success would not have been possible. The employees identify with the company's products and goals – they are proud of their employer. Proud of the high quality sport cars, the success, and the brand image, but also proud of the good and secure working conditions, and the opportunities for further training in their jobs.

People are the number one focus of Porsche's corporate culture. The company wants to be an excellent employer to every single one of its employees. As part of the corporate strategy, Porsche also redefined its HR strategy back in 2011 and has developed it continuously since then. The continuing increase in attractiveness as an employer has been a key element in this development, because first-class products require first-class employees. Important areas of action are embedded in the Management Principles, in the Compliance Code, and in the Porsche Business Rules. This primarily concerns maintaining the performance of employees, measures to create a work-life balance, and opportunities for disadvantaged young people. In summer 2015, the Executive Board and the General Works Council together adopted the “Fit for the Future” program. It aims to increase productivity, flexibility, and efficiency, while at the same time maintaining social standards for all employees.

At Porsche, a culture of dialog reigns supreme – open and direct communication as well as general co-determination are important components of the company's principles and they are embedded in Porsche's Management Principles. The HR department and Works Council have traditionally been closely connected at Porsche and this is true for all areas that concern employees. Appreciative and trustful interaction between the management and employees or their stakeholders is an important component of the Porsche culture of communication. For employees, there are many ways to handle suggestions, problems, or complaints at committees and decision-making bodies, either openly or confidentially via separate channels. In return, the management provides the workforce with transparent and up-to-date information about the development of the company via a variety of channels.

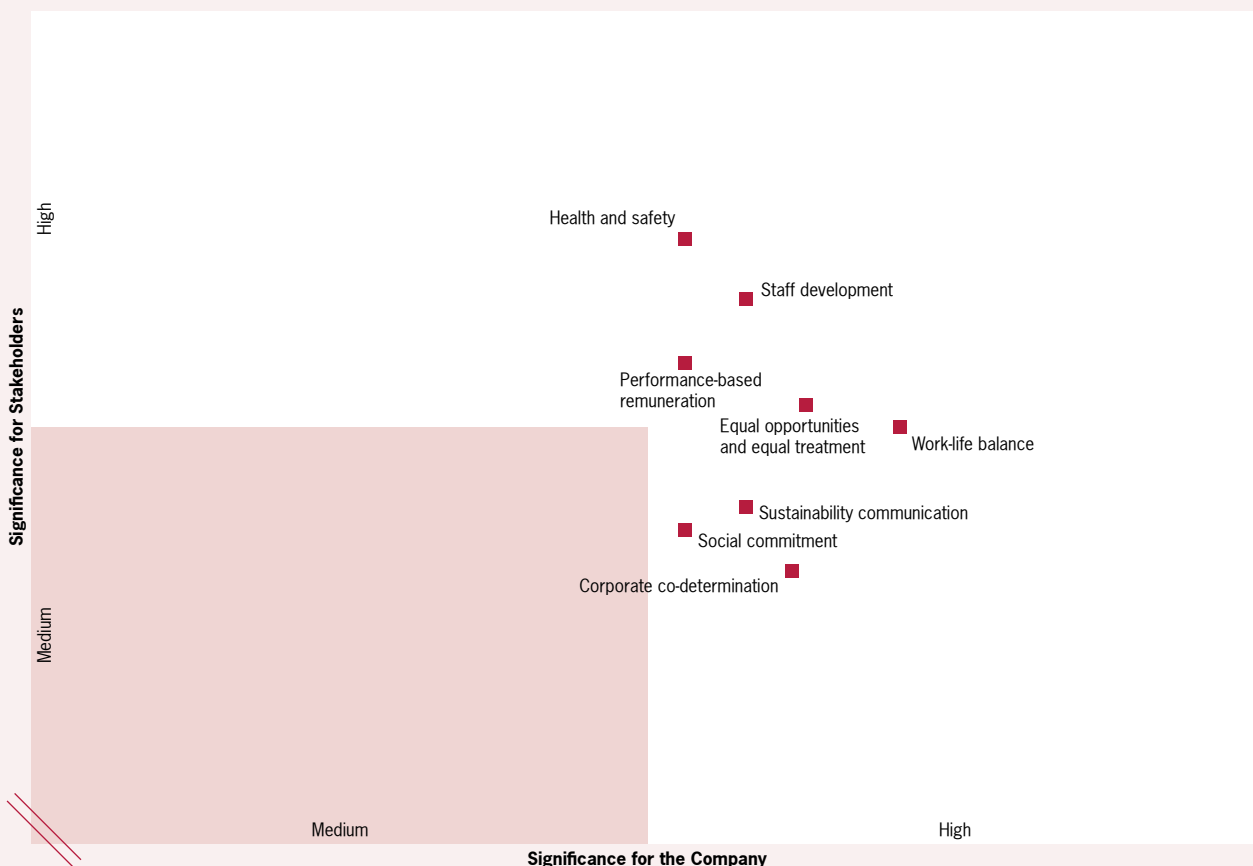
Job security has the highest priority at Porsche, as does health and safety. Porsche stands for high-quality and safe vehicles, and therefore its top priority remains protecting employees also when it comes to the company's development

and production processes. An organized and structured health and safety system ensures that the approach is targeted and consistent and that legal requirements are implemented. It helps to avoid accidents at work, occupational illnesses, and work-related health risks. The central processes are therefore standardized and regulated by the Group's “Health and Safety” policy, which represent a major component of the company's compliance management system and applies to all employees. Managers make sure that their staff are aware of the policy's specifications and comply with its provisions. The health and safety professionals are on hand to provide advice in this respect.

High-quality training is usually the starting point for a fulfilling career – for Porsche, it is the ideal opportunity to attract and retain highly skilled and enthusiastic professionals. In order to ensure that growth continues as planned, the company continuously invests in developing its training programs. As part of the corporate strategy, the number of apprenticeships in the new Training Center in Zuffenhausen was increased from 300 to 450. With the launch of the new trainee program in October 2014, Porsche also wants to further increase its attractiveness to college graduates. All staff have access to a variety of employee development programs even after they have completed their training. The advancement and upskilling of employees is a key element of Porsche's Management Principles and is a tool used in the strategic management and planning processes. Individual further training requirements are defined in an annual staff appraisal meeting and recorded in an IT system provided for this purpose. A standardized feedback process aims to ensure that all further training programs are evaluated and training measures are continuously improved. In connection with employee training, Porsche records the total number of participants by gender and employee category. ✓

As an attractive and modern employer, Porsche offers a variety of practical and accessible options for striking a work-life balance. The “Job Market of the Future” package approved at the end of 2012 contains a range of measures that offer greater flexibility in everyday working life, such as working hours tailored to different life stages, the possibility of working from home, Porsche care leave with continued pay, or a personalized sabbatical. The company's pension plan continues to reward employees for their valuable service after they retire. These are often people who have contributed to the company's success over many decades. Controlled partial retirement also allows older employees to transition into retirement on fair terms as part of a fluid process.



**Key Topics** (G4-19, G4-20, G4-21)

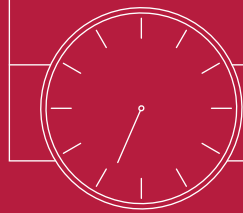
The equal treatment of all its employees is also a fundamental priority for Porsche. The company sees equal opportunities as the chance for every person to take advantage of support measures and to build and further develop their individual potential – regardless of their gender, background, or age. An increase in the proportion of women at all levels is a particular issue in the world of work. Specific upskilling and further training programs, formats for successful women to share their experiences, and mentoring programs have been introduced. By the end of 2016, Porsche has set itself the goal of having 9.3 percent of the first management level and 8 percent of the second management level made up of women.

For Porsche, placing people at the heart of its corporate culture means not only being an attractive employer, but also being accepted by the community. As a local company that operates internationally, Porsche therefore sees it as its duty to become involved with its community in the fields of social commitment, education and science, culture, and sport. Examples include its “Turbo for talents” program that encourages sport for young people, educational partnerships with local schools and universities, and scholarship programs for outstanding students.

Further details about Porsche's activities in the area of “Employees and Community” can be found on the sustainability microsite:

[newsroom.porsche.com/en/sustainability](https://newsroom.porsche.com/en/sustainability)

## Development of overall workforce



**34 years**

Average age of employees  
in the Leipzig plant

**66**

Nations



**493 employees**  
began their maternity/  
paternity leave in 2015



In the event of emergency care situations, employees  
can take leave for up to **three months** and continue  
to receive **75%** of their gross monthly salary.



Decline in  
rate of injuries

Porsche AG

2014

2015

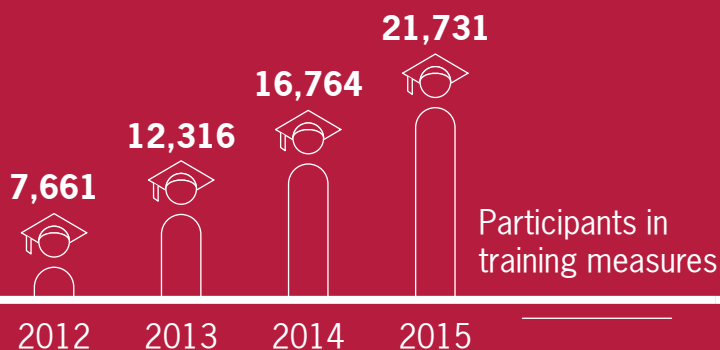
Porsche Leipzig

2014

2015

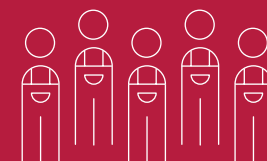


**Megatrend: Societal Changes**



### Ferry Porsche Prize 14th conferment

252 best  
high school graduates in  
Baden-Württemberg in the  
subjects of mathematics,  
physics and technology



## 581

Apprentices  
(Porsche AG + Porsche Leipzig GmbH)

## €30 million

for the construction of the new Training Center  
in Zuffenhausen

## €175,000

raised for social purposes by  
the six-hour employee run  
**3,000 runners**



"Klassik airleben" open air concert with  
Leipzig Gewandhaus Orchestra  
**> 50,000 visitors**



10th Porsche Leipzig  
charity football tournament  
**48 teams**



Total amount of donations made  
**Around €4,600,000**  
UNICEF city partnership Stuttgart  
**€100,000**

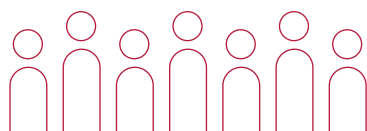


As of 2015

2015

## 7.5 billion

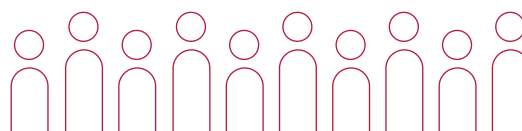
people worldwide



2050

## 10 billion

people worldwide



2050

## -40 million

people in the EU



# Facts and Figures

# Prizes and Awards in 2014 and 2015

	2014	2015
<b>... in the Field of Economics:</b>		
German Sustainable Building Council (DGNB)	DGNB gold pre-certificate for the industrial district "Porsche Plant 4"	
Logistics Innovation Prize 2015		2nd place (logistics web platform concept)
Die Welt Top 500 Award for sustainable growth		1st place (Porsche brand)
<b>... for Our Products (Extract):</b>		
J.D. Power study		
Initial Quality Study (USA) <sup>1)</sup>		
Top rated nameplate	1st place (Porsche brand)	1st place (Porsche brand)
Midsized Premium Sports Car	1st place (911)	1st place (911)
Compact Premium Sports Car	1st place (Boxster)	1st place (Boxster)
Large Premium Car	1st place (Panamera)	3rd place (Panamera)
Midsized Premium SUV	2nd place (Cayenne)	3rd place (Cayenne)
Compact Premium SUV		1st place (Macan)
APEAL Study (USA) <sup>2)</sup>		
Top rated nameplate	1st place (Porsche brand)	1st place (Porsche brand)
Midsized Premium SUV	1st place (Cayenne)	3rd place (Cayenne)
Compact Premium SUV	1st place (Macan)	1st place (Macan)
Compact Premium Sports Car	1st place (Cayman)	1st place (Cayman)
Initial Quality Study (China)		
Top rated luxury nameplates	1st place (Porsche brand)	1st place (Porsche brand)
Midsized Luxury SUV		1st place (Macan)
Best Cars <sup>3)</sup>		
Sports car	1st place (911)	1st place (911)
Cabriolets	1st place (911 Cabriolet)	2nd place (918 Spyder)
All-terrain vehicle/large SUV		1st place (Macan)
South African Car of the Year 2014	1st place (Cayman S)	1st place (Macan S Diesel)
<b>... as an Employer and Social Partner:</b>		
Trendence Employer Ranking <sup>4)</sup>		
Graduate Barometer <sup>5)</sup>	Business: 5th place	Engineering: 3rd place
Young Professional Barometer	4th place	5th place
Student Barometer	6th place	4th place
Universum Employer Ranking <sup>4)</sup>		
Student Survey <sup>5)</sup>	Business: 3rd place	Engineering: 3rd place
Young Professional Survey <sup>5)</sup>	Business: 3rd place	Engineering: 2nd place
Successful diversity – good training for young immigrants <sup>6)</sup>		1st place (Porsche brand)
German Employer Award		2nd place (Porsche brand); "Excellent Employer" award
Total E-Quality		Rating
German-Philippine Chamber of Industry and Commerce		Vocational Training Award (Porsche Training and Recruitment Center Asia)

<sup>1)</sup> The studies by the US market research institute J.D. Power relate to the US market

<sup>2)</sup> Automotive Performance, Execution and Layout Study (APEAL)

<sup>3)</sup> Award from the trade magazine "auto, motor und sport"

<sup>4)</sup> Survey of students/graduates/young employees about the most popular employers

<sup>5)</sup> Survey of students/graduates/young employees with field of study/background in Business, Engineering and IT

<sup>6)</sup> Prize by the Paritätisch Wohlfahrtsverband of Baden-Wuerttemberg (welfare association for parity)



# Sustainability at Porsche in Figures

Where not otherwise specified, all figures presented relate to Porsche AG and Porsche Leipzig GmbH. A detailed depiction of all key figures can be found on the sustainability microsite: [newsroom.porsche.com/en/sustainability](https://newsroom.porsche.com/en/sustainability)




The audited indicators are marked accordingly:

✓ = audited indicator, ✓ = data taken from the audited Porsche Annual Report 2015.

## Economic Key Figures

The figures on deliveries, sales, and finances relate to the Porsche Group (including subsidiaries). The figures regarding donations and suppliers relate to Porsche AG.

Vehicle deliveries	2013	2014	2015
<b>Total</b>	<b>161,982</b>	<b>189,849</b>	<b>225,121</b>
911	30,205	30,510	31,350
918 Spyder	-	301	566
Boxster/Cayman	25,704	23,597	22,663
Cayenne	84,041	65,941	73,119
Macan	-	44,636	80,216
Panamera	22,032	24,864	17,207

Sales in € million ✓		
2013		14,326
2014		17,205
<b>2015</b>		<b>21,533</b>

Finances in € million ✓	2013	2014	2015
Total assets	24,560	26,060	29,143
Equity	9,039	9,599	10,700
Fixed assets	8,539	9,691	11,009
Capital expenditure <sup>1)</sup>	2,236	2,114	2,427
Material costs	8,282	10,405	12,095
Personnel expenses	1,865	2,165	2,605
Depreciation and amortization	1,415	1,878	2,124
Cash flow from operating activities	2,917	3,179	3,843
Operating profit (EBIT)	2,579	2,719	3,404
Earnings before taxes	2,784	3,060	3,382
Earnings after taxes	1,939	2,201	2,335

<sup>1)</sup> Relates to investment in property, plant, and equipment and intangible assets.

Donations made in € million	2013	2014	2015
	around 2.8	around 6.3	around 4.6

#### Headquarters of the suppliers <sup>1)</sup>

##### Suppliers of production materials



##### Suppliers of non-production materials



<sup>1)</sup> Relates to the vendor's invoice address.

## Key Environmental and Energy Figures

The key environmental and energy figures presented were not influenced by the issue of diesel, as they refer exclusively to production processes. In the environmental and energy figures, a distinction is sometimes made between production sites (Stuttgart-Zuffenhausen and Leipzig including administration) and other sites (Weissach and Ludwigsburg).

Direct energy consumption by primary energy source in MWh ✓	2013	2014 <sup>3)</sup>	2015
<b>Total <sup>1)</sup></b>	<b>249,497</b>	<b>250,219</b>	<b>265,915</b>
Production sites	189,793	184,809	199,443
Other sites	48,682	52,585	53,530
Fuel (in liters)	1,281,606	1,491,297	1,504,843
Indirect energy consumption by primary energy source in MWh ✓	2013	2014 <sup>3)</sup>	2015
<b>Total <sup>2)</sup></b>	<b>192,733</b>	<b>263,855</b>	<b>282,369</b>
Production sites	144,327	206,859	222,573
Other sites	48,406	56,996	59,796

<sup>1)</sup> Direct energy consumption is comprised of gas, fuel gas for manufacturing processes, fuel oil for heating, special energy products, and motor fuel.

<sup>2)</sup> Direct energy consumption is comprised of electrical energy and district heating.

<sup>3)</sup> Some of the figures published in the 2014 updated key figures have been corrected.

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**Direct energy consumption in MWh/vehicle** (only Porsche production sites)

2013	<div></div>	1.28
2014 <sup>1)</sup>	<div></div>	0.98
<b>2015</b>	<div></div>	<b>0.96</b>

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**Indirect energy consumption in MWh/vehicle** (only Porsche production sites)

2013	<div></div>	0.97
2014 <sup>1)</sup>	<div></div>	1.09
<b>2015</b>	<div></div>	<b>1.07</b>

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<sup>1)</sup> The relative values for 2014 were adjusted to the amended absolute values.

Emissions in t	2013	2014 <sup>1)</sup>	2015
<b>Direct and indirect THG emissions in t CO<sub>2</sub> equivalent (Scope 1 and 2) ✓</b>			
<b>Total</b>	<b>113,151</b>	<b>136,298</b>	<b>142,261</b>
Production sites	82,335	104,742	110,795
Other sites	30,816	31,556	31,466
Direct THG emissions in t CO <sub>2</sub> equivalent (Scope 1) ✓	46,899	46,903	49,659
Indirect THG emissions in t CO <sub>2</sub> equivalent (Scope 2) ✓	66,252	89,395	92,602
Other indirect THG emissions (Scope 3) <sup>2)</sup>	9,435	6,515	10,650
NO <sub>x</sub> emissions <sup>3)</sup>	38.20	37.98	40.37
SO <sub>x</sub> emissions	0.24	0.25	0.25
Weight of volatile organic compounds (VOC) ✓	49.00	104.08	110.05
Weight of dust emissions	0.26	0.27	0.27

<sup>1)</sup> Some of the figures published in the 2014 updated key figures have been corrected.

<sup>2)</sup> The emissions stated relate to business trips only, that is rail (Porsche AG only) and plane.

A process to calculate Scope 3 emissions in logistics is currently being developed.

<sup>3)</sup> The NO<sub>x</sub> emissions relate exclusively to production processes, not to Porsche vehicles.

Fresh water and waste water in m <sup>3</sup> ✓	2013	2014	2015
Water consumption (drinking water)	365,704	577,950	645,568
Volume of waste water	286,592	515,578	588,050

Waste volume in t ✓	2013	2014	2015
<b>Total</b>	<b>12,760</b>	<b>16,764</b>	<b>18,802</b>
Waste for recycling	11,379	15,468	17,121
Waste for disposal	1,381	1,296	1,681

## Human resources and social key figures

Total workforce ✓		
2013		14,021
2014		16,470
<b>2015</b>		<b>18,236</b>

Employees by region and gender ✓	2013	2014	2015
Number of employees by region			
Baden-Württemberg (Porsche AG)	12,073	13,409	14,569
Saxony (Porsche Leipzig GmbH)	1,948	3,061	3,667
Number of employees by gender			
Female	1,844	2,200	2,483
Male	12,177	14,270	15,753

#### Employee turnover: Proportion of employees who have left the company ✓

2013		0.61%
2014		0.76%
2015		0.60%

Employee turnover is not broken down by age group, gender, or region, as these figures are not important to us as they are not relevant to management. The figure is also calculated excluding short-term employees and those entering retirement and semi-retirement.

#### Participants in further training measures <sup>1)</sup> ✓

	2013	2014	2015
Total number of participants	12,316	16,764	21,731
Female	1,333	2,931	3,768
Male	10,983	13,833	17,963
Breakdown of participants by employee category (in percentage)			
Salaried employees	77.2%	79.4%	85.8%
Employees not subject to collective bargaining agreements and executives	22.8%	20.6%	14.2%

<sup>1)</sup> We do not report on the average further training hours per employee and per year, as this information is not important to us as it is not relevant to management.  
The figures were collected on the reporting dates February 10, 2015 and February 5, 2016.

#### Number of accidents, days lost and fatalities <sup>1)</sup> ✓

	2013	2014	2015
Accidents	136	247	165
Days lost	2,022	2,605	2,542
Fatalities	0	0	0

<sup>1)</sup> The figures were collected on the reporting dates January 15, 2015 and January 14, 2016.

#### Injury rates <sup>1)</sup> ✓

	2013	2014	2015
Porsche AG	7.2	9.4	6.2
Porsche Leipzig GmbH	4.8	16.4	6.7

<sup>1)</sup> Injury rate = accident frequency index; provides information about how frequently accidents at work have occurred relative to total hours worked.  
The underlying calculation formula is the number of accidents at work × 1 million hours / hours worked.



# Further Information

# Emission and Consumption Information

The emission and consumption information shown was collected as part of the legally prescribed NEDC (New European Driving Cycle) and reflects the values determined on the test stand.

Model	Output (kW)	Output (hp)	Fuel consumption urban areas (l/100 km)	Fuel consumption Non-urban areas (l/100 km)	Fuel consumption combined <sup>1)</sup> (l/100 km)	CO <sub>2</sub> emissions combined <sup>1)</sup> (g/km)	Energy efficiency class	Emission standard
718 Boxster	220	300	9.9	6.0	7.4	168	E	EU6
718 Boxster PDK	220	300	9.0	5.7	6.9	158	D	EU6
718 Boxster S	257	350	10.7	6.5	8.1	184	F	EU6
718 Boxster S PDK	257	350	9.5	6.0	7.3	167	E	EU6
Cayman (+Black Edition)	202	275	11.8	6.4	8.4	195	G	EU6
Cayman PDK (+Black Edition)	202	275	10.9	6.2	7.9	183	F	EU6
Cayman S	239	325	12.7	7.1	9.0	211	G	EU6
Cayman S PDK	239	325	11.4	6.3	8.2	190	F	EU6
Cayman GTS	250	340	12.7	7.1	9.0	211	G	EU6
Cayman GTS PDK	250	340	11.4	6.3	8.2	190	F	EU6
Cayman GT4	283	385	14.8	7.8	10.3	238	G	EU6
<b>991 1. Gen.</b>								
911 R	368	500	20.1	9.3	13.3	308	G	EU6
911 GT3	350	475	18.9	8.9	12.4	289	G	EU6
911 GT3 RS	368	500	19.2	8.9	12.7	296	G	EU6
<b>911 (991 II)</b>								
911 Carrera	272	370	11.7	6.3	8.3	190	F	EU6
911 Carrera PDK	272	370	9.9	6.0	7.4	169	D	EU6
911 Carrera S	309	420	12.2	6.6	8.7	199	F	EU6
911 Carrera S PDK	309	420	10.1	6.4	7.7	174	E	EU6
911 Carrera Cabriolet	272	370	11.9	6.5	8.5	195	F	EU6
911 Carrera Cabriolet PDK	272	370	9.9	6.2	7.5	172	D	EU6
911 Carrera S Cabriolet	309	420	12.3	6.7	8.8	202	F	EU6
911 Carrera S Cabriolet PDK	309	420	10.2	6.5	7.8	178	D	EU6
911 Carrera 4	272	370	12.2	6.7	8.7	201	F	EU6
911 Carrera 4 PDK	272	370	10.1	6.3	7.7	177	E	EU6
911 Carrera 4S	309	420	12.4	6.8	8.9	204	F	EU6
911 Carrera 4S PDK	309	420	10.3	6.6	7.9	180	E	EU6
911 Carrera 4 Cabriolet	272	370	12.4	6.9	8.9	206	F	EU6
911 Carrera 4 Cabriolet PDK	272	370	10.3	6.5	7.9	182	D	EU6
911 Carrera 4S Cabriolet	309	420	12.6	6.8	9.0	208	F	EU6
911 Carrera 4S Cabriolet PDK	309	420	10.4	6.7	8.0	184	E	EU6
911 Targa 4	272	370	12.4	6.9	8.9	206	F	EU6
911 Targa 4 PDK	272	370	10.3	6.5	7.9	182	D	EU6
911 Targa 4S	309	420	12.6	6.8	9.0	208	F	EU6
911 Targa 4S PDK	309	420	10.4	6.7	8.0	184	D	EU6
911 Turbo	397	540	11.8	7.5	9.1	212	F	EU6
911 Turbo S	427	580	11.8	7.5	9.1	212	F	EU6
911 Turbo Cabriolet	397	540	12.1	7.6	9.3	216	F	EU6
911 Turbo S Cabriolet	427	580	12.1	7.6	9.3	216	F	EU6

Model	Output (kW)	Output (hp)	Fuel consumption urban areas (l/100 km)	Fuel consumption Non-urban areas (l/100 km)	Fuel consumption combined <sup>1)</sup> (l/100 km)	CO <sub>2</sub> emissions combined <sup>1)</sup> (g/km)	Energy efficiency class	Emission standard
Panamera	228	310	11.4	6.9	8.5	199	D	EU6
Panamera 4	228	310	11.6	7.2	8.8	206	E	EU6
Panamera S	309	420	12.1	7.1	8.9	207	E	EU6
Panamera 4S	309	420	12.4	7.3	9.1	211	E	EU6
Panamera 4S Executive	309	420	12.5	7.4	9.2	213	D	EU6
Panamera GTS	324	440	15.2	7.5	10.3	239	F	EU6
Panamera Turbo	382	520	14.9	7.8	10.4	242	F	EU6
Panamera Turbo Executive	382	520	15.1	7.9	10.5	245	E	EU6
Panamera Turbo S	419	570	14.9	7.8	10.4	242	F	EU6
Panamera Turbo S Executive	419	570	15.1	7.9	10.5	245	E	EU6
Panamera Exclusive Series	419	570	15.1	7.9	10.5	245	E	EU6
Macan	185	252	8.6–8.4 <sup>2)</sup>	6.6–6.4 <sup>2)</sup>	7.4–7.2 <sup>2)</sup>	172–167 <sup>2)</sup>	C	EU6
Macan S	250	340	11.6–11.3 <sup>2)</sup>	7.6–7.3 <sup>2)</sup>	9.0–8.7 <sup>2)</sup>	212–204 <sup>2)</sup>	E–D	EU6
Macan S Diesel	190	258	6.9–6.7 <sup>2)</sup>	5.9–5.7 <sup>2)</sup>	6.3–6.1 <sup>2)</sup>	164–159 <sup>2)</sup>	B	EU6
Macan GTS	265	360	11.8–11.4 <sup>2)</sup>	7.8–7.4 <sup>2)</sup>	9.2–8.8 <sup>2)</sup>	215–207 <sup>2)</sup>	E–D	EU6
Macan Turbo	294	400	11.8–11.5 <sup>2)</sup>	7.8–7.5 <sup>2)</sup>	9.2–8.9 <sup>2)</sup>	216–208 <sup>2)</sup>	E–D	EU6
Cayenne Diesel	193	262	7.8–7.6 <sup>2)</sup>	6.2–6.0 <sup>2)</sup>	6.8–6.6 <sup>2)</sup>	179–173 <sup>2)</sup>	B	EU6
Cayenne S	309	420	13.0–12.4 <sup>2)</sup>	8.0–7.8 <sup>2)</sup>	9.8–9.5 <sup>2)</sup>	229–223 <sup>2)</sup>	E–D	EU6
Cayenne S Diesel	283	385	10.3–10.1 <sup>2)</sup>	7.2–7.0 <sup>2)</sup>	8.2–8.0 <sup>2)</sup>	215–209 <sup>2)</sup>	C	EU6
Cayenne GTS	324	440	13.2–12.9 <sup>2)</sup>	8.3–8.1 <sup>2)</sup>	10.0–9.8 <sup>2)</sup>	234–228 <sup>2)</sup>	E–D	EU6
Cayenne Turbo	382	520	15.9–15.5 <sup>2)</sup>	8.9–8.7 <sup>2)</sup>	11.5–11.2 <sup>2)</sup>	267–261 <sup>2)</sup>	F	EU6
Cayenne Turbo S	419	570	15.9	8.9	11.5	267	F	EU6
<b>Plug-in hybrids</b>								
Model	Output (kW) <sup>3)</sup>	Output (hp) <sup>3)</sup>		Power consumption (kWh/100 km)	Fuel consumption combined <sup>1)</sup> (l/100 km)	CO <sub>2</sub> emissions combined <sup>1)</sup> (g/km)	Energy efficiency class	Emission standard
Cayenne S E-Hybrid	306	416		20.8	3.4	79	A+	EU6
Panamera S E-Hybrid	306	416		16.2	3.1	71	A+	EU6
918 Spyder <sup>4)</sup>	652	887		12.7	3.1	72	A+	EU5
918 Spyder with Weissach package <sup>4)</sup>	652	887		12.7	3.0	70	A+	EU5

<sup>1)</sup> The combined values reflect the total value of consumption and emissions after the amalgamation of urban and non-urban values determined in the NEDC.

<sup>2)</sup> Broad range depending on the set of tires used

<sup>3)</sup> Total system output

<sup>4)</sup> Out of stock

# Independent Practitioner's Limited Assurance Report

## To Dr. Ing. h.c. F. Porsche AG

We have been engaged to perform a limited assurance engagement on the sustainability information marked with "✓" in the Sustainability Report (hereafter the "Sustainability Report") of Dr. Ing. h.c. F. Porsche AG, Stuttgart (hereafter the "Company") for the period 1 January 2014 to 31 December 2015.

### Management's Responsibility

Company's Management is responsible for the preparation and presentation of the Sustainability Report in accordance with the criteria as set out in the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) (hereafter the "GRI-Criteria") and for the selection of the information to be assessed.

This responsibility includes the selection and application of appropriate methods to prepare the Sustainability Report as well as the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the Sustainability Report, which is free of material misstatements due to intentional or unintentional errors.

### Audit Firm's Independence and Quality Control

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

The audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the joint opinion of the Wirtschaftsprüferkammer (Chamber of German Public Auditors; WPK) and the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms ("Gemeinsamen Stellungnahme der WPK und des IDW: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis": "VO 1/2006") – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Practitioner's Responsibility

Our responsibility is to express an opinion on the sustainability information marked with "✓" in the Sustainability Report based on our work performed.

Within the scope of our engagement we did not perform an audit of for example the Company's CO<sub>2</sub> fleet emissions. Neither did we perform an audit on external sources of information or expert opinions, referred to in the Sustainability Report.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" published by IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that the sustainability information marked with "✓" in the Sustainability Report has not been prepared, in all material respects, in accordance with the GRI-Criteria. In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore significantly less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the practitioner's judgement. This includes the assessment of the risks of material misstatements of the sustainability information in the Sustainability Report with regard to the GRI-Criteria.

Within the scope of our work we performed amongst others the following procedures:

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- Inspection of relevant documents and interviews with personnel regarding the materiality process as well as with regard to the generation of the sustainability matrix, including the underlying internal control system
- Inspection of relevant documents and questioning of personnel with respect to selected management approaches as well as data collection and consolidation of selected indicators, including the underlying internal control system
- Conduction of site visits as part of the inspection of data collection and consolidation processes as well as internal control procedures with regard to the selected indicators at:
  - Plant Zuffenhausen, Germany
  - Plant Leipzig, Germany
- Inspection of complementary documents and underlying IT-systems
- Analytical procedures on selected sustainability information of the Sustainability Report
- Comparison of selected sustainability information with corresponding data in the consolidated financial statements and in the group management report
- Assessment of the presentation of selected sustainability information in the Report regarding the sustainability performance

### **Conclusion**

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the sustainability information marked with “✓” in the Sustainability Report of the Company for the period 1 January 2014 to 31 December 2015 has not been prepared, in all material respects, in accordance with the GRI-Criteria.

### **Emphasis of Matter – Recommendations**

Without qualifying our conclusion above, we make the following recommendations for the further development of the Company's sustainability management and sustainability reporting:

- Further extension of the Company's stakeholder management, which serves as a basis for the materiality process, e.g. by intensifying the inclusion of international stakeholders
- Further standardization and formalization of the reporting processes as well as stronger linking of the reporting of indicators with the sustainability strategy and the materiality matrix

### **Restriction on Use and Distribution**

We issue this report on the basis of the engagement agreed with Dr. Ing. h.c. F. Porsche AG. The review has been performed for purposes of Dr. Ing. h.c. F. Porsche AG and is solely intended to inform Dr. Ing. h.c. F. Porsche AG about the results of the review. The report is not intended for any third parties to base any (financial) decision thereon. We do not assume any responsibility towards third parties.

Frankfurt, 10 May 2016

PricewaterhouseCoopers  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft

Michael Conrad  
Wirtschaftsprüfer  
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# Legal Notice

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PORSCHE



## Join The Route

Sustainability compact

# GRI Content Index



This sustainability report takes into consideration the guidelines of the fourth version (G4) of the Global Reporting Initiative (GRI) in conjunction with the “Core” option. A detailed version of the GRI Content Index is available on the Sustainability microsite: [newsroom.porsche.com/en/sustainability](http://newsroom.porsche.com/en/sustainability). The external audit of the sustainability report was performed by the audit firm PricewaterhouseCoopers AG (PwC) in consideration of the International Standard on Assurance Engagement (ISAE) 3000 (revised).

GRI Content Index →

General Standard Information		Level of achievement	Sustainability microsite	Sustainability Report 2015	Annual Report 2015
<b>Strategy and Analysis</b>					
G4-1	Introduction by the Chief Executive Officer	Full		4-5	16-17
G4-2	Key sustainability impacts, risks and opportunities	Full	→ Text (online)	24-25, 32-33, 38-39, 50-51, 56-57, 66-67, 72-73, 84-85	
<b>Company Profile</b>					
G4-3	Name of the company	Full	→ Index (online)	Legal Notice	Legal Notice
G4-4	Brands, products, and services	Full		8-9	43, 48, 136-137
G4-5	Headquarters of the company	Full	→ Index (online)	Legal Notice	Legal Notice
G4-6	Countries where the company operates	Full		8-9	43
G4-7	Ownership structures and legal form	Full	→ Index (online)		
G4-8	Markets	Full		8-9, 34-35	43-47
G4-9	Scale of the company	Full	→ Key figures (online)	34-35, 86-87, 90, 93	123-133
G4-10	Workforce	Full	→ Key figures (online)	86-87, 93-94	68-73
G4-11	Coverage by collective bargaining agreements	Full	→ Index (online)		
G4-12	Description of the supply chain	Full	→ Index/text (online)		120-121
G4-13	Changes during the reporting period	Full	→ Index (online)	8-9	42-49
G4-14	Precautionary principle	Full	→ Index/text (online)	32-33, 50-51, 66-67, 84-85	
G4-15	Support from external charters, principles, and initiatives	Full	→ Index (online)	1	
G4-16	Memberships of associations and interest groups	Full	→ Index/text (online)		
<b>Identified Material Aspects and Boundaries</b>					
G4-17	Entities included in the consolidated annual financial statements	Full	→ Index (online)	9	
G4-18	Report content and implementation of reporting principles	Full	→ Text (online)	10-17	
G4-19	Material aspects identified	Full	→ Text (online)	10-17, 33, 51, 67, 85	
G4-20	Aspect boundaries within the company	Full	→ Text (online)	10-17, 33, 51, 67, 85	
G4-21	Aspect boundaries outside of the company	Full	→ Text (online)	10-17, 33, 51, 67, 85	
G4-22	Restatement of information reported previously	Full	→ Index (online)	1	
G4-23	Changes in the scope and aspect boundaries	Full	→ Index (online)	1	
<b>Stakeholder Engagement</b>					
G4-24	Stakeholder groups engaged	Full	→ Text (online)	13-17	
G4-25	Selection of stakeholders	Full	→ Text (online)	14	
G4-26	Approaches to stakeholder dialog	Full	→ Text (online)	13-16	
G4-27	Results of the stakeholder dialog and response by the company	Full	→ Text (online)	13-17	
<b>Report Profile</b>					
G4-28	Reporting period	Full		1	
G4-29	Date of most recent report	Full		1	
G4-30	Reporting cycle	Full		1	
G4-31	Contact point for questions about the report	Full	→ Index (online)	Legal Notice	
G4-32	“In accordance” option and GRI Content Index	Full	→ Index (online)	100-102	
G4-33	External assurance	Full	→ Text (online)	98-99, 100-102	
<b>Corporate Governance</b>					
G4-34	Governance structure of the company	Full	→ Text (online)	2-3, 10-12	18-19, 134-135
<b>Ethics and Integrity</b>					
G4-56	Values, principles, standards and norms of behavior	Full	→ Index/text (online)	12	

Performance Indicators		Level of achievement	Sustainability microsite	Sustainability Report 2015	Annual Report 2015
<b>Economic</b>					
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EC2	Financial implications and other risks and opportunities due to climate change	Partial	→ Text (online)	38–39, 50–51	
EC3	Coverage of the defined benefit pension plan	Full	→ Index/text (online)		125–133
EC4	Financial assistance received from government	Full	→ Index (online)		
EC5	Ratio of standard entry level wage to local minimum wage	Partial	→ Index (online)		
EC6	Proportion of senior management hired from the local community	Full	→ Index (online)		
EC7	Infrastructure investments and services supported	Full	→ Text (online)	8–9, 34–35, 58–65, 86–87, 91	
EC9	Spending on local suppliers at significant locations of operation	Full	→ Index/key figures (online)		
<b>Environmental</b>					
EN1	Materials used	Full	→ Key figures (online)		
EN3	Energy consumption within the company	Full	→ Key figures (online)	68–69, 91–92	
EN5	Energy intensity	Full	→ Key figures (online)	92	
EN6	Reduction of energy consumption	Partial	→ Text (online)	18–19, 66–69	
EN8	Total water consumption	Full	→ Key figures (online)	68–69, 93	
EN11	Operational sites in protected areas	Full	→ Index/text (online)		
EN12	Impacts of activities in protected areas	Full	→ Index/text (online)		
EN15	Direct greenhouse gas emissions (Scope 1)	Full	→ Index/key figures (online)	92	
EN16	Energy indirect greenhouse gas emissions (Scope 2)	Full	→ Key figures (online)	92	
EN17	Other indirect greenhouse gas emissions (Scope 3)	Full	→ Key figures (online)	92	
EN18	Greenhouse gas emissions intensity	Full	→ Key figures (online)		
EN20	Emissions of ozone-depleting substances	Full	→ Key figures (online)		
EN21	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions	Full	→ Key figures (online)	92	
EN22	Total water discharge	Full	→ Index/key figures (online)	93	
EN23	Waste by type and disposal method	Full	→ Key figures (online)	68–69, 93	
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EN27	Extent of impact mitigation of environmental impacts of products	Full	→ Text (online)	18–19, 36–53	
EN29	Sanctions for non-compliance with environmental laws and regulations	Full	→ Index (online)		
EN30	Environmental impacts of transport and logistics	Full	→ Index/text (online)		
EN31	Environmental protection expenditures and investments	Full	→ Key figures (online)	68–69	
EN32	Screening of suppliers using environmental criteria	Full	→ Key figures (online)	34–35	
EN34	Negative environmental impacts	Full	→ Index (online)		
<b>Labor</b>					
LA1	Total workforce, new hires, and employee turnover	Full	→ Index/key figures (online)	86–87, 93–94	72–73, 126–127
LA3	Return to work and retention rates after parental leave	Full	→ Index/key figures (online)	86–87	
LA4	Minimum notice periods regarding operational changes	Full	→ Index (online)		
LA5	Representation in joint management-worker committees	Partial	→ Index (online)		
LA6	Injuries, lost days, and fatalities	Full	→ Index/key figures (online)	86–87, 94	72
LA7	Incidence and risk of diseases related to occupation	Full	→ Index/text (online)		
LA9	Employee training	Full	→ Index/key figures (online)	86–87, 94	69–70
LA12	Composition of management bodies and breakdown of employees by employee category	Full	→ Index/key figures (online)	93	
LA13	Remuneration structure and salaries	Full	→ Index (online)		
LA14	Screening of suppliers using labor practice criteria	Partial	→ Text (online)		
LA16	Grievances about labor practices	Full	→ Index (online)		
<b>Human Rights</b>					
HR1	Investment agreements that include human rights clauses or that underwent human rights screening	Full	→ Index (online)		
HR3	Incidents of discrimination and corrective actions taken	Full	→ Index (online)		
HR5	Operations with an increased risk of child labor	Full	→ Index (online)		
HR6	Operations with an increased risk of forced labor	Full	→ Index (online)		
HR10	Screening suppliers using human rights criteria	Partial	→ Text (online)		
HR12	Grievances about human rights impacts	Full	→ Index (online)		
<b>Society</b>					
S01	Impacts on the local community	Full	→ Text (online)	20–21, 70–87, 91	
S03	Operations and sites assessed for risks related to corruption	Full	→ Index/text (online)		
S04	Communication and training on anti-corruption	Full	→ Index/key figures (online)	32–33	
S05	Incidents of corruption and actions taken	Full	→ Index (online)		
S06	Political contributions	Full	→ Index/text (online)		
S07	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Full	→ Index (online)		
S08	Sanctions for non-compliance with laws and regulations	Full	→ Index (online)		
S09	Screening of suppliers using criteria for impacts on society	Partial	→ Text (online)		
S011	Grievances about impacts on society	Full	→ Index (online)		
<b>Product Responsibility</b>					
PR1	Assessing products for health and safety impacts	Full	→ Index/text (online)		
PR3	Product information and labeling	Full	→ Index (online)	96–97	136–137
PR5	Results of surveys measuring customer satisfaction	Partial	→ Text (online)	32–34	
PR6	Sale of banned or disputed products	Full	→ Index (online)	4–5, 17, 33, 51	
PR7	Standards in relation to promotion and advertising	Partial	→ Index (online)		
PR8	Complaints regarding breaches of customer privacy	Partial	→ Index/text (online)		
PR9	Sanctions for non-compliance with laws and regulations concerning the provision and use of products and services	Full	→ Index (online)		

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