



Sustainability Report

2013/14



About this report

Sustainability requires transparency. On the basis of this conviction, ŠKODA AUTO has reported regularly on its activities in the field of sustainability every two years since 2007. The most recent report was published on 14 February 2013. Since then, there have been no significant changes in size, structure, ownership or the supply chain of the company. Neither are there any changes in the scope or the aspect boundaries of the sustainability report. Any restatements of information provided in previous reports are indicated and explained in the respective text passages.

The current report follows the internationally recognised guidelines of the Global Reporting Initiative. For the first time, the new version GRI G4 was adopted, which also forms the basis for sustainability reporting by the Volkswagen Group. The ŠKODA Sustainability Report 2013/2014 covers the period from 1 January 2013 to 31 December 2014. The indicators quoted in this report are based on the 2012, 2013 and 2014 financial years.

The data in this report refers to the ŠKODA AUTO Group in its entirety – including subsidiaries in which ŠKODA AUTO holds a majority stake. The Czech mother company ŠKODA AUTO a.s. publishes an annual report. The consolidated financial statements of ŠKODA AUTO Group are incorporated in Volkswagen Group financial reporting. Vehicles and components manufactured by joint ventures or external partners are not reported in the figures. Vehicles and components manufactured by other companies within the Volkswagen Group are included in the sustainability report published by the Volkswagen Group.

The content of this report is based on the materiality analysis conducted by the Volkswagen Group and adapted to reflect the specific circumstances of ŠKODA AUTO. The sources for this content are therefore the Volkswagen Group's standardised IT data management systems – for example, in the areas of Purchasing, Technical Development, Production and Logistics – as well as ŠKODA AUTO's own information systems. The data used for this report is included in the Volkswagen Group's sustainability report, which is subject to external assurance. Therefore, ŠKODA AUTO itself has not sought external assurance for this report. 

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The report is organised as follows: It begins with an overview of general corporate strategy and sustainability management activities at ŠKODA AUTO. The management approach and detailed information on each topic is found in each of the chapters "Economy", "Environment" and "Social Affairs". For easier reading, the key figures and performance indicators are presented together in the second part of the report under "Facts and Figures".

This report concentrates on the main aspects of the materiality analysis. In some places, for better understanding, topicality and transparency, we also report on additional activities. The scope of the report meets the requirements of the GRI-G4 option "core".

 ŠKODA AUTO
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To avoid redundancy as far as possible, we refer in some places to the ŠKODA AUTO Annual Report. These references are indicated with the symbol  and a reference to the relevant passage in the text.

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ŠKODA AUTO has been part of the Volkswagen Group for more than 20 years. Consequently, all Group-wide strategies, guidelines and principles also relate to ŠKODA AUTO. Here, once again, the ŠKODA AUTO Sustainability Report aims to avoid restating information that applies throughout the Group. References to the relevant sections of the Volkswagen Group Sustainability Report are indicated with the symbol  and a reference to the relevant passage in the text in the margin.

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The following symbols are used for additional references to external sources  or to other sections of this report: more information on Economy , Environment  and Social Affairs  can be found in the "Facts & Figures" section.

We are happy to answer any questions about this Report or topics relating to sustainability at ŠKODA AUTO. Send us an email at sustainability@skoda-auto.cz.

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Prof. Dr. h.c. Winfried Vahland
Chairman of the Board of Management
of ŠKODA AUTO

Ladies and Gentlemen,

ŠKODA continues on its path of profitable growth. As a first in our 120-year corporate history, we exceeded the magic mark of one million vehicles sold in a calendar year in 2014, an accomplishment that places us firmly among the ranks of international volume manufacturers.

In the next few years, ŠKODA intends to grow further. We are convinced that long-term growth can only be achieved by companies that assume responsibility for the sustainable development of the economy, the environment and society. In doing so, we also contribute to making Volkswagen Group the world's most successful and most sustainable automotive manufacturer.

This fifth ŠKODA Sustainability Report attests to this ambition, presenting specific activities and measures our company has taken: What have we accomplished so far in terms of an eco-friendly model lineup? How are we implementing a resource-conscious approach in production? What does ŠKODA do for its workforce? How is the company establishing and maintaining stable supplier relationships? Which social commitment projects have we launched?

These and other questions are answered in this report on sustainability at ŠKODA. To make matters as transparent and easy-to-understand as possible, we follow the guidelines of the Global Reporting Initiative (GRI G4).

All our environmental activities are pooled in our GreenFuture strategy, and the results we have achieved so far are quite impressive. Today, in mid-2015, ŠKODA is offering the most environmentally friendly model lineup in its history: A total of 31 ŠKODA models and model variants already emits less than 100 g CO₂/km, and another 103 models less than 120 g CO₂/km. We have also made significant progress in production where the CO₂ emissions per unit produced have gone down by some 44 percent over the past five years, energy and water consumption by more than 20 percent each.

Our approach to sustainability also extends to social responsibility. As the Czech Republic's largest industrial employer, we feel a great responsibility for our workforce. Since 1990, we have increased the permanent headcount at ŠKODA in the Czech Republic from 16,000 to over 25,000 people, and we are particularly concerned with offering professional training to young people. All of our activities build on the fruitful dialogue and constructive collaboration with our social partners, which we also apply to identifying solutions that will allow us to meet requirements of the work world of tomorrow.

The challenges faced by the car industry are gigantic: New technologies, increasingly scarce resources, new customer demands, tightening regulation and new mobility concepts are changing the industry. In such an environment, the importance of acting sustainably is increasing further, which includes supporting social projects as part of our corporate social responsibility agenda.

Discover the ŠKODA path to sustainability. I wish you an interesting and enjoyable read.

Yours



Prof. Dr. h.c. Winfried Vahland
Chairman of the Board of Management



Company overview

ŠKODA AUTO a.s.*

with registered office 293 60 Mladá Boleslav, Tř. Václava Klementa 869, IČO: 00177041,
registered in Commercial Register held by Municipal Court in Prague, Section B, Insert No. 332

ŠKODA AUTO Deutschland GmbH

registered office:
Weiterstadt, Germany
100% holding of
ŠKODA AUTO

ŠKODA AUTO Slovensko, s.r.o.

registered office:
Bratislava, Slovakia
100% holding of
ŠKODA AUTO

Skoda Auto India Private Ltd.

registered office:
Aurangabad, India
100% holding of
ŠKODA AUTO

OOO VOLKSWAGEN Group Rus

registered office:
Kaluga, Russia
16.8% holding of
ŠKODA AUTO

* as at December 31, 2014



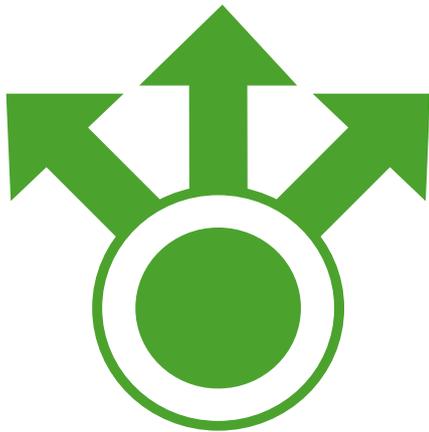
ŠKODA AUTO, based in Mladá Boleslav in the Czech Republic, is one of the world's longest-standing automobile manufacturers. The Company's tradition dates back to 1895, when Václav Laurin and Václav Klement laid the foundation for over 100 years of Czech expertise in automotive engineering.

The ŠKODA brand has been a Volkswagen Group brand for more than 20 years. During this time, the ŠKODA AUTO sales have increased more than fivefold. In 2014, for the first time in the history of the Company, more than one million ŠKODA vehicles were delivered to customers around the world. ŠKODA vehicles are available on all five continents from around 5,300 dealerships in over 100 countries.

Today, ŠKODA AUTO employs more than 25,000 people worldwide. The Company has its own production facilities in the Czech Republic and India, with ŠKODA cars also produced in China, Russia, the Slovak Republic, the Ukraine and Kazakhstan.

This international presence will form the basis for the Company's continued growth over the next few years. The conditions for this are already in place: impressive automobiles, a strong brand, a motivated and capable team and the ability to turn innovations into "Simply clever" customer benefits.

ŠKODA AUTO is one of the Czech Republic's leading companies. It comprises the parent company ŠKODA AUTO a.s., its fully consolidated subsidiaries ŠKODA AUTO Deutschland GmbH, ŠKODA AUTO Slovensko, s.r.o., Skoda Auto India Private Ltd. and shareholdings.



Strategy

Sustainability at ŠKODA AUTO

Stakeholder dialogue

Materiality

Organisation and sustainability management at ŠKODA AUTO

Growth, internationalisation and the biggest model offensive in the Company's history - these are the key elements of the ŠKODA AUTO strategy. Sustainability is both an obligation and a requirement.



Sustainability at ŠKODA AUTO

Sustainable development is both an aspiration and an obligation for ŠKODA AUTO. Based on the firm belief that only companies that act in a responsible manner can be successful over the long term, ŠKODA AUTO is guided by the principle of sustainability and gives equal consideration to economic, social and environmental factors.

We actively embrace our responsibility – towards customers, employees, stakeholders, business partners and the general public. Responsible conduct in all areas and towards all stakeholders is an integral part of the ŠKODA AUTO corporate culture and also plays a central role in company strategy.

International conventions, laws, internal regulations

and ethical standards provide the framework for our actions. The Group's values of "closeness to the customer, superior performance, value creation, renewability, respect, responsibility and sustainability" form the basis for the Company's global activities and are defined in the Code of Conduct for all employees.

Shaping the future together

ŠKODA AUTO has been part of the Volkswagen Group since 1991. The Group aims to be the most successful, most fascinating and most sustainable automobile manufacturer in the world by 2018. To achieve this, the Group has adopted a comprehensive strategy based on long-term, responsible business practices.

Volkswagen Group Strategy 2018 and Sustainability Goals



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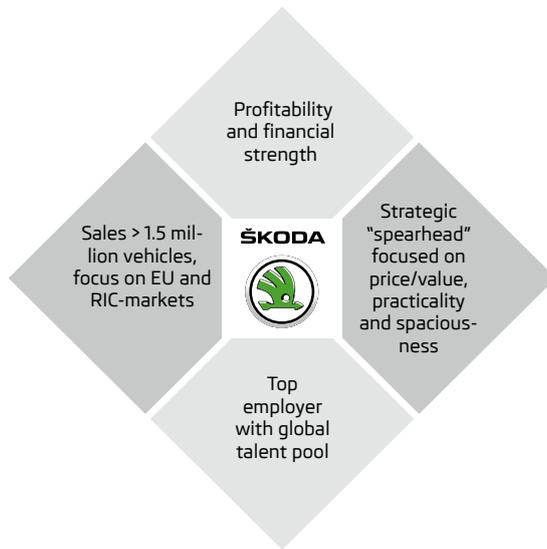
ŠKODA AUTO contributes to fulfilment of the Volkswagen Group's goals and has pursued a comprehensive growth strategy since 2010. Its goal is to increase annual automobile sales to more than 1.5 million vehicles. This growth will be accompanied by substantial expansion of the model line-up, with the Company releasing a new model every six months on average.

In the context of the Volkswagen Group's sustainability strategy, we have therefore defined individual strategies and objectives for each relevant area of activity at ŠKODA AUTO.

Our GreenFuture strategy integrates environmental aspects, with measures at product, production and process level. Sustainability aspects are considered by ŠKODA AUTO through all phases of the product life cycle, guided by various standards, such as ISO 14001 (environmental management) and, since 2013, ISO 50001 (energy management). All investment projects are also evaluated for environmental impact.

As a major employer – particularly within the Czech Republic – we also believe our Company has a special responsibility for its employees, as well as for the society in which we are active. Our human resources strategy also pursues the overarching goal of being the most attractive employer in order to win top talents from around the world for our Company. We also take an active role in society wherever we do business, and produce or sell our cars. ŠKODA AUTO has been socially committed since its beginnings. However since 2013, we have focused our Corporate Social Responsibility (CSR) strategy and set clear priorities. The main focus is on the field of road safety, technical education, barrier-free mobility and support for disadvantaged children. In addition, our regional activities promote employee care and regional support in the vicinity of our production locations, where most of our employees live and where we aim to be a "good neighbour". Our local activities are directed by local working groups that include stakeholder representatives from the community and ŠKODA AUTO representatives. In 2013, ŠKODA AUTO was awarded in the "TOP Responsible Company" competition for its work in the areas of corporate social responsibility, treatment of employees and active cooperation with the community.

ŠKODA Growth Strategy

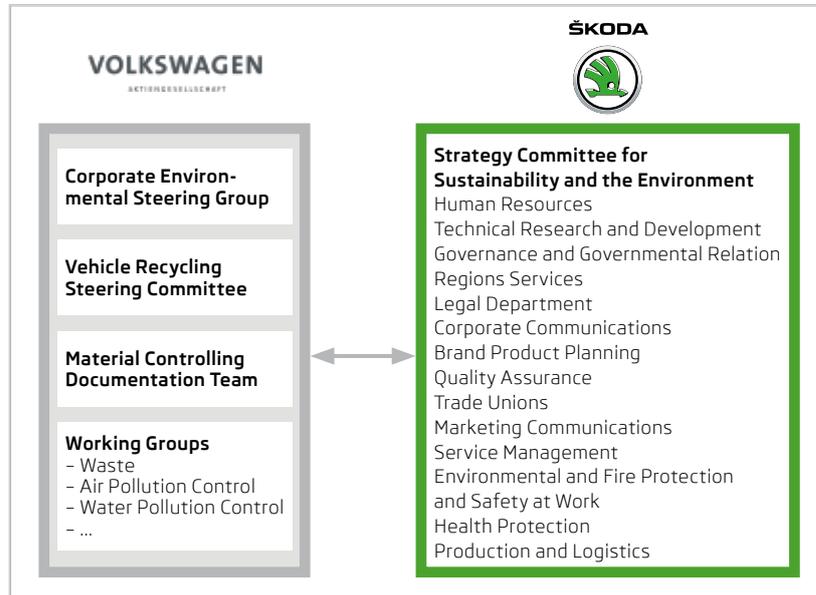


Sustainability lays the foundation for the ŠKODA growth strategy. We firmly believe that the only way to secure long-term success is with the best employees, satisfied customers, responsible use of environmental and financial resources and as an active member of society.



ŠKODA production line in Mladá Boleslav

Strategy Committee for Sustainability and the Environment

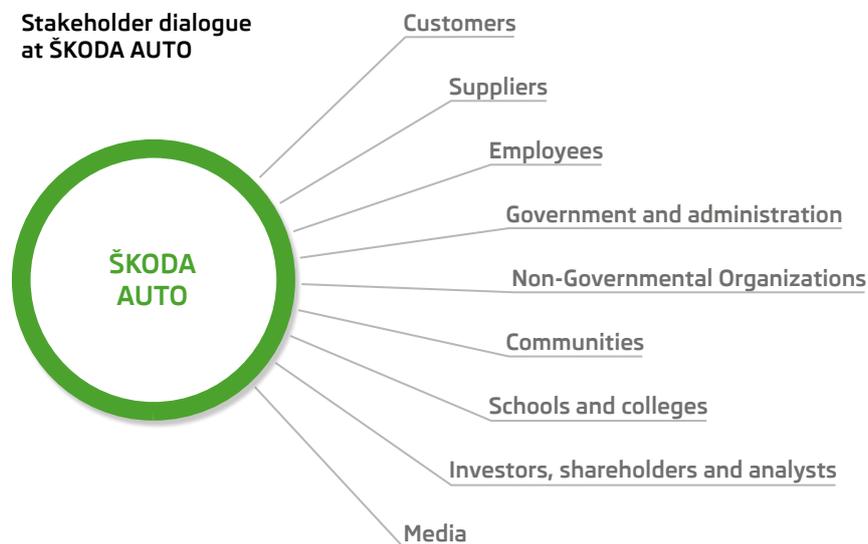


Stakeholder dialogue

Our success depends on long-term, responsible business practices, which benefit everyone from employees and customers, to investors, to the environment and society. To identify the relevant requirements and act accordingly, we have engaged in dialogue with very different stakeholder groups for many years. Activities range from personal discussions to participation in public forums and discussion meetings to seminars and guest lectures at universities.

We are also closely involved in stakeholder dialogue at the Volkswagen Group. As a brand, we are primar-

ily focused on maintaining contact with employees, talents, partners and customers. The corresponding processes come together at Group level, where Group topics are discussed from a broader perspective. This also applies to dialogue with state administration, academics and NGOs. The Volkswagen Group expanded these activities in 2014 with the creation of an international stakeholder panel of 16 representatives from different interest groups, which provides critical feedback on reporting and the coordination of sustainability activities at Group level.



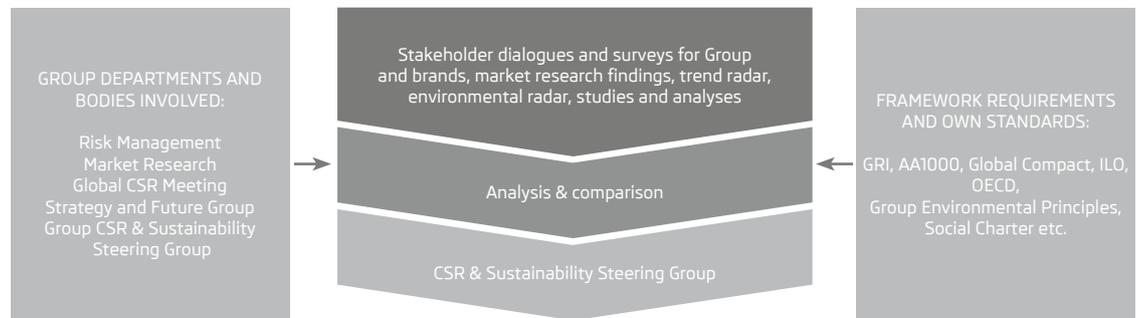


Materiality

In 2014, the Volkswagen Group conducted an extensive materiality analysis to define key areas for its sustainability activities, both at Group and brand level. A four-step process allowed systematic identification of key topics. First, global challenges were extracted from external studies, sector analyses and stakeholder surveys at Group and brand level, as well as internal guidelines, such as the Strategy 2018, the Group environmental strategy or key factors that were identified in the Group Strategy Council. Second, an online-based media screening between September 2013 and August 2014 helped assess the relevance of key topics. Third, key topics were defined, based on the first two steps, and assessed with regard to three criteria: stakeholder expectations, potential contribution to the Volkswagen Group's strategic goals and the difference between those first two criteria. Finally, detailed discussions resulted in the insight that all GRI suggested topics are material for the Volkswagen Group due to its size, its influence and therefore its responsibility.

Overall, sixteen action areas were defined for the Group's economic, social and environmental objectives. These areas were not prioritised, as their relevance is subject to regional and timing differences, as well as personal evaluations. In the view of the Group, sustainable development requires equal consideration of economic, environmental and social interests. Nevertheless, some topics may be more relevant in some areas than in others. For example, the topic of human rights will be more relevant in countries identified as having a higher risk in this area. Furthermore, some topics, such as indigenous rights, may not be relevant at ŠKODA AUTO's operation sites, but only at Volkswagen Group level. The material aspects are relevant for the entire ŠKODA AUTO Group and all its activities and will be further developed in cooperation with the Group through internal processes in 2015. Exceptions are stated explicitly in this report.

Materiality analysis: procedure in the Volkswagen Group



Volkswagen Group's Key Action Areas

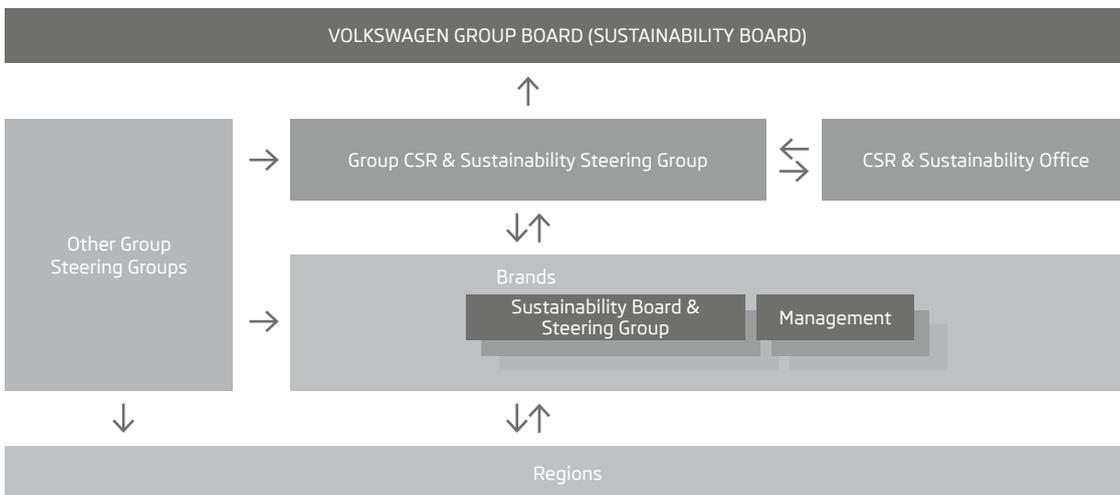


Organisation and sustainability management

The Volkswagen Group has a clear structure for coordination of sustainability and responsibility. The highest sustainability authority is the Group Board of Management (Sustainability Board). It is briefed at least twice a year by the CSR & Sustainability Steering Group on topics relating to corporate responsibility and sustainability and makes key decisions. The CSR & Sustainability Steering Group comprises managers of central Group business areas, the Group Works Council and representatives of the brands and regions. It meets four times a year to decide strategic sustainability targets and approve the Sustainability Report. The CSR & Sustainability Steering Group is assisted by

the CSR & Sustainability Office, which coordinates all sustainability-related activities by the Group and its brands. Its responsibilities include stakeholder dialogue conducted at Group level. There are also a number of different task-oriented project teams, which work on cross-functional topics, such as sustainability reporting and sustainability in supplier relationships. This coordination and working structure is also largely established at ŠKODA AUTO and is being constantly expanded. The highest body at brand level is the Sustainability Board, which also includes representatives of the ŠKODA AUTO Board of Management. The Strategic Committee on Environment and Sus-

Volkswagen Sustainability Organisation



tainable Development (composed of managers from Environment, Social Responsibility and Compliance) as well as CSR Advisory Board (composed of managers from Social Responsibility) briefs the Sustainability Board and submits draft decisions. With sufficient working structures in place, continuous work to further develop the relevant issues is guaranteed. The GreenOffice established as part of the GreenFuture strategy, which coordinates environmental activities at ŠKODA AUTO, is of crucial importance. Topic-based CSR working groups established as part of the CSR strategy, headed by "CSR Coordinators", propose decisions on individual commitments to the CSR Advisory Board.

To take account of specific local conditions, our subsidiaries can also develop their own social commitment strategies in line with ŠKODA AUTO CSR priorities. Guidelines for this are currently in preparation. Skoda Auto India Private Ltd., for example, developed such a strategy in 2014, which is now being implemented. As part of the Volkswagen Group, ŠKODA AUTO shares ideas with the Group and other brands on a regular basis. This exchange takes place within clear structures and at regular meetings, such as the "Group CSR Meeting", attended by CSR & Sustainability Coordinators for all brands and regions once a year since 2009.



Economy

Economic situation of ŠKODA AUTO

Sustainability throughout the supply chain

Sustainability in the retail network

Corporate Governance

Relations with government and political institutions

ŠKODA AUTO is continuing on its successful growth course. Consistent implementation of its growth strategy is bearing fruit. Attractive vehicles in the new ŠKODA design are inspiring new and existing target groups, and the Company appears to be in a stronger economic position than ever before.



Substantial investment in the own future: Together with the Volkswagen Group, ŠKODA has invested around 45 million euros into the expansion of the existing ŠKODA Technology and Development Centre in Mladá Boleslav.

Economic situation of ŠKODA AUTO

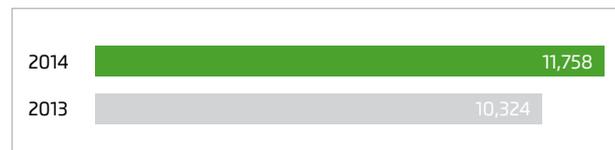
ŠKODA AUTO has accounted for eight per cent of the Czech Republic's total exports for years. At the end of 2014, the ŠKODA AUTO Group employed a workforce of 25,889 employees, making it one of the country's largest private employers.

Since the launch of the ŠKODA growth strategy in 2010, the Company has reported sound development in all areas. The record earnings of 2014 provide impressive proof of the Company's economic strength. We also delivered more than one million ŠKODA vehicles to customers for the first time. With an increase in revenues, higher profit, an improved operating margin and higher net liquidity through further optimisation on the cost side, we are creating the best-possible conditions for continued dynamic growth at ŠKODA AUTO.

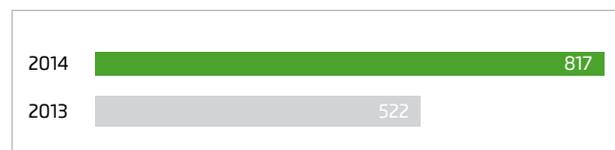
Model offensive

In 2012, ŠKODA AUTO embarked on the most unique model offensive in the Company's history. Eight new or revised models were introduced in 2013 alone, including the new ŠKODA Octavia, for decades the brand's most successful model. 2014 welcomed the third generation of the new ŠKODA Fabia - the new version of another highly successful model. Our model offensive will continue over the coming years, with a new or completely revised model released onto the market, on average, every six months. This will help us achieve our sales goal of delivering more than 1.5 million ŠKODA vehicles per year worldwide.

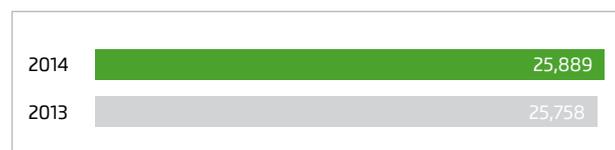
ŠKODA AUTO Group - Sales revenues year-on-year (EUR million)



ŠKODA AUTO Group - Operating profit year-on-year (EUR million)



ŠKODA AUTO Group - Number of employees year-on-year*



* Forwarded figures refer to ŠKODA AUTO, including significant subsidiaries controlled by ŠKODA AUTO a.s. as at 31 December 2014, see company overview on page 6.



ŠKODA cars in demand worldwide

With 5,286 sales and service partners on five continents (as of 31 Dec. 2014), ŠKODA AUTO has a presence in over 100 countries. Besides its core European markets, growth markets in Asia and Eastern Europe are crucial to sales development. China is the largest single market for ŠKODA cars, followed by Germany, Russia, the United Kingdom and the domestic market of the Czech Republic.

Production and logistics as the backbone of the model offensive

ŠKODA AUTO's successful performance is rooted in highly-efficient production. More ŠKODA-brand vehicles were built in 2014 than ever before in the Company's history. A total of 1,049,409 ŠKODA automobiles rolled off the assembly line at the Company's seven production locations worldwide in 2014, 12.6% more than the previous year and another new record. Extensive investment in production and logistics will continue to ensure positive development at ŠKODA AUTO.

In 2013, additional production capacity was created at our home base in Mladá Boleslav, with an investment totalling almost EUR 9 million in state-of-the-art production lines. The same year, our plant in Vrchlabí was

also converted into an ultramodern production facility for the innovative DQ200 dual-clutch transmission and now plays a key role in the Volkswagen Group production network.

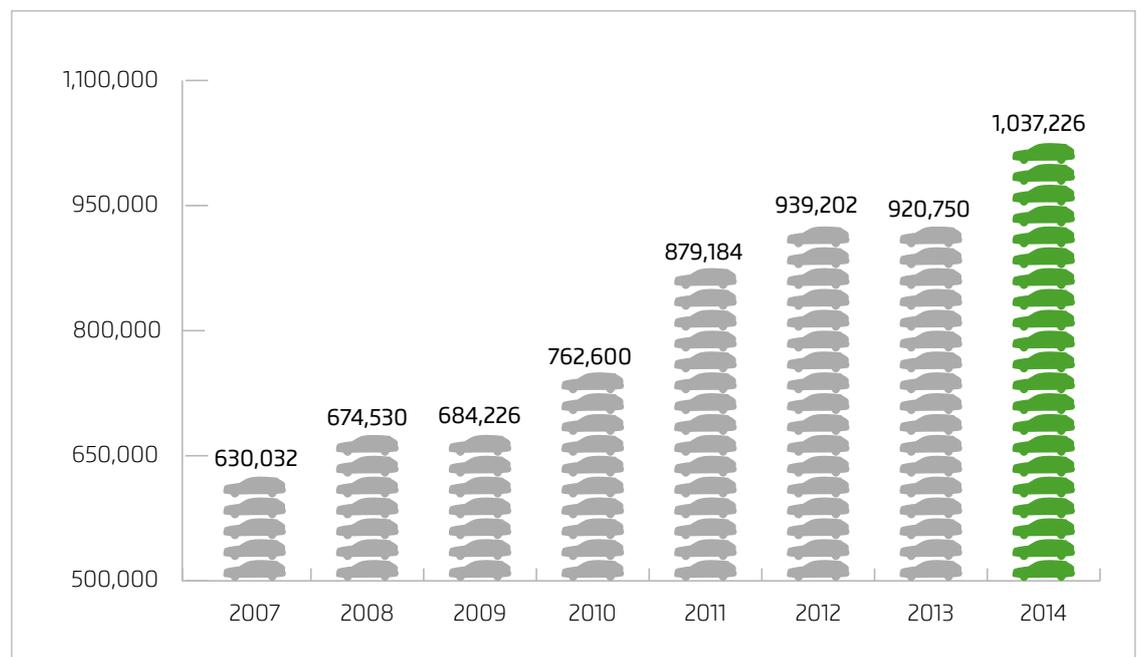
The opening of our new parts centre in Mladá Boleslav expanded our logistics support and added the necessary capacity to increase our global market presence. The new IT centre is also crucial to ŠKODA AUTO's global presence: highly efficient energy-saving high-performance computers process all data traffic for all ŠKODA AUTO and Volkswagen Group production facilities, and for their import companies and retail partners worldwide.

Customer satisfaction

"Clever engineering with a human touch" should be the customer experience in every ŠKODA vehicle. Spaciousness, top-quality workmanship and excellent value for money are characteristic of all ŠKODA models. To deliver this promise, customer satisfaction is top priority for all of the Company's activities.

Customer satisfaction is monitored by way of standardised key performance indicators for all Volkswagen Group brands, such as brand image, desirability, purchase consideration, product quality and communication perceptions.

Deliveries to customers 2007 - 2014





ŠKODA AUTO Service Training Centre in Kosmonosy near Mladá Boleslav: comprehensive training for around 7,500 employees per year.

Global satisfaction studies for all Group brands primarily analyse the areas product, service and dealers. In recent years, ŠKODA significantly improved its satisfaction rating.

Customer service is particularly important in a highly-competitive environment. Customers are invited to participate in regular telephone surveys about their workshop service experience, where they can make suggestions on how to improve service quality.

To enhance service quality, the ŠKODA AUTO Service Training Centre in Kosmonosy near Mladá Boleslav trains a total of around 7,500 employees per year. Service employees from around the world compete every year in the "ŠKODA Service Challenge", which tests theoretical and practical knowledge in all important areas of customer service – initially at national level in the individual markets, then in international competition at the final held once a year.

The importance of customer satisfaction at ŠKODA AUTO is reflected in the Company's warranty policy. ŠKODA offers customers a two-year warranty against all defects in material and workmanship for its new cars. The start of the two-year warranty period is noted in the service log by the manufacturer or authorised ŠKODA sales partner when the new vehicle

is purchased. In addition to this new vehicle warranty, ŠKODA also provides a three-year body warranty against paint flaws and a twelve-year anti-corrosion warranty.

ŠKODA model line-up safer than ever

Passenger safety is top priority for ŠKODA across all vehicle classes, from the zippy ŠKODA Citigo town car to the flagship ŠKODA Superb.

Designers, engineers, design engineers and other specialists are constantly working to enhance the active and passive safety of ŠKODA vehicles, with innovative assistance systems and perfectly matched restraint systems, state-of-the-art chassis technology, high-performance lighting systems and optimised vehicle body structures.

Research into car accidents is a fundamental part of the Volkswagen Group's efforts to systematically minimise safety risks. The findings are used to improve existing vehicles and design new innovative solutions for safer cars at all Volkswagen brands, including ŠKODA. The success of these comprehensive efforts to achieve maximum active and passive vehicle safety is reflected in many ways, including the brand's consistently top rating from Euro NCAP. All ŠKODA model



series achieved the top five-star rating in the highly respected Euro NCAP crash test upon their release. In 2013 the ŠKODA Octavia earned five stars followed by the new ŠKODA Fabia in November 2014 with the identical rating. In previous years, five stars were also awarded to the following models: ŠKODA Rapid (2012), ŠKODA Citigo (2011), ŠKODA Yeti (2009) and ŠKODA Roomster (2006).

The Company is also involved in many different ways to improve road and highway safety as part of its social responsibility.

line-up, based on modules and technology from the Volkswagen Group's modular transverse construction system (MQB). As part of the ŠKODA safety strategy, the brand currently offers the following safety systems in different forms for its model series: front-wheel assistant with "City" Emergency Brake function; Multi-Collision Brake Assistant; Adaptive Cruise Control (ACC); lane departure warning; High Beam Assistant; proactive passenger protection; fatigue recognition; traffic sign recognition and electronic tyre pressure monitoring.

Innovative safety assistants

Safety assistance systems help prevent accidents and mitigate their impact on passengers and others road users. In recent years, a large number of new technologies have been incorporated in the ŠKODA model

Safety package for maximum passive safety

For maximum occupant protection in the event of a collision, all ŠKODA models are equipped with a comprehensive, finely-tuned safety package, which,

■ ŠKODA Fabia – size doesn't matter when it comes to safety

The new ŠKODA Fabia small car underlines the importance of safety systems for ŠKODA. The third model generation offers a whole range of safety innovations previously reserved for higher vehicle segments. This affords the new ŠKODA Fabia a level of safety that is unparalleled in its segment and found in no small car outside the Volkswagen Group.

For the first time, the new ŠKODA Fabia features a front-wheel assistant with integrated "City" Emergency Braking function, as well as Multi-Collision Brake Assist, driver fatigue recognition, speed limiter, Hill Start Assist and electronic tyre pressure monitoring systems.





The new ŠKODA Fabia: Up to six airbags work in conjunction with five three-point seatbelts to protect occupants in a collision.

depending on the model, includes up to nine airbags (Superb, Octavia, Yeti) and height-adjustable three-point seatbelts with pre-tensioner and headrest. Carefully optimised body structures ensure excellent vehicle deformation characteristics in an impact, absorbing as much energy as possible and maintaining the stability of the passenger compartment.

Product and service labelling

As an automobile manufacturer, ŠKODA AUTO is subject to many product and service labelling obligations. For example, we are required to inform and warn users in an appropriate manner of the dangers that may arise from normal use and obvious misuse of our products. We fulfil this obligation by providing user manuals and, in individual cases, warning labels in the vehicle. In Germany, all ŠKODA vehicles for sale are marked with a weight-based efficiency label, which uses the same energy labelling as household appliances, from A+ (very efficient) to G (less efficient). The label also

provides information on fuel consumption, annual fuel costs, CO₂ emissions and CO₂-based annual vehicle tax. Fuel consumption and emissions data for all current ŠKODA models can be found in the "Facts and Figures" section of this report. 🌱

Protection of customer data

Internal Group policies also deal with responsible handling of customer data. Accordingly, we collect, process, and use personal data only to the extent necessary for defined, clear and lawful purposes. We ensure that this data is used in a transparent way and respect the individual's right to information and correction, as well as their right to objection and blocking or deletion of data. Each of our employees is obliged to comply with data protection requirements, as well as statutory and Company rules on information security.

We are not aware of any substantiated complaints regarding breaches of customer privacy or loss of customer data during the reporting period.

 Facts & Figures,
Environment
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Sustainability throughout the supply chain

In 2014, ŠKODA AUTO spent a total of CZK 167.4 billion on purchasing production materials. This represents an annual increase of CZK 26.9 billion. A large proportion of this volume originates in the Czech Republic (49.7%), followed by Germany, which accounts for about a quarter (27.9%) of the production materials purchased.

The total volume of general purchasing reached CZK 28.7 billion, which represents an increase of 2.4% year-on-year. This mainly stems from investments in the ramp-up of new models in Kvasiny.

Overall, the Volkswagen Group seeks to promote local production in major sales markets. On the one hand, this approach brings economic benefits, such as lower logistics costs, procurement prices in line with local market conditions, elimination of import duties and immunity from exchange rate volatility. On the other, it also contributes to regional development: Local production, for instance, creates new jobs in major sales markets – both within the Volkswagen Group and in the surrounding areas.

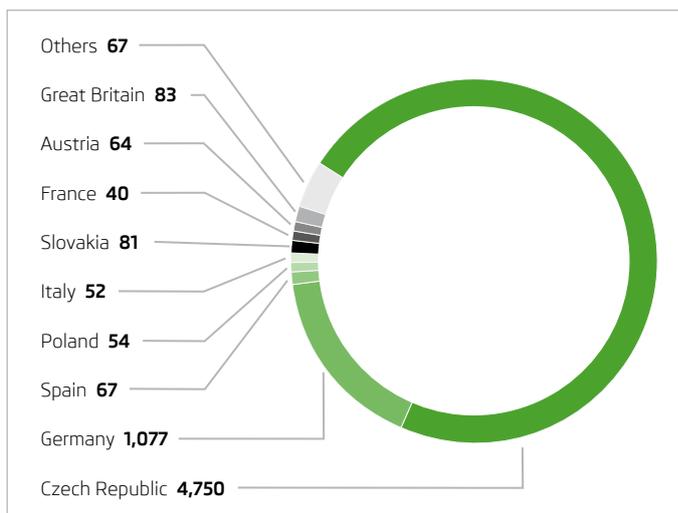
integrated in the procurement process. Applying and monitoring sustainability standards in the supply chain is above all a matter of minimizing risk – preventing potential supply shortages and damage to reputation and ensuring that the quality of the procured supplies and services remains consistent. Both the Volkswagen Group and its suppliers profit from the long-term supplier relationships which result.

The concept, which is based on three main pillars, aims to minimize or prevent negative social, environmental and financial impacts along the supply chain:

- An early warning system that identifies and minimizes risks along the supply chain.
- Contractually mandated integration of the sustainability standards in the procurement process. These must be acknowledged by all suppliers before submitting a quotation on the Group Business Platform. Otherwise it is not possible to submit a quotation.
- Supplier monitoring and development.

Consequently, the concept is an established part of the qualification program at the procurement academies run by the individual locations.

Supplier structure of General Purchasing as at 31.12.2014



To ensure that flows of goods and services remain stable and efficient, in 2006 the Volkswagen Group formulated its Sustainability in Supplier Relations concept and has continued to refine it ever since. Together with traditional priorities such as quality, price and delivery times, the concept has been thoroughly

Sustainability requirements in the supply chain

In its relationships with suppliers, ŠKODA AUTO follows the principles of the Volkswagen Group, which are described in detail in the "Volkswagen Group Requirements regarding Sustainability in its Relationship with Business Partners". This guideline focuses on environmental topics, employee rights, transparency and fairness, as well as clear rules on the strict prohibition of child labour and forced labour. All our suppliers are required to act in accordance with these guidelines and to exploit all potential for improvement.

All suppliers are expected to have functioning environmental management systems; actively address ecological challenges; strive to prevent health and environmental damage; design the manufacture of their products and the necessary processes for as little environmental impact as possible; avoid unnecessary waste; make recycling a priority; and promote vocational and professional training among employees. At the same time, suppliers are obliged to respect their employees' fundamental human rights, combat corruption, advocate fair competition and specifically prohibit child-, forced- and compulsory labour. Before entering a business relationship, potential suppliers must register on the Group Business Platform.

They are then required to complete a Business Partner Check followed by a sustainability questionnaire covering environmental topics as well as human rights, labour practices and compliance. The questionnaire gathers information on the social and environmental measures suppliers have implemented. By December 2014, 15,405 Volkswagen Group suppliers had completed the questionnaire. This covers 87% of the total revenue realised with suppliers.

Suppliers are required to confirm that they have taken note of the Volkswagen Group's sustainability requirements every 12 months. Since November 2013, these requirements have been contractually binding for all suppliers of general procurement and, since January 2014, for all suppliers of production material. Suppliers are also required to forward the sustainability requirements to their sub-contractors.

The Volkswagen Group also requires its main suppliers to adopt an ISO 14001 and/or EMAS-certified environmental management system. The implementation of such a system was checked and documented for 87% of the main suppliers of the Volkswagen Group.

Established standards are subject to regular review and updating by the Volkswagen Group's "Sustainability Procurement Network", in which ŠKODA AUTO is also represented. ŠKODA AUTO has also formed its own team of experts to monitor the corresponding processes in their entirety and optimise them where needed.

Risk analysis and transparency

To assess risks arising from suppliers' compliance with social and environmental standards/requirements - particularly relating to human rights - the Volkswagen Group conducts a country-specific risk analysis.

Secondary data and internal experience are used to create country risk profiles. On this basis, Brazil, India,

China, Mexico and Russia have been identified as high-risk countries for the Volkswagen Group's sustainability requirements. Supplier development, including regular exchange of ideas and training, is therefore a priority in these regions.

The Volkswagen Group is also committed to the Extractive Industries Transparency Initiative (EITI), which fights corruption by making commodity-related cash flows more transparent. As an active member of the UN Global Compact, the Volkswagen Group also promotes transparency in supply chains to reduce armed conflicts related to commodity trading. Self-certification in upstream supply chains is promoted as an effective tool in this area.

Supplier development

In the interests of continuous supplier development, over the course of a business relationship the Volkswagen Group provides all suppliers with an electronic sustainability learning module, which is available in eight languages, including Chinese and Russian. After completing the e-learning module, the supplier performs a self-evaluation. If successful, the supplier has passed. The module can also be used by suppliers to raise awareness among an unlimited number of their employees.

Volkswagen Group sustainability training and workshops are also aimed at intensifying supplier development. Events of this kind were held in Brazil, Argentina, Germany and Poland. In addition, the European Automotive Working Group on Supply Chain Sustainability hosted a Supply Chain Forum in Istanbul in November 2014 to discuss challenges and find solutions for a sustainable supply chain, with a particular focus on social issues. Overall, the Volkswagen Group trained 900 suppliers in 2014.

Performance monitoring and evaluation

An internal system is used to monitor suppliers' sustainability performance. Specific sustainability data is collected about suppliers for an extensive assessment. Where non-compliance with the Volkswagen Group's sustainability requirements is suspected, suppliers are asked to explain and provide detailed information about the issue. The required reports are standardised to include room for explanation of the reasons, as well as measures to be taken. If answers are unsatisfactory, the Sustainability Procurement Network takes appropriate measures, such as checking documents, on-site visits to suppliers or customised training measures. An ad-hoc expert team in Wolfsburg coordinates these measures in collaboration with experts at brand and regional level. If needed, experts from health and safety or human resources departments may also contribute to the process.

The implementation of certified environmental management systems was checked and documented for 87% of the main suppliers.

Corporate Governance

At ŠKODA AUTO, transparency and openness form the basis for communications with all the Company's stakeholder groups – from employees and business partners, media, national and international organisations to the general public. This position is partly the result of the Company's standing in the Czech Republic and within the Volkswagen Group.

In keeping with this status, ŠKODA AUTO has been committed to the recommendations of the Code of Corporate Governance based on the OECD principles since 2007. Through continuous improvement of its internal processes and procedures in accordance with the Code, the Company aims to promote transparency and ethical business practices in the Czech Republic and all over the world. For more information on corporate governance at ŠKODA AUTO and the "Declaration of compliance with the recommendations of the Code of Corporate Governance", please refer to the current Annual Report. 

The internal structure of ŠKODA AUTO is in accordance with the legal framework in the Czech Republic. Volkswagen Finance Luxembourg S.A. is the sole shareholder of ŠKODA AUTO. The ŠKODA AUTO Board of Management, comprising seven members, manages the Company and is therefore responsible also for all sustainability issues. The nine-person Supervisory Board supervises the activity of the company and of its Board of Management. Two members of the Supervisory Board are proposed by trade unions and thus represent the employees of ŠKODA AUTO.

In addition to its corporate values, ŠKODA AUTO bases its actions on a number of international conventions and laws. These primarily address the respective member states, not individual companies. They do, however, constitute important guidelines for the behaviour of an international company like ŠKODA AUTO and its employees.

ŠKODA AUTO therefore abides by the following conventions:

- The Universal Declaration of Human Rights, 1948 (UNO)
- European Convention on Human Rights, 1950
- International Covenant on Economic, Social and Cultural Rights, 1966 (UNO)
- International Covenant on Civil and Political Rights, 1966 (UNO)
- Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, 1977 (ILO)
- ILO Declaration on Fundamental Principles and Rights at Work, 1988
- "Agenda 21" on sustainable development, 1992 (UNO)

- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997
- Principles of the Global Compact for more social and more ecological globalisation, 1999 (UNO)
- OECD Guidelines for Multinational Enterprises, 2000

Code of Conduct

In 2010, ŠKODA AUTO introduced a Code of Conduct to provide all employees and managers in particular with clear guidelines for responsible conduct and to ensure that the Company fulfils its responsibilities as a global automobile manufacturer.

The Code of Conduct is based on international conventions, laws, internal rules and ethical standards, and is derived from the Company's principles, which form the basis for its activities worldwide. It provides all employees with a binding framework for dealing with legal and ethical challenges that may arise in their daily work. It also makes the globally-applicable principles of ŠKODA AUTO transparent to business partners and stakeholders.

Every manager must ensure that employees in his or her area of responsibility are familiar with, and observe, these behavioural principles. The Company's internal audit also verifies compliance with the principles on a case-by-case and random basis. Non-compliance generally leads to appropriate measures under Company and legal regulations, which may include termination of employment and claims for damages.

At ŠKODA AUTO, transparency and openness form the basis for communications with all the Company's stakeholder groups.

The Code of Conduct was updated in 2012 and distributed to all employees of ŠKODA AUTO a.s. In 2013, the Company introduced a mandatory computer-based Code of Conduct training programme for relevant employees and Board Members, which is supplemented by personal training sessions and workshops on key content organised for various company depart-





Economy Economic situation of ŠKODA AUTO
Sustainability throughout the supply chain
Sustainability in the retail network
Corporate Governance
Relations with government and political institutions

ments on an on-going basis. Approximately 99% of employees have already completed the Code of Conduct computer-based training, which also includes human rights training.

Compliance

In 2011, ŠKODA AUTO combined its risk management, compliance and corporate governance activities to form the Governance, Risk & Compliance department. One of the department's main responsibilities is to advise the Company in all compliance-related matters and to establish and coordinate the respective activities of the Compliance Management System, including preventative measures and related mechanisms within the Company.

Additional information on the organisational structure, the Company's internal control processes and risk management can be found in the current Annual Report.

Business at ŠKODA AUTO, like all international companies, is subject to many different foreign and domestic jurisdictions – in particular, legal requirements relating to development, production and distribution; taxation,

customers, employees and investors and may result in payment or other obligations for the Company. Where manageable and economically viable, adequate insurance cover is provided for these risks and appropriate provisions made for the remaining identifiable risks.

The Company does not believe, therefore, that these risks will have a sustained impact on the economic position of ŠKODA AUTO. However, as certain risks cannot be assessed or can only be assessed to a limited extent, the possibility of loss or damage not being covered by the insured amounts and provisions cannot be ruled out. Any significant risks arising for ŠKODA AUTO or the Volkswagen Group in this connection are reported in the Volkswagen Group Annual Report. Further information may be found in the Risks and Opportunities Report in the latest ŠKODA AUTO and Volkswagen Group Annual Reports.

In accordance with the applicable legislation, ŠKODA AUTO publishes all relevant information on its financial and operational business activities, its shareholder structure and all other important topics. All relevant information is prepared and published in accordance with accounting standards and standards for the disclosure of financial and non-financial information. In addition to the above, in many areas, the scope of the information released goes far beyond what is legally required. The Company publishes regular Annual Reports in accordance with internationally recognised accounting and reporting standards. These reports provide a detailed account of the Company's economic and financial situation.

Corruption prevention

Other important elements of Compliance Management System at ŠKODA AUTO are anti-corruption, preventing conflicts of interest and the Company's commitment to the principles of fair competition.

We support national and international efforts to prevent bribery and corruption and strongly reject any form of anti-competitive conduct or distortion of competition. It is important for us to avoid conflicts of interest between employees' private interests and those of the Company. To prevent such conflicts from occurring, binding internal rules of conduct were established for topics such as the giving and receiving of gifts, extending and accepting business invitations and dealing with corporate hospitality.

From their very first day at ŠKODA AUTO, employees are educated about the Company's approach to compliance and anti-corruption. In addition, approximately 99% of all relevant ŠKODA AUTO employees have completed computer-based corruption prevention training. This training is mandatory for all relevant employees and Board Members. A wide range of additional training programmes was implemented, in-

From their very first day at ŠKODA AUTO, employees are educated about the Company's approach to compliance and anti-corruption.

company, commercial and capital market law; competition and antitrust law; foreign trade law; and labour, banking, state aid, energy and insurance regulations. Compliance with these regulations is one of the most fundamental principles for our Company. As part of the Volkswagen Group, we adopt a preventive approach to compliance and strive to create a corporate culture that raises employee awareness and educates staff to exclude potential violations of the law to the maximum extent. In addition, the email address "compliance@skoda-auto.cz" serves as a further channel that employees or third parties can use in order to ask questions related to Compliance.

Despite these measures, it is not entirely possible for ŠKODA AUTO to avoid legal disputes and official proceedings at national and international level in the course of its operating activities. In particular, such proceedings may occur in relation to suppliers, dealers,

cluding classroom seminars, individual anti-corruption training at subsidiaries and individual competition and anti-trust law training. In addition to the above, we continue to provide face-to-face training and workshops for various Company departments.

ŠKODA AUTO a.s. has also adopted the "Ombudsman system" employed by the Volkswagen Group. Any employee, business partner or third party may contact one of two independent ombudsmen, who pass the information on to the Company for further investigation after initial verification. The name of the informant is only released with his or her consent.

The Anti-Corruption Officer of the Volkswagen Group is part of this system, and is the internal contact for all corruption-related issues throughout the entire Group. To avoid potential conflicts of interest, all employees and the Board of Management are obliged by internal regulations to inform the Company in writing of any existing or potential conflicting interests.

Commitment to fair competition

In accordance with the Volkswagen Group's Code of Conduct, ŠKODA AUTO is committed to fair treatment of its business partners and third parties, supporting fair and undistorted competition in compliance with the law. This is also expected from our business partners.

Every employee is required to observe the rules of competition and anti-trust law. This also prohibits agreements with competitors on pricing or capacity. Non-compete agreements with business partners and third parties, agreements to submit cover bids or

allocate customers, areas or production programmes are also prohibited, along with improper preference or exclusion of contractual partners.

Grievance mechanisms

As a part of the Volkswagen Group, ŠKODA AUTO is integrated in the Group's Internal Audit system. In addition, a worldwide ombudsman system has been in place at Group level since 2006. This can be used to report corruption, fraudulent activities or other serious irregularities (such as human rights violations or ethical misconduct) in ten different languages to two external lawyers appointed by the Volkswagen Group on a confidential basis. As of December 2014, there is also the option of using an additional online channel to communicate with the ombudsmen. A technically-secure digital mailbox allows suspected breaches to be reported – anonymously, if so desired. This system is open to both internal and external stakeholders of ŠKODA AUTO. The reported incidents are collected and processed at Group level and thus form part of the Group's sustainability reporting.

In addition, the email address "sustainability@skoda-auto.com" serves as a further channel through which stakeholders can voice their concerns regarding labour practices, environmental issues, human rights, impact on society or other topics that relate to sustainability at the Company. The further processing of requests depends on their nature and may range from direct implementation to more complex decision-making requiring the involvement of Board Members.



Relations with government and political institutions

The size and economic significance of ŠKODA AUTO make healthy, stable relations with political organisations and public administrations and organisations essential, especially at our locations in the Czech Republic. It is important for us to seek and practise open dialogue with political and public institutions, to share our expertise and comment on relevant issues – not only in the interests of the Company itself, but also to allow others to benefit from this exchange of opinions. However, ŠKODA AUTO refuses to participate in

concrete political discussions or exert any direct influence on political decisions. During the reporting period, ŠKODA AUTO did not make any political contributions. As a member of various industry and automotive interest groups, we embrace our responsibility as one of the Czech Republic's leading companies and strive to contribute to the country's positive economic and political development. In all activities with political or public relevance, we observe the applicable ethics and compliance rules for the Company.

Strategic membership of industry and business association (selection)

- Confederation of Industry of the Czech Republic (Svaz průmyslu a dopravy ČR)
- Czech Chamber of Commerce (Hospodářská komora ČR)
- Automotive Industry Association (Sdružení automobilového průmyslu)
- Czech-German Chamber of Industry and Commerce (Česko-německá obchodní a průmyslová komora)
- Czech-Israeli Chamber of Commerce (Česko - Izraelská smíšená obchodní komora)
- ICC - International Chamber of Commerce (Mezinárodní obchodní komora)
- Czech Institute of Directors (Institut správních orgánů)
- Business for Society (Byznys pro společnost)
- Association for Transport Telematics of the Czech Republic (Sdružení pro dopravní telematiku ČR)
- Czech-Chinese Chamber for Mutual Cooperation (Smíšená česko-čínská komora vzájemné spolupráce)
- Car Importer Association (SDA)
- Czech Gas Association (Český plynárenský svaz)
- Chamber of Trade and Industry for CIS Countries (Komora pro hospodářské styky s SNS)

Participation in governmental advisory bodies

- Expert group of Ministry of Industry and Trade for automotive industry (Poradní skupina Ministerstva průmyslu a obchodu k automobilovému průmyslu)
- Regional Tripartite of Central Bohemian Region (Regionální tripartita Středočeského kraje)
- Regional Tripartite of Hradec Králové Region (Regionální tripartita Královéhradeckého kraje)
- Governmental Council for Research, Development and Innovation (Rada vlády pro Výzkum a Vývoj a Inovace)

ŠKODA AUTO representatives at scientific institutions

- Czech Technical University Prague (ČVUT Praha)
- Technical University Brno (VUT Brno)
- School of Mechatronics, Technical University Liberec
- Academy of Arts, Architecture and Design in Prague
- Academic council of University of Economics, Prague (Akademická rada Vysoké školy ekonomické v Praze)
- University of Jan Evangelista Purkyně (Univerzita Jana Evangelisty Purkyně v Ústí nad Labem)
- ŠKODA AUTO University (ŠKODA AUTO Vysoká škola)
- Czech University of Life Sciences in Prague (Česká zemědělská univerzita v Praze)



View over the city of Mladá Boleslav

Public funds for securing the continued positive development of the Company

ŠKODA AUTO received public funds for developing relevant areas of the Company, in particular, environmental protection and employee development.

In 2013, the Company received total public funds worth CZK 75.6 million, which it used for building and equipping additional training centres, energy-saving measures in production, research, development and training programmes.

In 2014, ŠKODA AUTO received public funding of CZK 55.9 million. This money was used to continue, and largely complete, projects from 2013. National and

European Union funding is also used for many non-investment-related educational and vocational training projects with ŠKODA AUTO as partner – including pre-schools and secondary schools, as well as universities and research and development institutions.

Apart from public funding, ŠKODA AUTO supports various regions to ensure proper investment in the development of the public infrastructure (transportation infrastructure, housing, etc.). In recognition of ŠKODA AUTO's investment, the government approved an investment in the public infrastructure in Vrchlabí and Mladá Boleslav amounting CZK 1,416 billion.



Environment

Group environmental management

GreenFuture - environmental management at ŠKODA AUTO

GreenFactory - environmental protection in production

GreenProduct - eco-friendly vehicles for sustainable mobility

GreenRetail - eco-friendly dealerships and service workshops

Responsibility towards the environment defines the actions of ŠKODA AUTO - from vehicle development through production to recycling.



Group environmental management

As part of the Volkswagen Group, ŠKODA AUTO is bound by the Group's environmental strategy and strives to reach the associated targets defined in four target areas: "Top in intelligent mobility", "Leaders in eco-friendly products", "Top in lifecycle-based resource conservation" and "Consistent anchoring throughout the company".

Implementation of the corresponding measures is based on Group Environmental Principles Product and Group Environmental Principles Production. For example, the Group Environmental Principles Product state that over its entire lifecycle, every new vehicle model should exhibit superior environmental characteristics to its predecessor.

Accordingly, vehicle production will also become more environmentally-compatible across the Group, with an improvement of 25% between 2010 and 2018. In concrete terms, this requires lower energy and water consumption, waste, and in CO₂ and solvent (VOC) emissions per vehicle.

Resource efficiency is a key strategic priority at the Volkswagen Group. Products are designed with the aim of utilising as few natural resources as possible throughout the product life cycle. This helps reduce environmental impact, as well as production costs. The Volkswagen Group's resource efficiency activities focus on raw materials, energy, water, air and soil. Fur-

thermore, the Group orients itself to the recommendations of the European Resource Efficiency Platform of the European Union. Resource efficiency concerns all parts of the Volkswagen Group. The different business units and brands contribute to the topic by measuring and managing specific indicators. Systematic planning and implementation is coordinated by the Corporate Resource Efficiency Steering Group, which is composed of representatives from different business units and brands. Currently, the steering group is working on a methodology to improve the measurability of resource efficiency through specific indicators. As resource efficiency is often interpreted in a broad sense and may include various environmental issues, the Volkswagen Group faces the challenge of developing indicators that grasp the topic concisely and allow decision makers to manage it adequately. In parallel, best-practice examples in the area of resource efficiency are currently being collected and will be made available to the different business units and brands.

The updated VW98000 standard came into effect in November 2013, setting out the methodology for verifying environmental indicators. Five new performance indicators were developed specifically for energy and water consumption, waste and emissions. They will serve as a benchmark for fulfilment of the defined Volkswagen Group targets. The new Group standard



Environment Group environmental management
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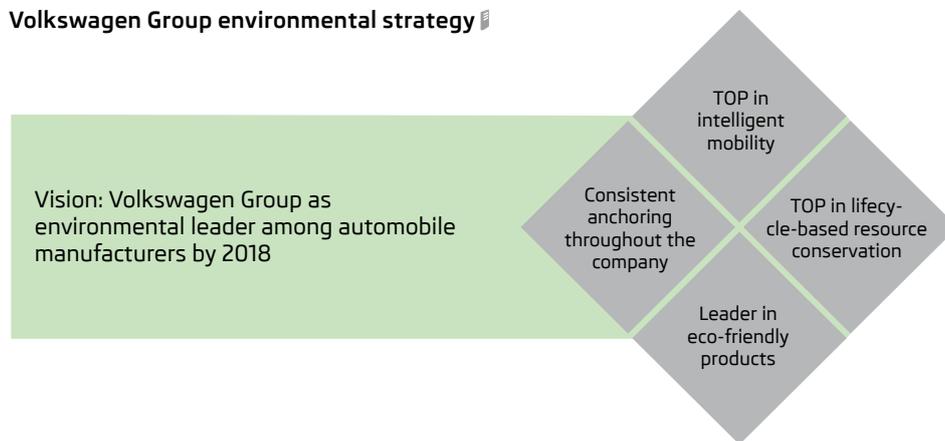
also takes account of changes in national and international legislation.

Group-wide environmental management drives worldwide implementation of the Volkswagen environmental strategy, ensuring that all aspects of environmental sustainability are directly integrated into the Group's environmental policy. Efficient Group-wide environmental controlling supports these activities and provides a yardstick for measuring progress across the Volkswagen Group.

The Group Environmental & Energy Steering Committee

and the Group CO₂ Steering Committee are made up of environment and sustainability experts, together with decision-makers from all relevant brands and areas. Both steering groups report directly to the Board of Management. Regular environmental conferences at Group level create additional platforms for sharing information and experience between the Group's different brands and companies. At all levels, ŠKODA AUTO experts contribute their know-how to Group-wide exchange, present best-practice solutions and, at the same time, gather input for their own work.

Volkswagen Group environmental strategy



GreenFuture - Environmental management at ŠKODA AUTO

Efficient vehicles, sustainable production and eco-friendly retail and customer service are the goals of the GreenFuture strategy introduced by ŠKODA AUTO in 2012. We have launched extensive measures through which ŠKODA AUTO also contributes to the ambitious goals of the Volkswagen Group's Environmental Strategy.

GreenFuture combines all our environmental activities under one roof supported by the three pillars of GreenFactory, GreenProduct and GreenRetail, each with its own specific targets.

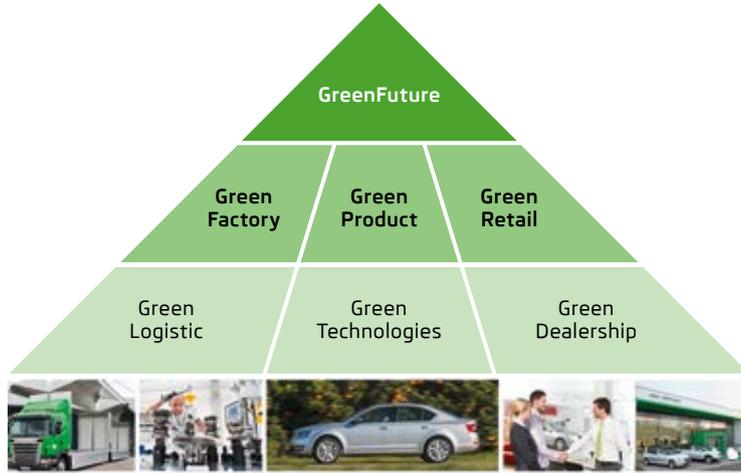
In this way, GreenFactory aims to make ŠKODA production 25% more environmentally-compatible by 2018 than in 2010, focusing in particular on variables such as energy and water consumption and waste generated per vehicle produced, as well as emissions, such as

CO₂ and so-called volatile organic compounds (VOC), released, for example, from painting of bodywork.

GreenProduct focuses on sustainable mobility, which, for the most part, currently means environmentally-friendly CNG-powered G-TEC models, as well as GreenLine and Green tec models. ŠKODA AUTO gathered extensive research data in the field of zero-emission mobility with a test fleet of ten electric Octavia Green E Line vehicles in 2012 and 2013. The Company is also closely involved in the corresponding Volkswagen Group activities.

The entire model line-up benefits from the increasing use of the latest technologies for fuel efficiency and lower environmental impact. As a result, the CO₂ emissions of ŠKODA cars are steadily decreasing. At the end of 2014, there were 103 ŠKODA models and

ŠKODA AUTO's GreenFuture Strategy

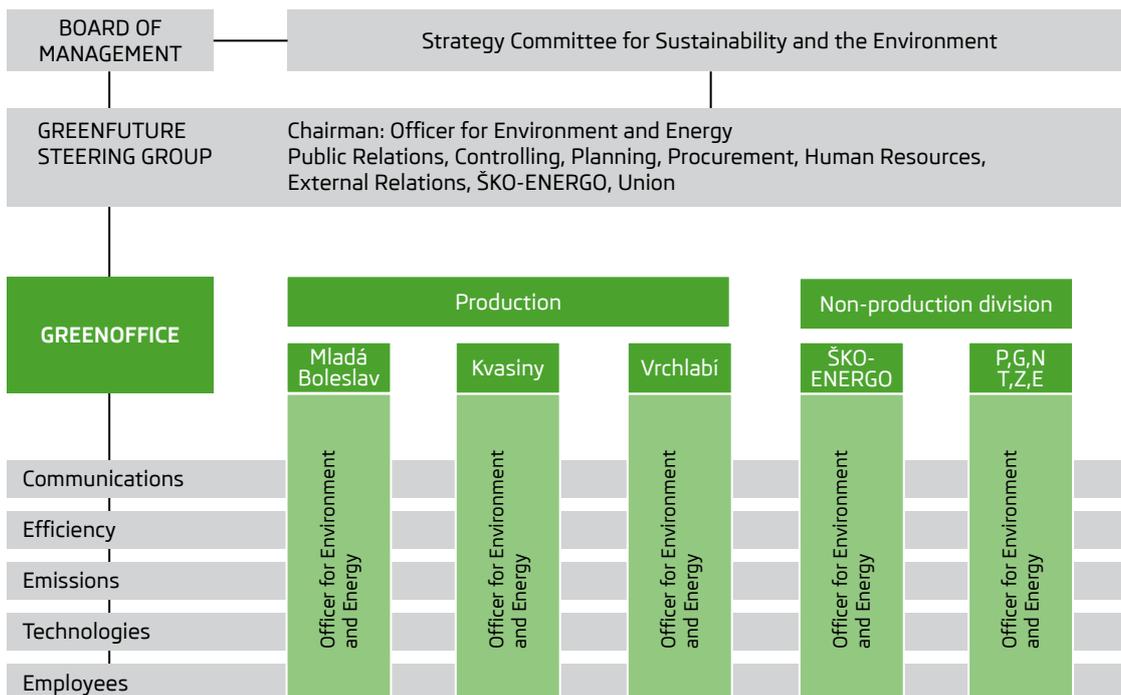


model variants with emissions below 120g CO₂/km in its line-up, including 31 with emissions of less than 100g CO₂/km. All new ŠKODA vehicles are also at least 85% recyclable.

GreenRetail aims to promote environmentally-compatible dealerships and workshops. This includes so-called environmental audits to verify compliance with environmental standards; recognition of dealers with

the Environmental Certificate (formerly "Green Seal of Approval"); and initiatives such as "spring cleaning 2012", which cleared around 95 tons of unusable and rejected material from service partners' warehouses in the Czech Republic and recycled almost 90%. A completely new approach for waste management in the service network is currently in preparation.

GreenFuture organisation





Environment Group environmental management
 GreenFuture – environmental management at ŠKODA AUTO
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 GreenRetail – eco-friendly dealerships and service workshops

■ Employees get involved



ŠKODA employees can also get involved in environmental protection in their free time: Since 2007, ŠKODA AUTO has planted a tree for every ŠKODA vehicle sold in the Czech Republic. As a result, around 480,000 trees have so far been planted – with additional 60,042 cuttings planted in 2014. The Company's idea management project Z.E.B.R.A. also has a separate category for employee ideas to promote sustainability at the Company.

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GreenFactory – environmental protection in production

It is our obligation as a responsible company to minimise the environmental impact of vehicle production. All legal requirements are fulfilled, and new, stricter standards promptly complied with. Continuous improvements in environmental protection are entrenched in corporate policy and strategy. To achieve this, we use the best available technologies across the Company and constantly work to reduce energy consumption.

Rigorous implementation of these principles is regularly monitored and confirmed by the corresponding certification – such as environmental management standard ISO 14001:2004, which was confirmed in 2014. ŠKODA's main plant in Mladá Boleslav also received ISO 50001 certification for energy management for the first time in 2013. This certification was extended for all plants in the Czech Republic in 2014.

Our activities are also recognised by external sources – for example in October 2013, ŠKODA AUTO received the "Business Project of the Year" award in the category "renewable energies" from CzechInvest, a Czech business and investment development agency. The award recognises the combined heat and power plant at ŠKODA AUTO's Kvasiny site, which was commissioned in July 2013 and saves around 8,000 tons (10%) of CO₂ per year. A total of EUR 3 million was invested

for this purpose, of which two thirds was provided by ŠKODA AUTO and one third originated from the European Union.

Protection against air pollution

ŠKODA AUTO conducted a survey of all equipment using potentially ozone-depleting substances back in 2005. In accordance with European law, these substances are gradually being replaced by other refrigerants.

All the Company's air emission sources were within statutory emission limits during the period under review. 82% of the pollutants released into the air are volatile organic compounds (VOCs), the majority (97%) from the paint shops. These facilities use mainly water-soluble paints, and most of the VOCs produced are mixed with natural gas and burned. The heat released is used for heating purposes. In recent years, optimisation of painting processes has kept VOC emissions well below the legal limits – irrespective of the number of car bodies painted. As a result, less than 21 grams of VOC were released per square metre of painted area in 2014 – well within the current legal limit of 45 grams.

To lower direct CO₂ emissions, we are relying on an overall reduction in energy consumption, measures such as heat recovery in air conditioning and painting systems, and insulation of buildings. To further reduce

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indirect CO₂ emissions, we are also obtaining more electricity from renewable sources and using energy from biomass combustion. 🌱

Water consumption and groundwater protection

Water management is an integral part of environmental management at ŠKODA AUTO, as documented this year by the Company's signing of the "Company and Water 2014+" ("Firmy a voda 2014+") declaration. Two of the most important challenges for environmental management at ŠKODA AUTO are to limit water consumption to the lowest possible level and discharge industrial water back into natural circulation with the minimum environmental impact. Reduction of water consumption and wastewater volume per vehicle produced confirm the success of these efforts. Wastewater quality is also considerably higher than legally required.

An important water-saving measure was implemented in Mladá Boleslav in August 2014. ŠKODA AUTO checks and evaluates the properties of all its materials and components, as well as whole vehicles, in a special lab that is part of ŠKODA AUTO's Quality Department. Within this lab, a new system was installed to cool the labs seven climate control chambers, which perform stress tests on components (from -20 to 150 °C), while keeping the relative humidity parameters in line with requirements set by relevant test standards. All these processes involve equipment cooling operations and therefore considerable consumption of cooling water. With the new system, a water/air exchanger on the roof provides cold water, which then removes heat generated in the course of the test operations. This measure saves about 40 m³ of water/day compared with the previous system.

Wastewater is discharged separately and treated according to the degree of contamination. Pre-treatment of industrial wastewater is always performed in several stages in compliance with legal requirements – directly at source, in special systems at ŠKO-ENERGO or in municipal biological effluent treatment plants.

In 2013, recycled water was calculated as a percentage of total water consumption for the Company's Czech locations for the first time. A total of 402,332 m³ – 29.5% of total water consumption – was recycled and returned to the system in 2014.

The surrounding bodies of water are not substantially affected by withdrawal of water, since all three of ŠKODA AUTO's Czech production locations are supplied for the most part with surface water from rivers. In Mladá Boleslav, industrial water is taken from the Jizera River and in Vrchlabí from the Elbe. Both rivers always have sufficiently high levels, so withdrawal produces no negative impact. The industrial water used in

Kvasiny originates from the Bělá River. As a precaution, deep bore holes have been drilled here to safeguard supplies when water levels are low. Drinking water is supplied by external companies and waterworks with sources of sufficient capacity.

Substances that pose a danger to groundwater are used exclusively at ŠKODA in rooms and systems fitted with the appropriate technical safeguards. Safe operation is guaranteed by emergency plans and anti-leak equipment installed inside the rooms.

In 2013 and 2014, no harmful substances leaked outside the factory premises. Only minor leakage of oil from trucks occurred on paved surfaces, which was removed in a timely manner, thereby avoiding penetration into the soil, groundwater, sewerage or other environmental elements.

Waste management

Processes are designed according to the principle of "prevention, then recovery, then disposal", which prevents waste and keeps the volume of waste as low as possible. Reducing hazardous waste and waste with dangerous properties is a priority. Once all recycling possibilities have been exhausted, the remaining waste is disposed of in an environmentally-sound manner. Rigorous implementation of this principle has steadily reduced the volume of waste per vehicle produced in recent years.

The specific waste production (excluding metal and non-productive waste) per car has been reduced from 28.7 kg in 2010 to 17.4 kg in 2013 to 16.7 kg in 2014. Only a small percentage of the total waste volume generated during the period under review was disposed of in landfills or incinerators (2013: 6.8%; 2014: 7.3%). Most waste, including metals, was recycled. This applies in particular to glass, paper, waste oil, solvents, wire and electronic waste. The overall goal for the entire Volkswagen Group is to achieve a recycling rate of more than 80%. 🌱

State-of-the-art technologies lower energy consumption

To further reduce the energy required for production, ŠKODA AUTO uses the most energy-efficient technologies available wherever it is economically viable to do so. A good example of this is the energy-efficient PXL servo press system commissioned in 2013 at the Mladá Boleslav plant. The energy released from stamping large parts is stored and reused. In continuous operation, this uses 15% less energy than conventional press lines. ŠKODA is the first brand in the Volkswagen Group to use this technology.

In addition, ŠKODA AUTO has improved window insulation at several offices. This included assessing window condition, readjustment, lubrication of visible joints,



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checking window sealing and repair of damaged parts. ŠKODA AUTO has also introduced energy-efficient pump units at the foundry in Mladá Boleslav. The pumps were gradually installed at 14 casting machines. The machine-controlled hydraulic pumps engage hydraulic pressure only as needed by the machine, replacing hydraulic pumps that used to supply hydraulic pressure constantly during machine operation. Overall, this results in potential savings of 3,400 MWh per year – worth EUR 310,000, with a two-year recovery of investment.

New investments in environmental protection

ŠKODA AUTO is continually investing in environmental protection. Total investment for the period from 2012 to 2014 amounted to EUR 12.09 million. In addition, environmental expenditures amounted to EUR 54.12 million for the same period. Both investment and expenditures are used to meet legislative requirements and internal environmental targets, such as the measures implemented to comply with ISO 14001 and ISO 50001 standards.

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Power for ŠKODA AUTO and Mladá Boleslav

ŠKO-ENERGO, a subsidiary of ŠKODA AUTO, supplies ŠKODA AUTO locations in the Czech Republic with all of their electricity, heat, industrial, drinking and cooling water, compressed air and natural gas needs. The utility company also handles purification and disposal of rainwater and wastewater for the Mladá Boleslav site and supplies heat to the city of Mladá Boleslav. ŠKODA AUTO is the main shareholder in ŠKO-ENERGO with 44.5% of shares; VW Kraftwerk holds a further 22.5%. Electricity accounts for 50% of the total energy consumption of ŠKODA AUTO. In 2014, ŠKODA AUTO utilised 35% green electricity, with an additional 14% generated from biomass at the ŠKO-ENERGO power plant in Mladá Boleslav.



ŠKO-ENERGO, based in Mladá Boleslav, has the main task of supplying the three Czech ŠKODA AUTO plants in Mladá Boleslav, Kvasiny and Vrchlabí with electricity, water, heat, gas and compressed air.

The ŠKODA growth strategy also involves a large number of investments to increase capacity – particularly at the Company's Czech production facilities – and in Technical Development. A key criterion in such investment decisions is the effectiveness of technical environmental protection. The best available technology (BAT) was selected for all environmentally-relevant systems in the period under review. This ensures that the Volkswagen Group's environmental standards – which go far beyond legal requirements – are also fulfilled. For compliance with the precautionary principle, the environmental impact for the worst case scenario is

evaluated for any new project. Application of the BAT principle is required for any new investment. When using new chemical substances, these are thoroughly tested in advance from the perspective of environmental protection, occupational health and product quality. The most important single investment in 2014 was the new Engine Centre, in which ŠKODA AUTO and the Volkswagen Group invested around EUR 45 million (CZK 1,187 million). Here, once again, the most eco-friendly operation possible was a priority. For example, electricity from performance test benches can be fed back into the supply network or used directly



Gearbox production in Vrchlábí

in the building. Heat exchangers make heat from the cooling cycle and exhaust gas extraction generated during engine testing available to the building's heating system. This uses 1,140 MWh less thermal energy and 400 MWh less electrical energy than conventional systems, which translates into approx. 720 tons less CO₂ per year. 48,000 m² of green areas were also planted around the new test centre and other buildings on the grounds and on the roof.

Further investments in environmental protection in 2014 included the construction of CNG facilities for the production of CNG models at the Mladá Boleslav plant, totalling roughly EUR 5 million (CZK 125 million).

Biodiversity and environmental protection at sites

The protection of biological diversity is an explicit goal of the Volkswagen Group. In its mission statement, the Group already declared its commitment to the protection of species at all company sites back in 2007. As a member of the initiative "Biodiversity in Good Company", the Volkswagen Group is committed to gradually integrating the topic in its management processes. 32 expert reports were therefore commissioned in 2014, with the aim of analysing and assessing the emission risks of its European production sites with regard to their impact on bodies of water, soil and biodiversity. The Volkswagen Group further prioritises the use of industrially-prepared grounds to minimise the sealing of soil. The development of feasible management tools is also promoted through participation in expert dialogues and scientific studies. This includes the working group "management indicators" initiated by "Biodiversity in Good Company" and "econsense", as well as the research project "Biodiversitäts-Wirkungsabschätzung von Produktsystemen" conducted by the Fraunhofer Institute for Building Physics and supported by the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety.

The activities of ŠKODA AUTO have minimal impact on biodiversity – as confirmed by the environmental impact assessment (EIA), which has evaluated all new development projects at ŠKODA AUTO for many years. All new proposals have been classified as projects with no or only insignificant impact on biodiversity.

All ŠKODA AUTO activities are secured against environmental damage. New construction and changes in production are subject to a legally-required environmental impact assessment as a matter of course to obtain the relevant official permits. During the period under review, the following measures were implemented and assessed:

- Extension of M14 welding shop in Mladá Boleslav
- Extension of the handling site in Kvasiny-East
- Extension of gearbox production in Vrchlábí
- Increased flexibility for the assembly line in Kvasiny
- Change in use of part of the M12C shop in Mladá Boleslav

We continue to work on mitigating the consequences of industrial production dating from before ŠKODA AUTO's acquisition by the Volkswagen Group in 1991. A total of CZK 10.34 billion had been invested for this purpose by the end of 2014.

Residual contamination at the Kvasiny and Vrchlábí sites and the development centre in Česana has now been fully remediated. The remaining environmental burdens at the Mladá Boleslav plant and the service centre in Kosmonosy have been isolated or removed during construction work. Groundwater contamination in Mladá Boleslav is continuously eliminated and monitored.

GreenLogistics

With its GreenLogistics programme, ŠKODA AUTO aims to make its logistics processes more efficient, as well as eco-friendlier. GreenLogistics is part of the GreenFuture strategy and focuses on optimisation of transport routes, transportation methods and packaging.



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We utilise the most environmentally-compatible and efficient logistics to deliver ŠKODA cars to customers around the world. In 2013 and 2014, 56% of the transport took place via railway and 44% via road. It is ŠKODA AUTO's objective to further improve the modal split by increasing the share of transportation via railway.

For internal transport, ŠKODA AUTO uses trucks that meet at least Euro-5-emission standards. In 2013, we modernised our internal transport fleet with 33 new trucks from the Group brands MAN and SCANIA.

We have achieved further savings in inter-plant logistics through consistent modernisation of our truck fleet. In 2013, we launched a pilot project with the use of CNG-powered trailers, with roughly 30% lower CO₂ emissions than diesel trucks.

The EDIS project (Ecological internal transport ŠKODA) was launched in 2011 for transportation of parts and materials between the Company's Czech locations. The aim is to reduce the environmental impact of internal transport by introducing electrically-powered trailers and optimising internal goods traffic. This generates both environmental and economic benefits – and produces up to 590 tons less CO₂ per year. After a successful pilot phase, implementation is now underway. 19 trailers are already in use at the Mladá Boleslav plant.

ŠKODA AUTO strives to minimise the amount of packaging material necessary and to use reusable packaging wherever possible and environmentally meaningful. Packaging material is selected for maximum recyclability. Packaging which can no longer be used is sorted and recycled. The Mladá Boleslav plant has its own press for paper and plastic foil – which means that these materials leave the plant sorted and in the minimum volume possible. PET bottles are also pre-sorted. Waste wood from transport packaging is sent to an external company for recycling after sorting. Selective use of innovative packaging materials and containers further reduces the environmental impact of logistics. We also see potential in targeted weight reduction and increasing the capacity of packaging material. For instance, new freight containers for steering wheels offer a number of benefits over previously-used models: They are lighter, hold more, occupy less space and are more cost-effective. The new containers have 20 per cent more capacity and can accommodate the steering wheels of different vehicle models, rather than just one in the past. The use of 98-per-cent recycled plastic material also makes the new box 62 kg lighter than the previous steel version. When empty, the container can even be collapsed. The

much lower weight and improved dimensions lower transport costs per steering wheel by 40 per cent. Use of the new container also benefits the environment: CO₂ emissions per carrier are 75 per cent lower for each delivery. Manufacturing costs per container are also 23 per cent lower.

Selective use of innovative packaging materials and containers further reduces the environmental impact of logistics. For instance, for dispatching disassembled cars abroad, ŠKODA AUTO has developed an innovative "4 in 1 solution" for the use of pallettes. This new construction helps increase the capacity of containers for disassembled cars, not only saving transportation costs, but also CO₂ emissions. In 2013, the "4 in 1 solution" was applied to 830 containers: about 276 fewer containers than in the original "3 in 1 solution". CO₂ savings of 792.12 tons were achieved through this innovation – with a 24.95% reduction in CO₂ emissions. In 2014, 890 containers were sent abroad with the 4 in 1 solution, 296 fewer than if the previous "3 in 1 solution" had been used. In this way, a total of 849.52 tons of CO₂ emissions were saved in 2014 (24.96%).

The new JIS-CEDL (just-in-sequence) central warehouse further reduces the environmental impact of transporting parts to production sites, by avoiding up to 60 truck runs per day, each carrying around four tons of material on a 13 km shorter route. This measure saves ŠKODA AUTO 286 tons of CO₂ emissions per year.

GreenIT

We also utilise the latest technologies to minimise impact in the area of information technology (IT). The corresponding measures are referred to as "GreenIT". For example, we use "thin clients" and energy-efficient desktops with ENERGY STAR® or EPEAT® Gold certification wherever it is reasonable and technically feasible to do so. We aim to switch all notebooks to energy-saving SSDs (solid state disks) by 2016. Through virtualisation of IT systems, we are also working to cluster application programmes that used to run on several different computers in virtual machines on high-performance computers. This can improve server utilisation by up to 50 per cent. Computer centres are able to use free cooling from the surroundings to cool systems, which means that the 70kW cooling unit is not needed at outside temperatures of up to 12 degrees Celsius, saving around 139,510 kWh of electricity per year. Through consistent use and expansion of videoconferencing, teleconferencing and web-conferencing we also aim to reduce travel expenses and travel time, with a corresponding impact on CO₂ emissions.

GreenProduct – eco-friendly vehicles for sustainable mobility

Environmental aspects traditionally play an important role not only in production, but also in our products themselves. For this reason, ŠKODA AUTO makes its progressive, environmentally-compatible technologies available worldwide and implements them throughout the entire product lifecycle. In this way, we contribute to the Volkswagen Group's goal of a new vehicle fleet that meets the European Union's emissions target of an average of 95 g CO₂/km by 2020.

The development of new ŠKODA models focuses on three environment-related areas of activity: climate protection, resource conservation and health protection. Compliance with these environmental principles ensures that any negative impact on the environment is considered in the early stages of vehicle planning and minimised throughout its entire lifecycle – from vehicle development through its active life to recycling and recovery. Because product responsibility at the Volkswagen Group – and therefore also for ŠKODA – does not end with the sale of the vehicle.

The "Life Cycle Engineering" working group of brand experts was established in 2013 at Group level to de-

velop standardised guidelines and methods for harmonised environmental audits throughout the Group and to share results from successful Life Cycle Engineering projects. Based on the working group's findings, we are currently preparing life cycle analyses for the best-selling versions of each ŠKODA model.

Focus on low emissions

ŠKODA automobiles have been characterised by their exceptional efficiency, fuel economy and low emissions for many years: The current ŠKODA model line-up already includes 103 models with CO₂ emissions of less than 120 grams per kilometre. This number will increase further with the current ŠKODA model offensive.

To continue minimising fuel and resource consumption, as well as emissions, our vehicle development process focuses specifically on weight reduction, the use of recyclable materials and the latest technology. One example of this is the third-generation ŠKODA Octavia, which has been on the market since 2013. Thanks to its consistently progressive, lightweight body construction, the use of high-strength and extremely

■ ŠKODA Citigo CNG – less is more!

The CNG version of the ŠKODA Citigo offers exceptional efficiency. Its 1 litre three-cylinder engine delivers an output of 68 hp. With an average fuel consumption of just 2.9 kg of natural gas per 100 km, the Citigo is one of the most economical, most cost-effective cars in the world. Its record-breaking emissions rating of 79 g CO₂/km can be reduced even further, depending on driving style: On a fuel-saving trip from Italy to Sweden in summer 2013, fuel-saving champion Gerhard Plattner used only 2.4 kg of natural gas per 100 km, equivalent to 65 g CO₂/km.





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high-strength steels and careful selection of materials, it weighs 102 kg less than the previous model. Since 2010, there has been at least one so-called GreenLine variant in each model series that offers exceptional standards of efficiency and environmental-compatibility – without compromising on comfort and performance. ŠKODA also pursues the goal of lower consumption and emissions with its Green tec package available throughout the entire model range, including automatic start/stop systems, brake energy regeneration and tyres with optimised rolling resistance for environmentally-conscious, fuel-optimised mobility. 

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Electro-mobility

ŠKODA AUTO takes its responsibility for pioneering developments in zero-emission mobility very seriously. It presented the fully-electric ŠKODA Octavia Green E Line concept car back in 2010. In 2011, ten of these cars were then launched as a test fleet. The aim was to learn practical lessons from everyday operation of electric vehicles. Safety issues were another important aspect of the field trial. With this project, ŠKODA AUTO is consistently working towards its goal of having zero-emission cars ready for series production as soon as possible. In this, the Company is following a clear strategy of using battery-electric propulsion mainly in smaller vehicle models driven in urban traffic – while for its mid-sized and larger models, ŠKODA AUTO plans to expand its offering of hybrid-electric drive trains, which can run on electric power or in combination with the combustion engine for greater range.

Recycling

ŠKODA AUTO's responsibility continues throughout the active usage phase, all the way through to recycling at the end of a vehicle's lifecycle. A wide range of different processes ensure that new vehicles manufactured by the Volkswagen Group are at least 85% recyclable and 95% recoverable. All ŠKODA models are certified by the independent British Vehicle Certification Authority (VCA) and comply with all legal requirements – including those for recycling capability.

Recycling capability not only refers to vehicles and parts that we are obliged to take back (tyres, oil, batteries) – but also focuses on fluids, plastic parts, glass and packaging. A particular focus is the use of recycled materials to replace dwindling supplies of primary raw materials worldwide. Materials and parts are labelled for easier sorting into material groups at the end of their lifecycle. This ensures that carefully pre-sorted materials are sent for recycling or subsequent material reuse.

In the EU, end-of-life ŠKODA vehicles are generally taken back at no charge. We rely on an extensive network of partner companies for recycling. In the Czech Republic, customers can also return wear parts such as tyres, batteries and oil to a network of authorised service partners and recyclers. ŠKODA AUTO also looks for ways to use certain recycled materials within the Company. At the Mladá Boleslav plant, for instance, we are using new kinds of asphalt-rubber materials from a granulate made from used tyres. The resulting surface is particularly resistant to cracking, thereby increasing the durability of the roadway.

GreenRetail – environmentally-responsible dealerships and workshops

In 2013 and 2014, ŠKODA continued to refine its strategy for environmentally-responsible dealerships and workshops and issued environmental recommendations that can be applied and implemented by ŠKODA importers in all markets worldwide. The next step is to share highly efficient best-practice measures to improve the overall quality of waste management at dealerships and workshops. In addition, the principles of ŠKODA's extended producer responsibility will be implemented to minimise possible environmental impacts of service processes and, in particular, at the end of ŠKODA products' lifecycle.

ŠKODA AUTO introduced an expert environmental protection advisory service for dealers and service partners back in 1996. Our goal is to introduce a high-quality environmental management and monitoring system for our business partners in the Czech Republic. Authorised service partners who meet strict environ-

mental audit criteria are awarded an Environmental Certificate (formerly the "Green Seal of Approval") for environmentally-friendly conduct.

Since June 2012, this voluntary certification has been supplemented by environmental training for authorised ŠKODA AUTO partners in the Czech Republic. By the end of 2014, 60% of authorised partners had completed the programme, which concentrates on providing up-to-date, in-depth information on environmentally-friendly handling of waste material, water and air. Sustainability issues are also an important component of the ŠKODA Service Organisation Manual (HSO), which focuses on topics such as waste management, air and water protection and recycling of materials. It also deals with energy conservation through the targeted use of appropriate materials, as well as alternative energy generation through solar systems and heat pumps.





Social affairs

A focus on people – part of our culture

Responsibility for employees

Social responsibility

*Social responsibility for employees and society
shapes the corporate culture of ŠKODA AUTO.*



For the first time in corporate history, ŠKODA has produced more than one million vehicles in 2014; another proof of the untiring dedication of the more than 25,000 employees.

A focus on people – part of our culture

Social responsibility has always played a key role at ŠKODA AUTO. As one of the Czech Republic's leading companies, we have a special responsibility for our employees and their families, as well as for people living in the communities where our plants are located.

We actively embrace this responsibility. While our HR strategy provides the framework for our relations with employees, our CSR (Corporate Social Responsibility) strategy, which was updated in 2013, defines our social commitment.

Responsibility for employees

It is the declared goal of the Volkswagen Group to become the most attractive employer in the automotive sector by 2018, and employees are also a focus of social responsibility at ŠKODA AUTO. Employees are the decisive factor in achieving Group targets. Their commitment, know-how and capabilities are what make our Company successful – and only satisfied employees identify with the Company and are able to deliver top performance on a consistent basis.

We therefore offer our employees extensive social benefits, provide access to a unique range of vocational and professional training opportunities and ensure compliance with occupational health and safety

standards. We also attach great importance to diversity and equal opportunities within the Company and are already working to meet the challenges that will arise from future demographic trends and technical progress.

Our goal is long-term retention of qualified employees. Long-term employment, work-life balance, health protection, gender and diversity management are a reality for Company employees. In light of the increasing internationalisation of ŠKODA AUTO, a further challenge for human resources is to promote employee mobility and make foreign assignments more attractive, particularly at management level. Greater mobility will



intensify know-how transfer within the Company and, at the same time, offer employees extensive opportunities for personal development. More personal, flexible HR support will make this an easier and even more attractive option for employees in the future.

Top rankings in the relevant employer ratings in the Czech Republic confirm the success of the Company's activities to increase its attractiveness as an employer. ŠKODA AUTO regularly features among the leaders in the CZECH TOP 100 ranking of the most successful companies in the Czech Republic. According to Trendance or Universum surveys of technical graduates, ŠKODA AUTO is the best, most desirable company to work for. ŠKODA AUTO also took first place in the TOP Ranking of "most admired companies" in the Czech Republic in 2013 and 2014.

Employee relations

We act in accordance with the applicable requirements of the International Labour Organisation (ILO) and reject the use of forced or compulsory labour, as well as child labour. ŠKODA AUTO respects the minimum age of admission to employment under the applicable government regulations, as well as the global guidelines implemented by the Volkswagen Group, which in some cases go even further – in particular, its Social Charter, International Charter on Labour Relations and the Temporary Work Charter. 📄

Human rights

Respect of human rights is not only of highest importance for ŠKODA AUTO's relations with suppliers, but also in relations with employees of the entire Volkswagen Group. To prevent any incident of non-compliance with human rights obligations, the Company not only invests in comprehensive education and training programs of its employees, but also regularly calls attention to the topic. 📈

ŠKODA AUTO respects and promotes the fundamental right of all employees to form unions to represent them. ŠKODA AUTO seeks intensive dialogue with its employees on a basis of openness and trust. One way in which it includes them in important decisions is through employee representation. A professional working relationship with employee representatives ensures a fair balance of interests and is an integral part of the ŠKODA AUTO corporate culture. Extensive written agreements with employee representatives and legislative texts formalise this corporate philosophy of codetermination and ensure effective and full implementation.

There are four union organisations active within ŠKODA AUTO a.s., three of them are part of KOVO (in which the majority of employees at each Czech production site is organised) and one independent union. Two of

the nine members of the Supervisory Board of ŠKODA AUTO are employee representatives. In accordance to Czech legislation, 100% of ŠKODA AUTO employees in the Czech Republic are covered by collective agreements.

Management and employee representatives work together and make joint decisions on specific topics in various working groups and steering committees. These include the Economic Committees of the individual plants, as well as committees for Health and Safety, Personnel Planning, Environment and Medical Care.

Within the Volkswagen Group, cooperation with employee representatives is assured through links with union structures, which are integrated into the European Group Works Council and the Group Global Works Council. Relations between employer and employees are governed by collective bargaining agreements. For 98% of the fully consolidated companies of the Volkswagen Group, the direct employees are represented in a trade union or fall under collective bargaining agreements. Notice periods provide a good example of this: According to Czech law, ŠKODA AUTO is required to provide its employees with adequate advance notice of significant operational changes and strategic decisions. Depending on the subject matter, these notice periods range from four months in the case of necessary workforce reductions to several weeks for changes to work-time models.

The Volkswagen International Charter on Labour Relations came into force in autumn 2009 and combines the right to consultation with shared responsibility, which requires employees to demonstrate first-class skills and a highly developed sense of responsibility. The Charter applies globally and implements phased rights to information, consultation and codetermination for employee representatives for the brands, companies and locations represented on the Group Global Works Council.

At ŠKODA AUTO, employee complaints are handled in accordance with working regulations. If a complaint is not settled by the respective Human Resources Care Centre and the employee consults the trade unions for assistance, the parties discuss the complaint without undue delay. In exceptional circumstances, a complaint may be dealt within a commission consisting of the trade union chairperson and the member of the Board of Management responsible for Human Resources. This procedure is not intended to limit the right of individual employees or contracting parties to choose a different legal procedure. During the reporting period, very few cases required Board of Management involvement (2012: three, 2013: two, 2014: three).

New agreements with employee representatives

Intense and trusting dialogue with employee representatives during the period under review helped secure jobs at all locations. This included developing measures for greater flexibility and to promote employee development.

Working closely with employee representatives, the Employment Agreement to secure jobs and the sustainable future of Czech production sites was signed in March 2013. The main element of the agreement is to guarantee job security for high-performing employees who are prepared to undertake further training and accept the required measures to increase flexibility.

Further agreements were reached with regards to "time accounts", significantly increasing flexibility in response to fluctuations in vehicle production. For employees, these agreements help secure jobs in the event of a decline in demand in global auto markets. Considerable progress was also made in the area of temporary employment. In 2013, ŠKODA AUTO signed the Temporary Employment Charter, aimed at aligning conditions of employment for temporary workers and core staff.

Employee remuneration

Employee salaries are governed by collective wage agreements for our entire workforce in the Czech Republic. Remuneration comprises basic pay and a variable incentive bonus. Additional pay can be earned for overtime, on-call availability and working on public holidays, for example. Collective wage agreements also exist at ŠKODA AUTO Deutschland und Skoda Auto India. There are no salary differences between genders for comparable positions; the same conditions apply to both men and women. Remuneration and benefits paid or provided for a normal working week are at least equivalent to the respective national legal standard or the standard of the relevant national industry sector. The standard entry level wage at ŠKODA AUTO is more than double of the local minimum wage in the Czech Republic (ratio: 2.03).

Extensive social benefits

ŠKODA AUTO is one of the most attractive employers in the Czech Republic today, with extensive social benefits and above-average remuneration anchored in collective bargaining agreements. Benefits include the company pension scheme and healthcare, as well as attractive pricing for vehicles and accessories.

In 2014, ŠKODA AUTO's employer contribution to supplementary pensions was CZK 800 per month for every employee in the Czech Republic. Participating employees are required to contribute at least CZK 100 per month to their pension. About 89% of employees



„Czech 100 Best“: In 2014 ŠKODA AUTO was again voted best company in the Czech Republic.

take advantage of this benefit, which resulted in expenses of approximately CZK 207 million for ŠKODA AUTO in 2014.

To help employees buy their own home and contribute to the economic development in the areas where the Company is located, ŠKODA AUTO provides its employees with interest-free loans of up to CZK 400,000 for the purchase of a house or apartment and CZK 125,000 for renovation of their home. In recent years, around 600 employees have made use of this option every year.

The Company also organises transportation to and from work for employees who live in places with limited or no access to public transportation. For employees who are unable to commute on a daily basis between their place of residence and workplace, the Company can also arrange local accommodation. Company canteens serve about 13,500 subsidised meals every day.

A social fund has been established to finance this extensive range of social benefits. In 2014, its total resources amounted to more than CZK 175 million. 

We also offer attractive benefits for our temporary workers – in particular, special pricing for vehicles and accessories, as well as the chance to participate in selected training courses.



Social expenditure in CZK

| | 2012 | 2013 | 2014 |
|--|--------------------|--------------------|--------------------|
| Union activities | 8,315,000 | 8,315,000 | 8,425,000 |
| Recreation | 15,183,936 | 14,813,914 | 15,700,952 |
| Health programmes, recreational activities | 24,324,896 | 33,316,897 | 34,309,196 |
| Service awards | 79,167,473 | 68,827,792 | 60,391,526 |
| Bonus for birth of a child | 5,250,500 | 5,224,000 | 5,362,500 |
| Social assistance | 4,717,804 | 5,708,678 | 4,441,528 |
| Vocational school | 165,440 | 238,730 | 249,525 |
| Retired employees | 246,105 | 157,277 | 197,656 |
| Works catering | 45,220,246 | 44,913,436 | 45,864,926 |
| Daycare | 700,483 | 1,278,686 | 307,481 |
| Total expenses | 183,291,882 | 182,794,410 | 175,250,290 |

In general, all benefits are provided to both full-time and part-time employees. Temporary workers (since they are not permanent employees of ŠKODA AUTO) are not covered by the Company's social fund, but do receive certain benefits (special pricing for new cars, access to the ŠKODA Muzeum and merchandising). Temporary workers receive benefits from their employer, the employment agency. These benefits are provided under the collective bargaining agreement between the employment agency and the KOVO unions.

Work-life balance

Work-life balance is a key factor in employer attractiveness and it has always been a priority at ŠKODA AUTO. The Company regards family-friendliness as one of its core values reflected not only in ŠKODA automobiles, but also in working conditions at the Company. Employees enjoy a wide range of social benefits, especially for families with children, and professional growth opportunities. ŠKODA AUTO provides employees with financial support for the birth of a child or for day-care, as well as additional days of leave for taking care of sick children. During parental leave, employees can stay in touch with the Company or work from home. Managers are allowed to continue using their company car and computer during parental leave. Members of the ŠKODA Talent Pool can continue their training while on parental leave as well. The Company is also actively involved in organising recreational activities for its employees, their families and the local communities. The

focus is mainly on expanding local cultural, social and sports opportunities, such as the Municipal Theatre in Mladá Boleslav, Zlín International Children's and Youth Film Festival or activities in Na Karmeli Educational Center. Every year ŠKODA AUTO organises an internal football championship where each department has its own team. The Company supports strong commitment not only at work but also in employees' free time – for several years, for example, ŠKODA AUTO has supported employee marathon runners.

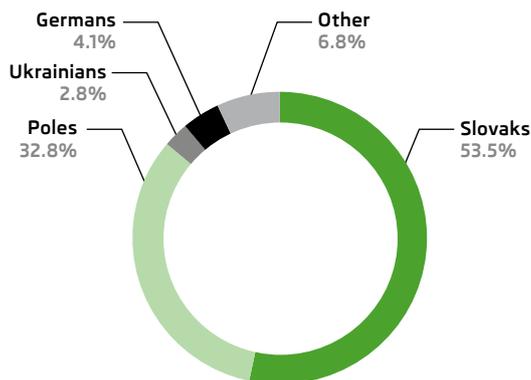
Diversity and equal opportunities

ŠKODA AUTO sees enormous potential in diversity and aims to support female managers, in particular. Guidelines on the advancement of women have been clearly specified and underpinned by tailored programmes focusing on areas such as support of schools and pre-schools, reintegration after maternity and parental leave, greater focus on women in recruitment and advancement of women through the ŠKODA Talent Pool. In recent years, women have accounted for around 19.8% of the total ŠKODA AUTO workforce. The number of female managers has steadily increased over the same period and reached 11.2% at the end of 2014. The overall aim is to further increase the percentage of women in management functions over the coming years.

The Company is furthermore committed to equal opportunities and equality, regardless of ethnicity, race, gender, disability, ideology, religion, nationality, sexual orientation, social background or political affiliation,

insofar as these are based on democratic principles and tolerance towards those with different beliefs. The Code of Conduct is the relevant guideline in this regard. Employees are hired and promoted on the basis of qualification and ability. Individuals employed by ŠKODA AUTO may not engage in any form of discrimination (e.g. through handicap, harassment or mobbing), so that respectful, cooperative partnership can be assured. If discriminatory behaviour is identified, the Company takes respective measures that range from warning to job reassignment to termination of the employment contract. In addition to the legal right of appeal, employees who feel discriminated against can receive support and counselling from trained personnel. Between 2012 and 2014, there were no reported incidents of discrimination.

Share of foreign nationals among foreign core employees in 2014



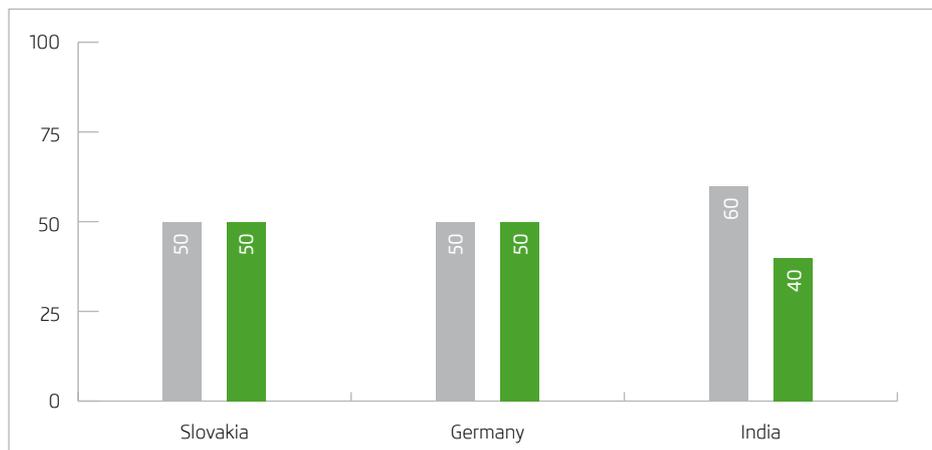
Equal opportunities play an important role at ŠKODA AUTO, especially in the context of the Company's increasing internationalisation. At the end of 2014, ŠKODA AUTO employed a total of 2,078 foreign nationals from 41 countries. The Company offers language courses and intercultural training and uses workplace translators, where necessary, to assist these employees.

ŠKODA AUTO is a pioneer in its employment policy towards people with disabilities and limited mobility in the Czech Republic. For example, the Company operates six sheltered workshops at production locations in the Czech Republic, which employ more than 200 people with disabilities. With these facilities, ŠKODA is working closely with the KOVO unions to create new career prospects for employees with health issues.

ŠKODA AUTO has created a special programme to meet the needs of older employees, which handles retraining, reassignment within the Company with guaranteed income, rehabilitation stays, additional paid leave of up to five days and preventative health services.

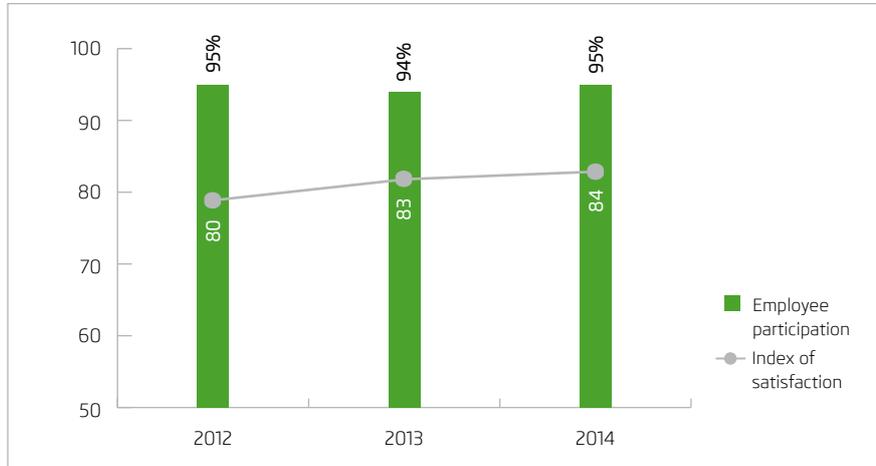
To underscore its commitment to diversity and equal opportunities, ŠKODA AUTO joined 17 other companies in signing the Memorandum Diversity 2013+ devoted to promoting equal opportunities on the labour market and the principle of gender balance. The Memorandum is coordinated by the "Business for Society" organisation, which forms part of "CSR Europe", which ŠKODA AUTO joined in 2011.

Percentage of senior management hired from the local community at significant locations of operation (■ locals ■ ŠKODA AUTO management)





Employee opinion survey "mood barometer"



Employee satisfaction

Strong employee loyalty and motivation remains the backbone of ŠKODA AUTO's success. This was confirmed by an employee survey ("mood barometer") conducted in the Czech Republic in 2014 with 95% participation. The level of participation has exceeded 90% for many years, with a steady increase in employee satisfaction. We aim to continue to improve on these already excellent figures over the coming years. The employee opinion survey is a Group-wide tool used to assess employee satisfaction. In follow-up to the survey, management representatives discuss complaints and problems, as well as suggestions on how to involve employees in designing work processes. Together, they develop necessary measures to initiate and implement changes. The employee opinion survey was conducted for the seventh time in 2014, with ŠKODA AUTO Deutschland participating for the first time.

Vocational training

In-house vocational training has been a key element of ŠKODA AUTO's human resources policy for many years. In this way, we ensure that we have the qualified young talents needed to secure our own future and fulfil our social responsibility as an employer. The number of apprentices has steadily increased in recent years: A total of 883 full-time apprentices were trained for future careers at ŠKODA AUTO in 2014. One of the biggest advantages is a guarantee of employment at ŠKODA AUTO for all successful graduates. As employees of the Volkswagen Group, this gives them access to a wide range of international job opportunities. ŠKODA AUTO forges links with female students early in their academic careers to persuade them of the

attractiveness of engineering professions within the Company. The Vocational School organises a special "Girls' Day" for female students to motivate them to pursue engineering studies. The number of female students is increasing year-by-year (2012: 63, 2013: 89, 2014: 109).

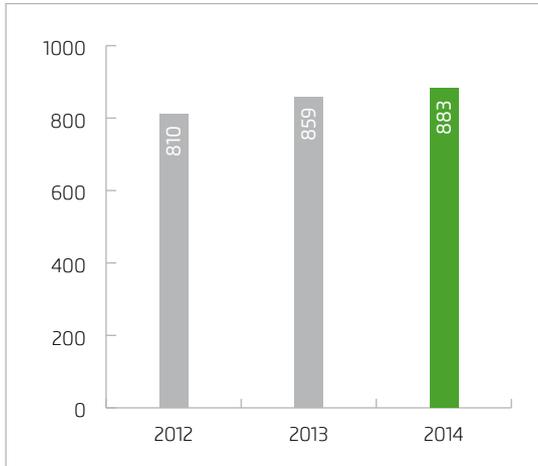
The ŠKODA AUTO Vocational School offers also special classes for disabled apprentices, especially those with slight mental disability.

To ensure the highest quality of education, ŠKODA AUTO invested a total of CZK 55 million in development of Vocational School facilities in 2014 alone, with further expansion planned. The Company can be justly proud of its vocational students, who regularly rank among the best in national and international competitions. Students also enhance their skills in a project that requires them to build their own prototype car from scratch. The project, called "AZUBI car", was launched in 2013 and created an impressive students' car called CITIJET, which was already presented to the public.

With the first and only company university in the Czech Republic, ŠKODA AUTO has a unique channel for recruiting graduates to the Company. Founded in 2000, the university offers bachelor's and master's degrees in business and management. There are currently around 1,000 students enrolled at the university – more than 100 of them are also employed by ŠKODA AUTO.

The university has participated in the Erasmus programme since 2005 and is part of its international network, with links to colleges in Germany, Austria and Spain – with which it collaborates on joint teaching projects, for example. Further focal points include student exchanges, workshops and con-

Number of apprentices at ŠKODA AUTO



ferences, as well as internationally recognised language tests.

The university is based at the Na Karmeli education centre in Mladá Boleslav, which also houses ŠKODA AUTO's professional training programmes. The building was constructed in 2007 as part of the modernisation and expansion of the existing monastery building from the 14th century and provides an excellent example of the close partnership between ŠKODA AUTO and the city of Mladá Boleslav. Investment in the building project totalled about CZK 390 million.

ŠKODA AUTO vehicle development works closely together with the Technical University of Liberec. ŠKODA AUTO also collaborates as a company with other universities, including colleges abroad. In addition to various sponsorship projects, cooperation encompasses joint research and development, internships and ŠKODA AUTO employees serving as college lecturers. ŠKODA AUTO also provides a large number of vehicles for teaching purposes and is involved in developing study plans and the accreditation of new courses – with the aim of bringing curriculum content and industry practice closer into line.

In 2014, ŠKODA AUTO invested several million CZK in cooperation with universities in the Czech Republic. The main partner universities include the Czech Technical University in Prague, the Technical University of Liberec, Brno University of Technology and the University of Economics in Prague.

Individual professional training

In the face of greater technological complexity, the challenges of the fourth industrial revolution, Industry 4.0, that is connecting humans with machines and IT, and increasing globalisation of labour markets, de-

mands on employees are also growing. For this reason, ŠKODA AUTO offers a wide range of opportunities for its staff to continue developing their skills and competences and therefore remain competitive in the international job market. The Company attaches particular importance to continued development in the fields of entrepreneurial thinking, flexibility, intercultural communications and language skills.

In return, employees are expected to set high standards for themselves in terms of work, performance and health. The on-going professional development of employees is an integral part of our human resources policy. Competent, motivated and internationally deployable employees are essential to successful implementation of the ŠKODA growth strategy.

Extensive e-learning programmes are used in addition to off-the-job training at ŠKODA AUTO. Around 100 different courses are available online, allowing employees to complete their training at work or at home, as they wish.

ŠKODA AUTO's adult and lifelong training programmes cover a wide range of fields, from technical and specialised training to language and soft-skills training.

In 2014, 26,884 participants completed a total of 3,778 off-the-job training courses (2013: 26,970 participants, 4,011 off-the-job training courses). A further 51,121 completed e-learning programmes (2013: 55,658).

All employees have their own personal development plans and are trained in accordance with their particular needs. Part of the training programme is developed by the employees themselves – experts in so-called "professional families" pass on their expertise in a systematic way to colleagues. We also offer special classes and seminars to prepare employees leaving the workforce for retirement.

ŠKODA AUTO prefers to recruit managers from within its own ranks and relies on in-house training programmes to prepare them for their roles. Examples include the Company-wide management trainee programme, where future managers can gain broad international experience. In this area, employees benefit from being part of the Volkswagen Group and the opportunities this offers.

In August 2012, the Volkswagen Group restructured its training activities to create the Volkswagen Group Academy. The Academy is the new umbrella organisation for all academies throughout the Group and was formed by combining the AutoUni Wolfsburg with Volkswagen Coaching GmbH and its subsidiaries. The reorganisation created an integrated training unit for all levels from initial vocational to advanced academic training, as well as leveraging synergies and ensuring high quality and competence standards throughout the Group.

The Group Academy ensures that employee training



meets the same high competence and quality standards worldwide for all brands across the Volkswagen Group.

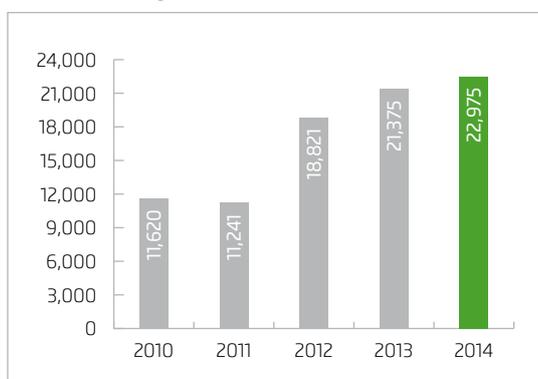
The special ŠKODA Purchasing Academy was founded in 2013, based on the "professional families" philosophy. More than 30 professional families were defined within the Volkswagen Group to allow for target-oriented development of employees. For each professional family, ŠKODA AUTO seeks to create a separate academy to coordinate and implement employee training. The new ŠKODA Purchasing Academy was the first professional academy of its kind at the Company. The partnership between the ŠKODA Academy department and the Purchasing department, supported by the KOVO union, has made it possible to learn from the Volkswagen Group and create a platform for the comprehensive development of purchasing competencies among colleagues. A Quality Academy and HR Academy have also been founded since.

Z.E.B.R.A. idea management

ŠKODA AUTO employees have the chance to suggest improvements and contribute their ideas and innovations in all areas of business and all processes in the Z.E.B.R.A. idea management project. In 2014, some 6,800 employees submitted a total of 22,975 proposals to make our Company even better. 64.8% of the suggestions were implemented, with benefits for the Company worth CZK 341.5 million.

The employee proposals were primarily concerned with material savings, more efficient production processes, improved health and safety at work and product safety.

Number of proposals submitted to the Z.E.B.R.A. programme



Occupational health and safety

ŠKODA AUTO regards the health and safety of its employees as an important factor in the Company's long-term economic development. In this area, we focus in particular on evaluating production workplaces for their risk potential and categorising them in accordance with legal requirements. However, many ŠKODA AUTO offerings and activities go far beyond what is legally required.

We have established a separate Corporate Occupational Health and Safety Committee to serve the interests of all our employees in the Czech Republic, which meets four times a year, chaired by a division manager from the Production and Logistics division. Separate working groups are dedicated to health and ergonomics, all of which include employee representatives. Company agreements on health promotion, healthcare and occupational health and safety have also been in place for many years.

ŠKODA AUTO aims to continue to reduce the number of working days lost due to illness, in particular among older employees. With an absence rate of 2.5% in 2014 (2013: 2.6%), absenteeism at ŠKODA AUTO is already much lower than at comparable companies in the Czech Republic.

ŠKODA AUTO has had an excellent record in the field of occupational safety for years. In 2014, there were an average of 1.3 accidents per million hours worked in the Czech Republic resulting in incapacity – well below the Company's target of 1.6 for the year.

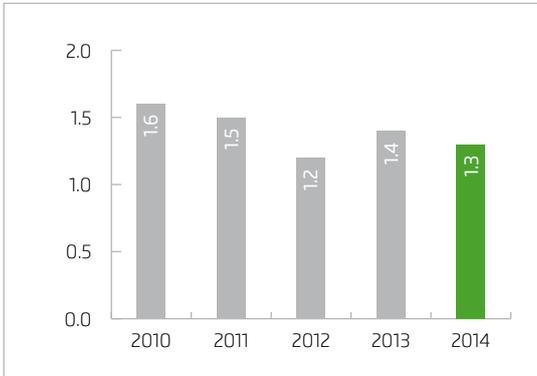
ŠKODA AUTO therefore boasts one of the lowest long-term accident rates among European automobile manufacturers, and even worldwide. This positive outcome is the result of preventative measures and years of hard work by all those involved in the field of occupational safety. The KOVO union also played a key role with its constant efforts to raise employee awareness and promote safe and responsible behaviour.

Focus on voluntary prevention

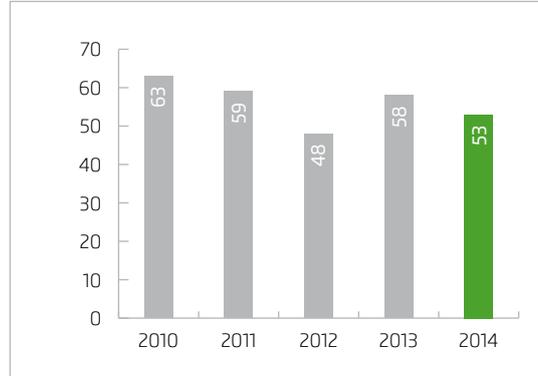
ŠKODA AUTO's voluntary prevention programmes together form the "Check-up" programme, which focuses in particular on healthy eating, weight loss, exercise, addiction prevention and a generally healthier lifestyle. 18,389 employees received a medical check-up in 2014, with individual follow-up consultation and rehabilitation, if needed. Company doctors monitor the results of personal health plans. In 2014, 48% of employees were in good health; 50% had a higher health risk and were advised to change some aspects of their lifestyle; and only 2% were diagnosed with a high health risk and advised on how to improve their health and live a healthier lifestyle.

Employees have access to outpatient rehabilitation centres at all ŠKODA AUTO plants, with prevention pro-

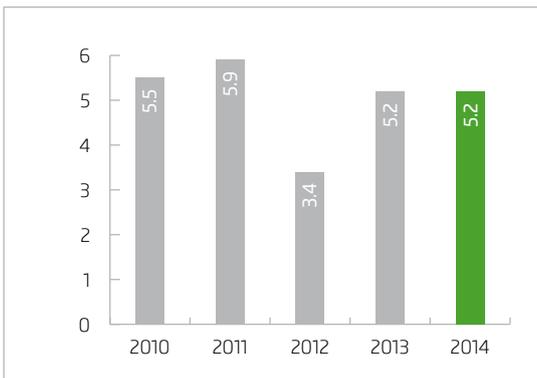
Frequency of injuries (Number of accidents per million hours of work)



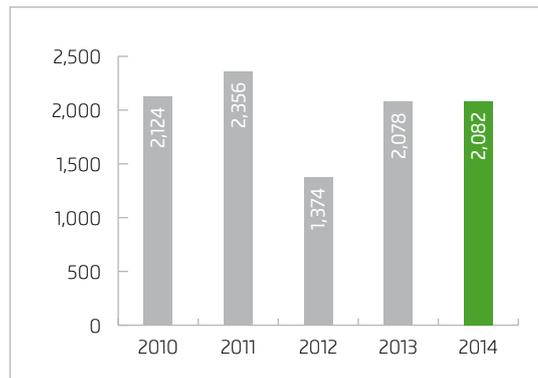
Number of occupational injuries



Severity of injuries (Days of absence x 100,000/ number of hours at work)



Days of absence



grammes offered as well as therapeutic rehabilitation. In 2014, 1,555 employees took advantage of the therapy services offered by the rehabilitation centre and over 671 employees participated in prevention programmes. A total of 2,076 employees had the opportunity to stay at a health resort in 2014. This option is coordinated with the KOVO union.

Additional preventive measures aim to reduce the number of days lost to sickness, especially by combatting chronic and acute illnesses (e.g. cardiovascular disease, metabolic disorders, oncologic diseases, musculoskeletal diseases and infections). All ŠKODA AUTO employees can receive free flu vaccinations and vitamin C for up to four months, if they wish. In 2014, 2,662 employees (11.2%) took advantage of this free vaccination service.

Employee health is also a regular topic at Company Health Days. A new programme was prepared for the 2014 Health Day, including promotion of the Czech National Marrow Donors Registry. As a result, 15 em-

ployees joined the Czech National Marrow Donors Registry.

Work ergonomics

At ŠKODA AUTO, ergonomic aspects are of central importance throughout the product and production planning process. Since 2010 ŠKODA AUTO has worked on the development of activities to improve ergonomics and work physiology, focussing on the creation of workplaces and work conditions that help protect employee health. Ergonomics and work physiology are the responsibility of a cross-functional team, including members of medical and technical staff, using targeted on-site preventive programmes, counselling, practising work operations in correct positions and compensatory exercises.

Company doctors also work with vehicle designers for optimum implementation of ergonomic principles in work processes. Design units are given basic feedback on the physical strain on employees working at



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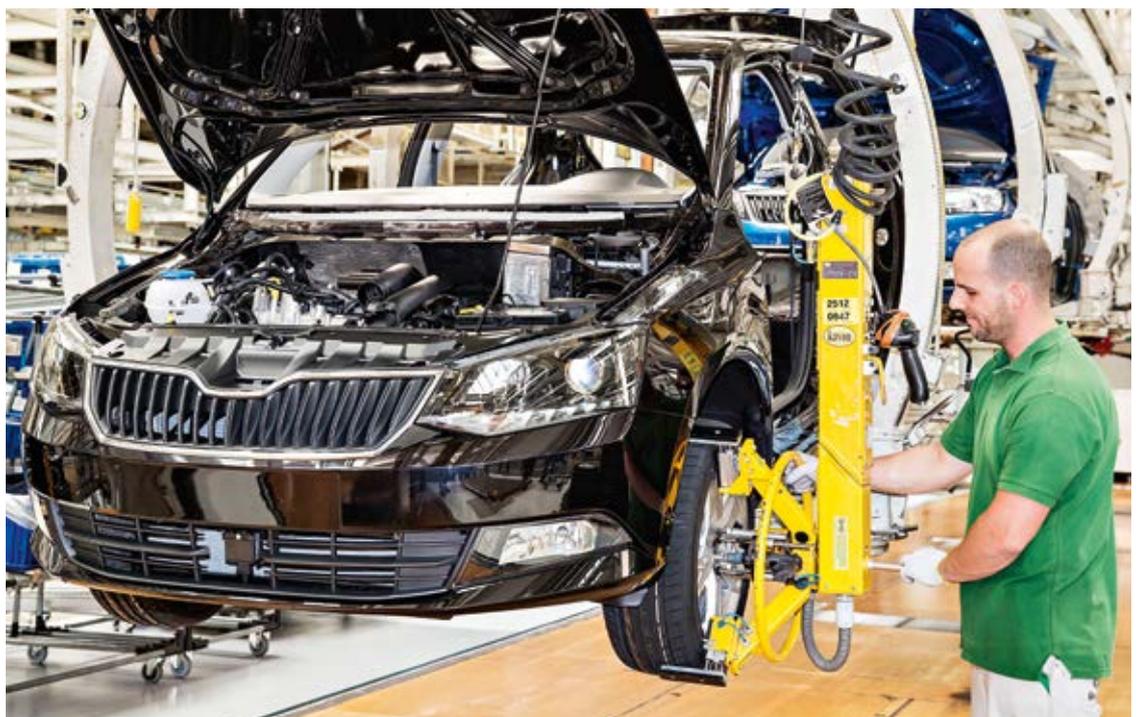
production sites where current models are built. This feedback is then taken into account in the development of new models. In this way, ergonomic improvements in production become a continuous process to prevent occupational diseases.

In 2014, there were seven occupational diseases declared by the state authority. ŠKODA AUTO has its own laboratory of work physiology accredited according to Czech legal requirements. A new ergonomic centre was opened at the end of 2014, comprising two parts: an ergonomic studio and a medical area. ŠKODA AUTO is the only company in the Czech Republic with its own ergonomics and physiology laboratory.

Other Health Services

One of the basic quality parameters in healthcare is access to relevant services – taking into account employees' needs, as far as possible, both in terms of time and distance. At the main plant in Mladá Boleslav, doctors are available during two shifts, with a nurse also on hand to perform first aid. Other locations have a doctor for the day shift. Mladá Boleslav is the only European plant in the Volkswagen Group with a polyclinic, where employees have access not only to the services of a senior medical consultant, but also to specialised outpatient health services directly on site. These include stomatology, ENT, ophthalmology, dermatology, orthopaedics, internal medicine, cardiology, gynaecology, surgery, X-ray, pulmonology and other services.

Example of an ergonomically optimised work station in ŠKODA car assembly:
A handling device supports workers at the wheel assembly.



Social responsibility

Social responsibility is an integral part of ŠKODA AUTO's corporate identity and intrinsically linked to our economic success. Our presence helps create jobs and new vocational training opportunities in the regions where we are located. We are committed in many different ways to helping people in these areas and work with leading foundations and charitable organisations on a large number of social and humanitarian projects – at local and regional level in areas where we have facilities, as well as projects with a national or international focus.

We have traditionally exercised our social responsibility where ŠKODA AUTO sites are located. The focus of activities is on the Czech Republic, where more than 90% of our employees are based and where the Company plays an important role as a "corporate citizen".

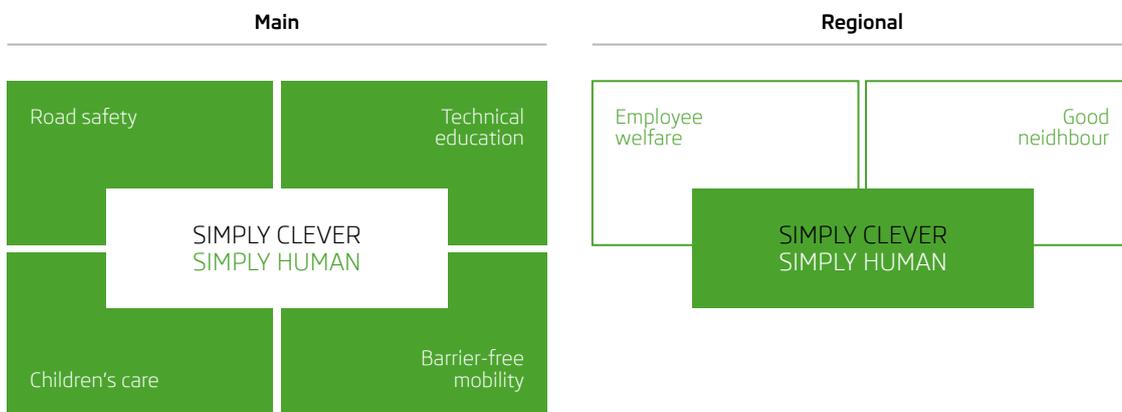
The three locations of Mladá Boleslav, Kvasiny and Vrchlabí are a particular focus.

Our subsidiaries and import companies are largely independent in how they fulfil their social commitment. However, their activities must always reflect core ŠKODA AUTO brand values. The aim is to achieve maximum impact in their markets.

To maximise the effectiveness of our commitment, we developed our "SIMPLY CLEVER. SIMPLY HUMAN" CSR strategy, which defines the following four main priorities:

- Road safety
- Technical education
- Children's care
- Barrier-free mobility

Priorities of the ŠKODA AUTO social responsibility



At regional level, the emphasis is on providing quality care to employees and cooperation within the region. Since 2007 until 2014 ŠKODA AUTO gradually launched seven grant programmes for the regions where ŠKODA sites are located, focusing on CSR priorities and sustainability. Municipalities, non-profit organisations and other entities can register their projects and apply for aid. In 2014, ŠKODA AUTO produced and sold one million cars for the first time in its history. This achievement culminated in the donation of the one-millionth car produced to one of the collaborating non-profit organisations chosen by the employees themselves, "Život dětem" (Life for children), and will be used to support their activities in helping children, hospitals and health centres.

Donations made by ŠKODA AUTO are designed to promote science and education, culture, sport and social concerns without any expectation of reciprocal benefits. Donations are only made to bodies recognised as charitable organisations or authorised to accept donations under special rules. The donation process is transparent: The purpose of the donation, the recipient and donation receipt are documented and verifiable.

ŠKODA AUTO employees are personally involved in making donations. In 2014, we established a separate programme to allow them to nominate and provide financial support to eligible projects. ŠKODA AUTO doubles the donation amount. 80% of this increase goes to the organisation. The remaining 20% is used



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to support an orphanage in Aurangabad in India. More than 1,000 employees joined the "Employee giving" programme in the first year alone. The focus of ŠKODA AUTO's sponsorship activities is

mainly on culture, art and sport. Sponsorship money is only used within the applicable legal framework and in accordance with the relevant company rules.

Activities and projects

Road safety

As an automobile manufacturer, we are especially committed to road safety. This means ensuring that ŠKODA AUTO products comply with the highest safety standards – but the Company is also involved in accident research and prevention, as well as road safety education.

Active and passive safety

Thanks to consistent development progress, our vehicles meet the highest safety standards. All new ŠKODA models introduced since 2008 regularly achieve the top five-star rating in the Euro NCAP crash tests, impressing not only with their spaciousness and value-for-money, but also their active safety. Safety improvements are also implemented in on-going production processes.

Activities extend beyond our labs and the crash centre we opened in 2011 to conducting our own research into accidents: ŠKODA AUTO's "Road Safety Research" team has been analysing traffic accidents since 2008. The findings of their analyses provide valuable input for the development process. Experts take an unusual

approach by analysing and measuring real accidents at the site of the collision. Close cooperation with police, fire and rescue services helps ensure the quality of results.

A team of experts is on standby 24/7, and is sometimes called out up to three times a day. One of the key findings of their work has been that even though the latest safety standards in ŠKODA vehicles can significantly lessen the impact of accidents, the occupants are still ultimately responsible for using the available safety technology properly. This includes proper adjustment of car seats, fastening seat belts and securing objects inside the car. That is why it is so important for ŠKODA AUTO experts to speak at road-safety events and share their knowledge to help teach children safe behaviour on the roads.

It is no surprise that ŠKODA AUTO enjoys long-term cooperation with both police and fire departments, with the aim of becoming number one in road safety. Similar cooperation has also been launched at Skoda Auto India, where the company supports Aurangabad Rural Police by providing IT equipment.

Playful ŠKODA

The free internet application "Playful ŠKODA" targets young road users. Children get to experience typical traffic situations, such as crossing the road or using public transport, in a fun way, using interactive animations to practice safe behaviour on the roads. This includes knowing how to stay visible to other road users in the dark or how to fasten a seatbelt properly. Users can also take a quiz to test their knowledge of traffic rules and signs. The site also features information on environmental responsibility, as well as plenty of games, puzzles and a European atlas. The application is available in Czech, Slovakian, English and Russian.





The "Young designers" competition supports children's creativity from early on.

Road safety education

ŠKODA AUTO is committed to promoting safety among the youngest road users in many different ways. The Company supports organisations which run road safety playgrounds at several locations and creates the necessary conditions for road safety education for primary school children.

ŠKODA AUTO has been the general partner of the nationwide "Roads through cities" competition organised by the renowned Nadace Partnerství (Czech Environmental Partnership Foundation) foundation for the past eight years. The project helps optimise traffic flow through Czech towns and villages by implementing exemplary traffic-calming solutions and sharing best practices in road safety education. In 2014, the competition was broadened by adding seminars to educate public administrators about "clever" road infrastructure solutions and provide simple traffic education programmes.

Road users of all ages can visit the "Saferoads" website (bezpecnecesty.cz) to learn how to stay safe on the roads and find the latest information and tips for their journey on an interactive map. Users also can register and add any tricky curve or crossroads to the map to warn other drivers. The website also provides many educational opportunities and interesting information on driving skills and road safety events. ŠKODA AUTO has supported this portal since 2013 together with the Czech Police.

Since 2013, the Company has implemented two re-

gional grant programmes, aimed at supporting road safety education and enhancing traffic safety and mobility in villages. A total of 27 projects have so far received funding.

Technical education

Vocational training and continued education in technical professions are part of ŠKODA AUTO's social responsibility - but are also an important factor in securing the Company's future competitiveness. In doing so, we strive mainly to make technical professions more attractive and promote the dual system of education to increase the number of qualified technical and science graduates.

Support begins early: In the "Young designers" competition, which starts at pre-school level, ŠKODA focuses on children's creativity. This leads into activities to make technical education more popular in primary and secondary schools and is followed by intensive cooperation with domestic and overseas universities. Since 2013, the project aims to support children's creativity and interest not only in art, but also in technology and industry. In the first year of the competition, children in pre-schools drew their future car; the next year, primary school children were encouraged to build a 3D model of their imaginary car. An award presented by ŠKODA AUTO Head of Design Jozef Kabaň underlines the importance of this project.

Besides pupils, ŠKODA AUTO also regards teachers as one of the most important target groups in the ed-



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Left: Supporting the "Clown Doctors": one of the longest standing engagements of ŠKODA in the Czech Republic.

Right: Road safety education: safety among the youngest road users.



educational system. Through the project "Science has a future" the company offers courses for primary school teachers to provide them with ideas and methods for teaching maths and scientific subjects. Teachers from primary schools in the regions where ŠKODA AUTO is located received useful teaching tips, visited ŠKODA plants and learned about lean production at the ŠKODA Lean Centre. The most valuable insight for many of them was a peak into future educational possibilities for their students at the ŠKODA Vocational school. Many of them realised that working in industry is an attractive perspective. This further education project is also officially accredited by the Czech Ministry of Education, Youth and Sports.

The Company also aims to interest people in technology outside of schools. ŠKODA AUTO has partnered with the technology park "IQ Landia Liberec" and since 2013 organises technology-related exhibitions to promote technical education and professions.

Financial support for projects to promote technical education complements our activities. Since 2008, ŠKODA AUTO has donated more than 330 cars, hundreds of items of diagnostic equipment, engines and other components to secondary vocational schools for educational purposes.

ŠKODA AUTO is a leader in technical education and is also actively involved in national debate and projects related to the overall educational concept in the Czech Republic. One such nationwide projects where is ŠKODA AUTO is involved is "POSPOLU" or "Sectorial agreement with Hradec Králové Region". "POSPOLU" is a pilot project, which is networking companies with

schools and universities to promote a dual training system. The ultimate goal of the activities is to find ways to bring more practical education into schools. The sectorial agreement brings relevant companies, schools and state administration in Hradec Králové together to promote technical education and support practical vocational training. Having its own vocational school and university focusing on technical education is a clear commitment of the Company to this topic. Since 2013, ŠKODA AUTO has also implemented regional grant programmes for technical education support, aimed at promoting technical education in primary schools. By the end of 2014, a total of 19 projects had received funding.

Support for children

As a family-orientated brand, ŠKODA is also actively involved in projects designed to help children – especially those less fortunate. The main focus is on disadvantaged children in need, helping them find their motivation and improve at school.

To fulfil these aspirations, ŠKODA AUTO provides financial and vehicle donations to a number of recognised organisations in the Czech Republic, such as the non-profit "Clown Doctors", which organises visits from professional clowns to seriously-ill children throughout the Czech Republic under the motto "laughter is the best medicine". Clowns regularly visit more than 60 hospitals in the Czech Republic and, in 2013, they broadened their focus to include seniors. In 2014, there were around 3,700 clown performances for over 73,000 children and elderly people.



In partnership with the Tereza Maxová Children's Foundation, ŠKODA AUTO supports disadvantaged children from children's homes aged 11 to 15 through the project "ROZJEDU TO! (Get Started!)". The aim of this project, which was launched in 2013, is to prepare children better for working life through personal assistance and training in subjects like math, languages or science. Many of them also learn skills like playing an instrument, dancing or singing. In 2014, the project included around 40 children from four children's homes. To give them a glimpse of real working life, children visit various companies to understand different job opportunities in hotels like Hilton or in manufacturing plants like those of ŠKODA AUTO.

The second target group of this project is educators, who receive further training in specialised seminars on how to deal with disadvantaged kids lacking motivation who often face problems. Through specific activities, the project is developing a methodology for homes to boost children's motivation.

ŠKODA AUTO has also joined forces with the foundation to support "Children's days" and a project where foster families receive a ŠKODA Citigo for their specific needs through a public grant.

To raise support and awareness for disadvantaged children, ŠKODA AUTO is also a general partner of the charity fashion show "FASHION FOR KIDS". Another initiative supported by the Company is "New Job, New Life", which enables disadvantaged young people to gain their first work experience, for example, through internships. The initiative was launched with the support of the Tereza Maxová Children's Foundation and

the "Business for Society" organisation. By the end of 2014, almost 30 companies were involved.

In 2014, the Company has implemented a new regional grant programme, aimed at improving children's care and skills called "ŠKODA for Children". A total of 12 projects have so far received funding.

In Germany, ŠKODA AUTO Deutschland supports the KinderPalliativTeam, which provides outpatient care for terminally-ill children. Thanks to this project, children are able to spend the last weeks, months or years of their lives at home with their families. ŠKODA AUTO has provided vehicles for two projects to help with outpatient care for seriously-ill children at home.

ŠKODA AUTO Deutschland also has a very special link to the Bärenherz Foundation. The foundation finances children's hospices all over Germany. In Leipzig and Wiesbaden the Company supports hospices where terminally-ill children can spend the last weeks or months of their lives together with their families with good deeds, financial donations and a vehicle.

ŠKODA AUTO Slovensko has been working with the "Nádej" ("Hope") children's home outside of Bratislava since 2004. Financial support is provided for items such as games, sports equipment, school supplies, books and Christmas decorations for the children's home. A sports day has also been held regularly on Universal Children's Day since 2010. Organised by the Works Council, ŠKODA AUTO Slovensko employees and their families participate in a day full of games, contests and entertainment. Employees also support the children's home throughout the year with donations of clothing and household articles.

Social commitment in India

Skoda Auto India Pvt. Ltd. has been a socially responsible organization since the beginning, and has been contributing for CSR activities to support socially & economically weaker and deprived sections of society and communities. The CSR activities are being carried out on a regular basis to help underprivileged sections of society. To fulfil this commitment, ŠKODA AUTO India organises regular health checks in local communities - at so-called "check-up camps". A medical team from Skoda Auto India conducts health checks, provides counselling, distributes medicine and provides health and prevention education. Targeted groups are mainly underprivileged children, students and common villagers. More than 600 people were checked in 2014 and over 500 in 2013.

To help disadvantaged children, Skoda Auto India and its employees focus on company and employee donations, and on improving living conditions and education at the Vasant Rao Naik children's home in Aurangabad.



"Mobility without limits": ŠKODA Handy is a programme for finding and developing solutions for personal mobility of physically handicapped people.



Barrier-free mobility

ŠKODA AUTO strives to enable as many people as possible to enjoy individual mobility and live an independent life. For many years now, ŠKODA AUTO has been implementing its "ŠKODA Handy" programme to provide disabled people with specialised advice and information on the many technical possibilities available in a car and available funding. ŠKODA Handy counsellors are people with disabilities who can relate to the customer's needs. In 2014, there were ten locations for ŠKODA Handy services all over the Czech Republic. Jiří Ježek, a successful Czech Paralympic sportsman, became an ambassador for the programme. A similar concept is also been adopted by ŠKODA AUTO Slovensko, and is known as the "ŠKODA Handy ZŤP Programme". The programme helps to develop transport solutions to enhance mobility for persons with disabilities and their integration since 2011. There are seven ŠKODA Handy ZŤP centres in Slovakia currently, which provide all necessary information, services and assistance for buying a new car, including advice on modifications of the vehicle according to disability. Sheltered workshops also employ persons with disabilities. ŠKODA AUTO also calls for public and political support for creating a genuine market for such modified vehicles to provide better options for disabled drivers. In 2013, we collaborated with CZEPA (the Czech Association of Paraplegics) on a mobility study to improve individual mobility for people with disabilities on the Czech Republic's main roads. An interactive map

(Vozejkmap.cz) and a smartphone application now help the general public and active users find accessible facilities, such as restaurants, parking spaces and WCs while traveling.

At a national level, ŠKODA AUTO has a long-standing partnership with the Paraple Centre, which offers rehabilitation programmes and a wide range of leisure activities for people with disabilities. It helps them to return to normal life and gain a certain level of independence in everyday activities, such as cooking or driving a car.

The Company affirms its commitment to barrier-free sports as a partner for Paralympic athletes in the Czech Republic.

Since 2014, the Company implemented a regional grant programme aimed at improving barrier-free mobility. A total of eight projects have so far received funding.

Employees and regional commitment

ŠKODA AUTO has a strong bond, not only with its employees and their families, but also with the people living near its plants. In collaboration with the KOVO Trade Union Works Council of ŠKODA AUTO a.s., the Company participates in specific projects for their benefit.

ŠKODA AUTO attaches great importance to the welfare of its employees and provides them with a wide range of social benefits, comprehensive healthcare, work-life balance and the possibility of further professional development through its HR strategy. 



Smetanas Litomyšl international opera festival.

ŠKODA AUTO is involved in projects directly associated with the regions in which it operates, based on the "good neighbour" principle. The range of activities includes, for example, improvement of infrastructure, the environment and funding for leisure activities. Many of our activities in the Czech Republic are focused on Mladá Boleslav location, with which ŠKODA AUTO has especially close ties. This is where the Company was founded and where it still employs a substantial share of its workforce. Teams of experts from the cities of Mladá Boleslav, Kvasiny, Vrchlabí and ŠKODA AUTO collaborate closely on a politically-independent project to enhance the appeal of the respective regions as manufacturing locations and transform the cities into attractive industrial hubs – not only from an economic perspective, but also from a social and environmental viewpoint.

A new grant programme was launched in 2014, focusing on regions with ŠKODA sites. 22 projects proposed by ŠKODA AUTO employees emphasising solidarity with the region and the local community received support.

In the environmental field, the project "One tree planted for each car sold in the Czech Republic" continued in 2014. By involving employees and their families, the Company actively promotes environmental protection in the regions where it operates. Since the project began in 2007, more than 50 partners, chiefly local government and non-profit organisations, have participated. More than 480 thousand trees have been

planted in total. In 2014, students from ŠKODA Vocational School and ŠKODA trainees joined employees to help plant trees.

Cultural commitment

ŠKODA AUTO also contributes as a "good corporate citizen" to cultural life in the areas where it is based. These activities, which focus mainly on the Czech Republic, are coordinated by a central steering committee. But ŠKODA AUTO is also internationally active in the cultural field: Subsidiaries and import companies in other markets worldwide are largely independent in their choice of cultural activities.

At its different locations, ŠKODA AUTO is also actively involved in organising recreational activities for its employees, their families and the local communities, focusing mainly on expanding local cultural, social and sports opportunities, such as the Municipal Theatre in Mladá Boleslav and the Rally Bohemia event.

ŠKODA AUTO enjoys long-term partnerships with prominent and outstanding cultural institutions in the Czech Republic, such as the Czech Philharmonic and the National Theatre in Prague, the National Museum and the National Technical Museum.

ŠKODA AUTO also supports a number of acclaimed international events, such as the Smetana's Litomyšl international opera festival, which is one of the largest classical open-air festivals in the Czech Republic. Activities like the Zlín Film Festival for Children and Youth, the Prague German-language Theatre Festival and the



Social affairs A focus on people – part of our culture
Responsibility for employees
Social responsibility

Partnerships with outstanding cultural institutions, such as the National Theatre in Prague or the Zlín Film Festival for children and youth.



respected World Press Photo exhibition round out the Company's cultural commitment in the Czech Republic. Since 2012, the Company has supported the Arnošt Lustig Prize dedicated to the powerful human values of courage, bravery, humanity and justice exemplified by the writer the award is dedicated to. In 2013, ŠKODA AUTO also sponsored the "Memory of Nations" award

for the first time. The award recognises those whose lives have proved that "honour, freedom and human dignity are not just empty words." From war veterans, dissidents, political prisoners to Holocaust survivors, each of them at a particular moment in their lives have found the courage to stand up to evil or help others, thereby contributing to freedom in today's society.

Facts & Figures

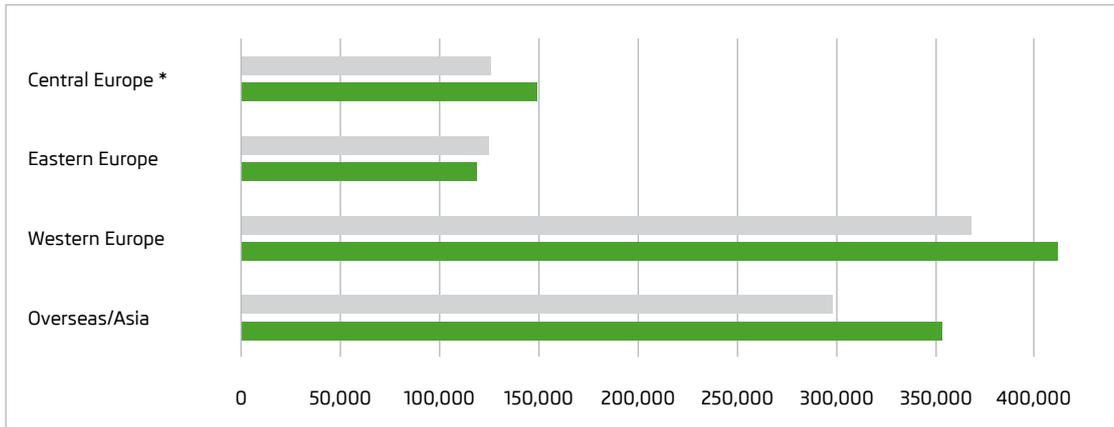
Economy

Key Figures and Financial Results according to IFRS (EUR million)*

| | | ŠKODA AUTO Group | |
|---|---------------|------------------|--------|
| | | 2014 | 2013 |
| Income Statement | | | |
| Sales revenue | EUR million | 11,758 | 10,324 |
| Gross profit | EUR million | 1,872 | 1,538 |
| | % of revenues | 15.9 | 14.9 |
| Operating profit | EUR million | 817 | 522 |
| | % of revenues | 7.0 | 5.1 |
| Profit before income tax | EUR million | 775 | 536 |
| Profit before income tax-to-revenues ratio | % | 6.6 | 5.2 |
| Profit for the year | EUR million | 665 | 455 |
| Profit for the year-to-sales ratio | % | 5.7 | 4.4 |
| Other Key Figures | | | |
| Investment (without capitalised development expenses) | EUR million | 698 | 741 |
| R & D expenditure | EUR million | 471 | 329 |
| Net liquidity | EUR million | 2,065 | 1,472 |

* Presentation currency of ŠKODA AUTO Group is the Czech crown (CZK).
The items reported in EUR were translated from CZK at exchange rates of the European Central Bank according to methodology of the Volkswagen Group.

Deliveries to customers by region: ■ 2013 and ■ 2014



| | Deliveries to customers (vehicles) | | Change in % 2014/2013 | % share of passenger car market** | |
|--------------------------|------------------------------------|----------------|--------------------------|-----------------------------------|-------------|
| | 2014 | 2013 | | 2014 | 2013 |
| Central Europe* | 149,874 | 126,481 | 18.5% | 19.8% | 19.1% |
| Eastern Europe | 119,186 | 125,359 | - 4.9% | 4.2% | 3.9% |
| Western Europe | 413,184 | 369,598 | 11.8% | 3.4% | 3.2% |
| Overseas/Asia | 354,982 | 299,312 | 18.6% | 1.3% | 1.1% |
| Total ŠKODA brand | 1,037,226 | 920,750 | 12.7% | 1.4% | 1.3% |

* including the Czech Republic ** total markets

Deliveries to customers – largest markets

| | Deliveries to customers (vehicles) | | Change in % |
|--------------------------|------------------------------------|----------------|--------------|
| | 2014 | 2013 | 2014/2013 |
| Total ŠKODA brand | 1,037,226 | 920,750 | 12.7% |
| China | 281,412 | 226,971 | 24.0% |
| Germany | 149,538 | 136,415 | 9.6% |
| Russia | 84,437 | 87,456 | - 3.5% |
| Great Britain | 76,027 | 66,029 | 15.1% |
| Czech Republic | 70,200 | 60,042 | 16.9% |
| Poland | 46,650 | 38,710 | 20.5% |
| France | 21,054 | 20,400 | 3.2% |
| Austria | 20,487 | 20,073 | 2.1% |
| Netherlands | 18,567 | 13,597 | 36.6% |
| Switzerland | 17,820 | 16,984 | 4.9% |
| Belgium | 17,807 | 15,482 | 15.0% |
| Spain* | 17,783 | 13,421 | 32.5% |
| Slovakia | 16,402 | 14,827 | 10.6% |
| India | 15,538 | 22,563 | - 31.1% |
| Israel | 15,118 | 14,387 | 5.1% |

* excluding the Canary Islands

Deliveries to customers by model

| | 2014 | 2013 | 2014/2013 |
|--------------------------|------------------|----------------|------------------|
| Citigo | 42,494 | 45,225 | - 6.0% |
| Fabia | 118,975 | 152,248 | - 21.9% |
| Fabia Combi | 41,543 | 49,741 | - 16.5% |
| Fabia total | 160,518 | 201,989 | - 20.5% |
| Rapid | 148,991 | 95,787 | 55.5% |
| Rapid Spaceback | 72,372 | 7,994 | > 100% |
| Rapid total | 221,363 | 103,781 | > 100% |
| Roomster | 27,454 | 31,149 | - 11.9% |
| Roomster Praktik | 2,189 | 2,146 | 2.0% |
| Roomster total | 29,643 | 33,295 | - 11.0% |
| Octavia | 235,486 | 244,812 | - 3.8% |
| Octavia Combi | 153,771 | 114,766 | 34.0% |
| Octavia total | 389,257 | 359,578 | 8.3% |
| Yeti | 102,867 | 82,449 | 24.8% |
| Superb | 53,282 | 59,315 | - 10.2% |
| Superb Combi | 37,802 | 35,118 | 7.6% |
| Superb total | 91,084 | 94,433 | - 3.5% |
| Total ŠKODA brand | 1,037,226 | 920,750 | 12.7% |

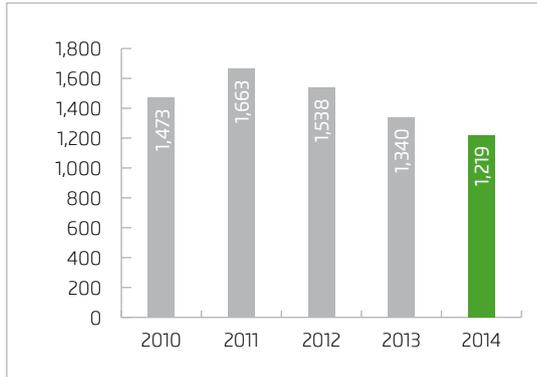
ŠKODA production worldwide

| | 2014 | 2013 | 2014/2013 |
|---|------------------|----------------|----------------|
| Production of ŠKODA cars | | | |
| Fabia* | 103,548 | 110,881 | - 6.6% |
| Fabia Combi | 38,997 | 47,505 | - 17.9% |
| Fabia total | 142,545 | 158,386 | - 10.0% |
| Rapid* | 64,013 | 51,321 | 24.7% |
| Rapid Spaceback | 57,792 | 18,542 | > 100% |
| Rapid total | 121,805 | 69,863 | 74.3% |
| Roomster | 27,728 | 29,338 | - 5.5% |
| Roomster Praktik | 2,255 | 2,087 | 8.0% |
| Roomster total | 29,983 | 31,425 | - 4.6% |
| Octavia* | 120,661 | 119,920 | 0.6% |
| Octavia Combi | 156,742 | 108,541 | 44.4% |
| Octavia total | 277,403 | 228,461 | 21.4% |
| Yeti* | 88,693 | 74,658 | 18.8% |
| Superb* | 21,772 | 21,442 | 1.5% |
| Superb Combi | 37,209 | 33,883 | 9.8% |
| Superb total | 58,981 | 55,325 | 6.6% |
| Total ŠKODA brand | 719,410 | 618,118 | 16.4% |
| ŠKODA brand production worldwide | | | |
| Total ŠKODA Pune | 10,887 | 15,310 | - 28.9% |
| Total ŠKODA Bratislava | 41,974 | 42,971 | - 2.3% |
| Total ŠKODA China | 277,138 | 255,222 | 8.6% |
| Total ŠKODA worldwide | 1,049,409 | 931,621 | 12.6% |

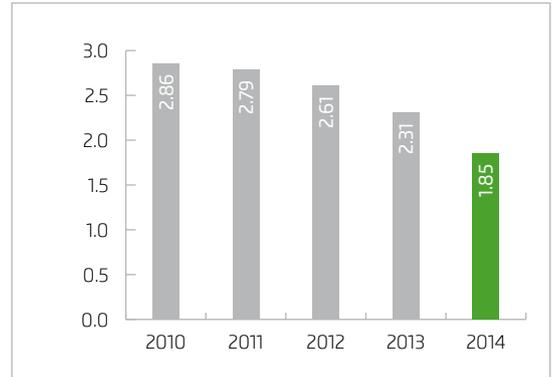
* including kits shipped to foreign production plants outside the ŠKODA AUTO Company

Environment

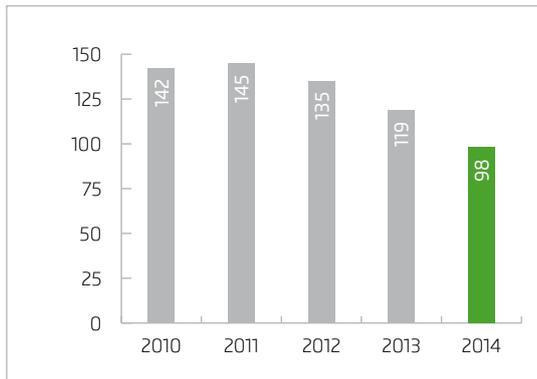
Total VOC emissions (in t)



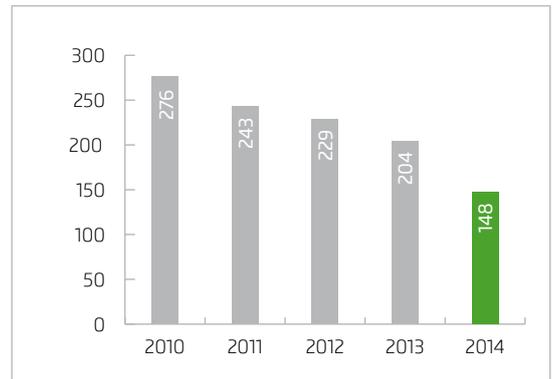
Total VOC emissions/vehicle (in kg)



Direct NO_x emissions (in t)

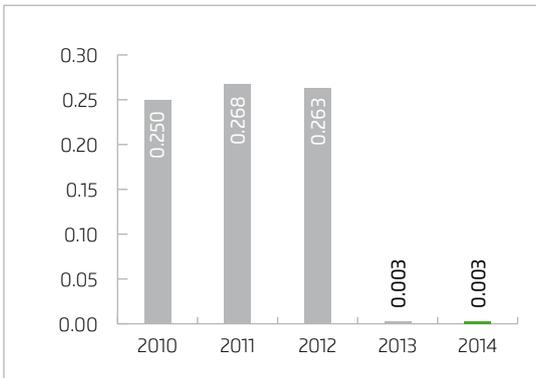


Direct NO_x emissions/vehicle (in g)

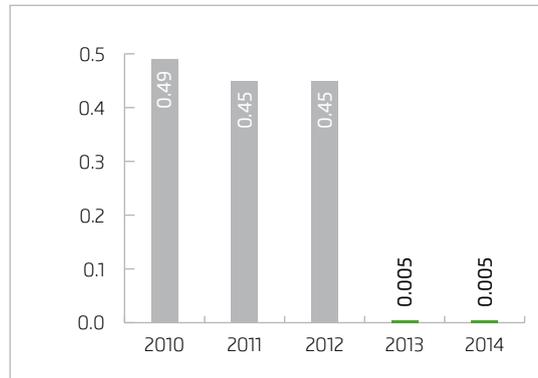


Significant decrease in VOC emissions due to implementation of technological measures in paint shops. Quantity of NO_x identified based on authorised measurements or emission factors and the amount of natural gas burned.

Direct SO₂ emissions (in t)



Direct SO₂ emissions/vehicle (in g)

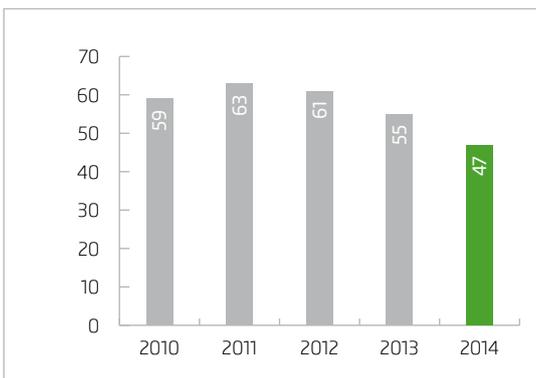


Source: Emission factors for NO_x and SO₂ are from Official Journal of the Ministry of Environment

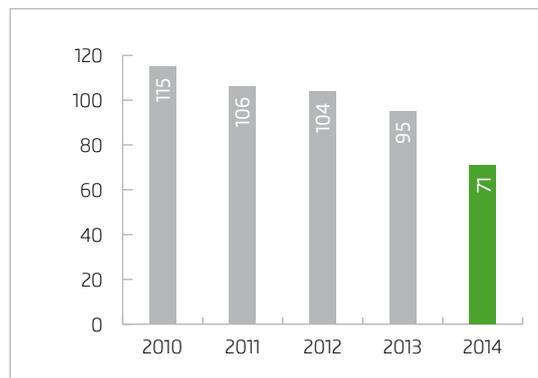
Quantity of SO₂ identified based on emission factors in VW norm 98000. Based on a change in Czech Legislation and the newly established VW98000 norm in 2013, SO₂ emissions resulting from the combustion of natural gas are no longer listed.

VOC is determined from the balance based on consumption of materials containing VOC and efficacy of terminal technologies, which is measured on a regular basis. Data only refers to Czech Republic.

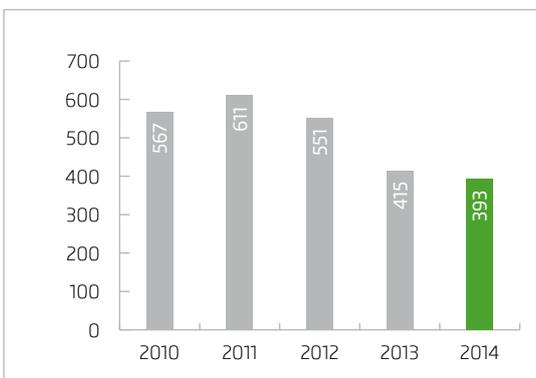
Direct CO₂ emissions (in thousands of t)



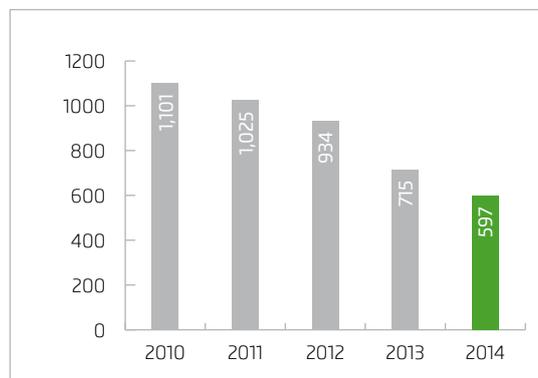
Direct CO₂ emissions/vehicle (in kg)



Total CO₂ emissions (in thousands of t)



Total CO₂ emissions/vehicle (in kg)



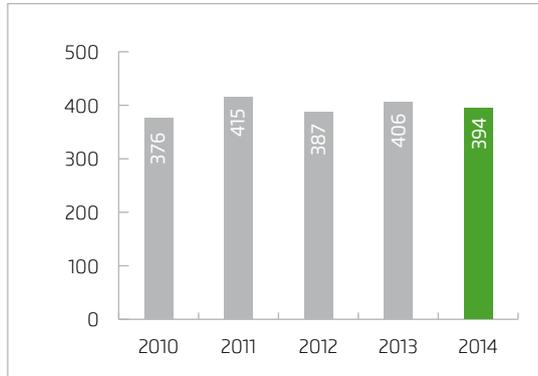
Direct CO₂ emissions: Calculation based on energy consumption and emission factors.

Gases included in the calculation: CO₂+ minor quantity of F-gases and controlled substances leaked from cooling devices.

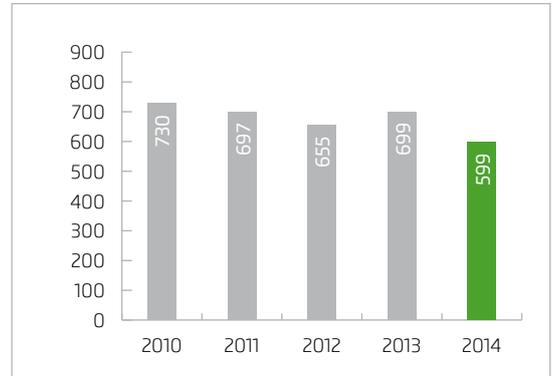
Indirect CO₂ emissions: Calculation based on energy consumption and emission factors from energy suppliers.

Significant decrease in total CO₂ due to purchasing electricity from renewables, electricity and heat partly from biomass. Data only refers to Czech Republic.

Chemical oxygen demand (in t)

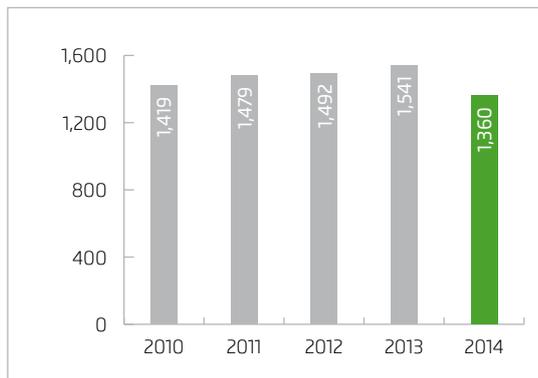


Chemical oxygen demand/vehicle (in g)

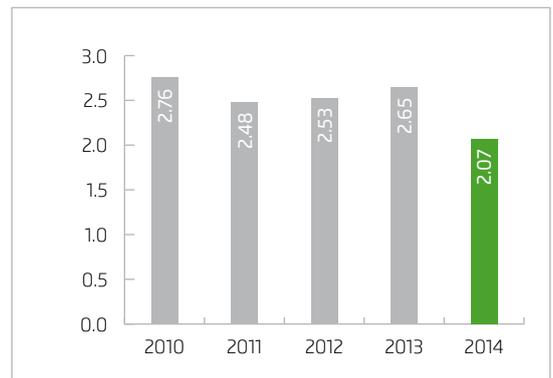


Deviations from last report with regard to chemical oxygen demand per vehicle are due to changes in the methods used to calculate the number of produced vehicles, which only counts vehicles that are entirely assembled in the Czech Republic. Data only refers to Czech Republic.

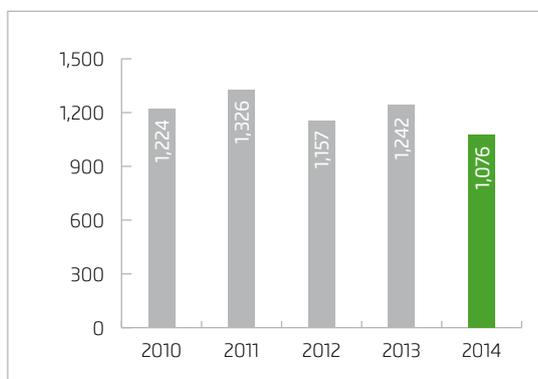
Freshwater (in thousands of m³)



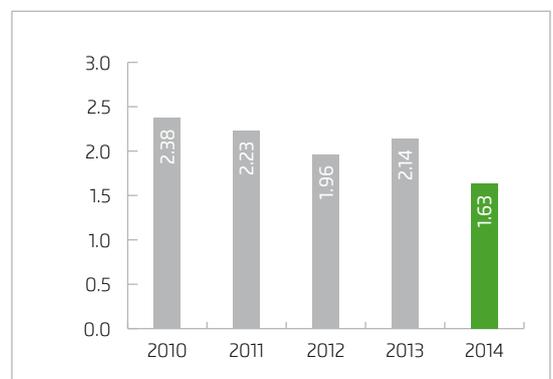
Freshwater/vehicle (in m³)



Wastewater (in thousands of m³)

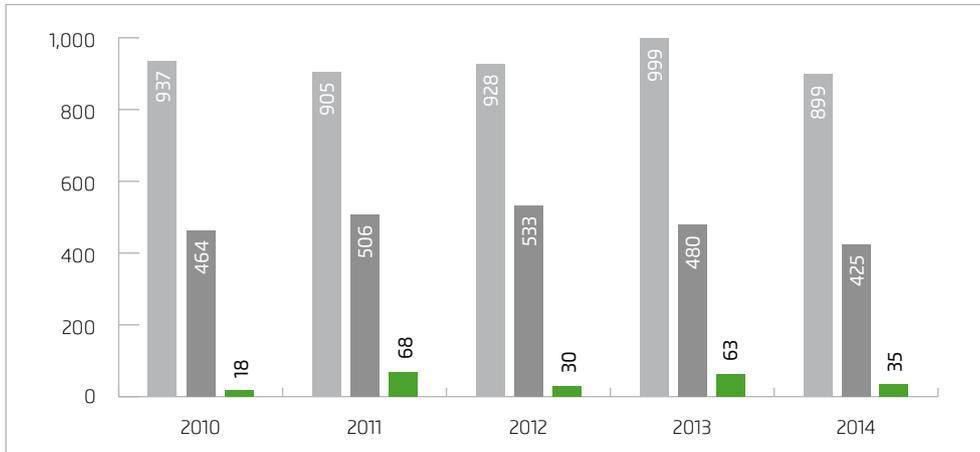


Wastewater/vehicle (in m³)

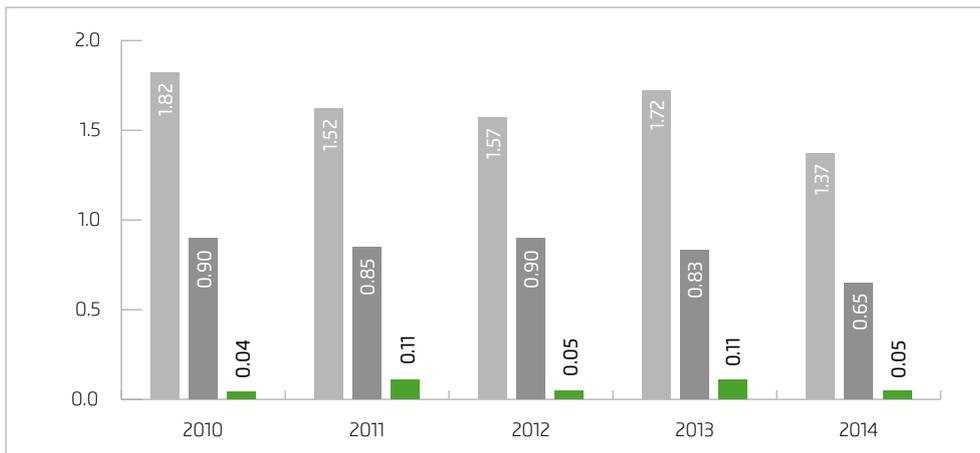


Volumes are based on the Company's own measurements and corresponding calculations. Decrease in water consumption due to several measures for reduction of drinking water consumption and water for industrial use. Data only refers to Czech Republic.

Water consumption by source (■ surface ■ drinking ■ underground water in thousands of m³)



Water consumption by source/vehicle (■ surface ■ drinking ■ underground water in m³)



Volumes are based on the Company's own measurements and corresponding calculations. Decrease in water consumption due to several measures for reduction of drinking water consumption and water for industrial use. Data only refers to Czech Republic.

Sources of industrial water concerned by withdrawal and discharging

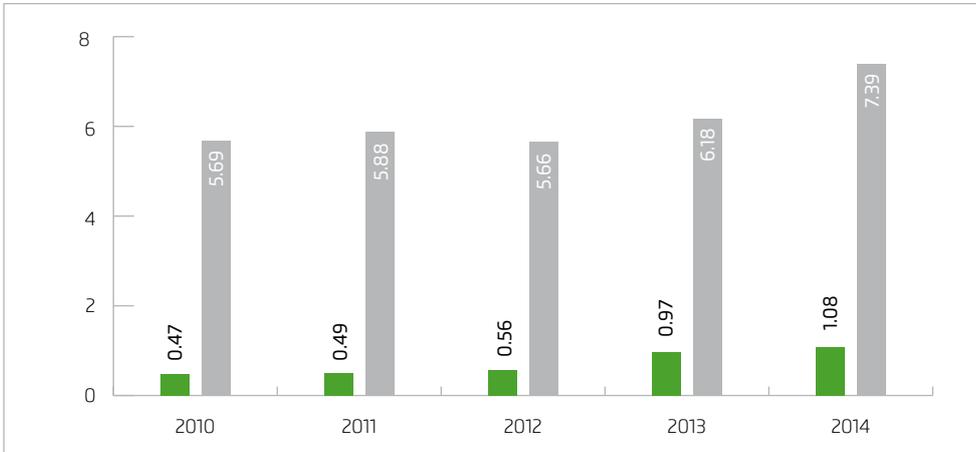
| Name | Area of the drainage basin upstream to the withdrawal profile in km ² | Long-term average flow Q _a m ³ /s | Watercourse important for water management as per Decree 470/2001 Sb. | Order according to Gravelius | Protected areas at the site of water withdrawal or discharge | Environmental quality of the watercourse - type of water as per Decree 169/2006 Sb. |
|--------|--|---|---|------------------------------|--|---|
| Jizera | 1,734.81 | 25.24 | Yes | II. | No | 47K, 48K carp water |
| Bělá | 59.40 | 1.22 | Yes | IV. | No | 11 L salmon water |
| Labe | 93.35 | 2.63 | Yes | I. | No | 2 L salmon water |

Groundwater sources

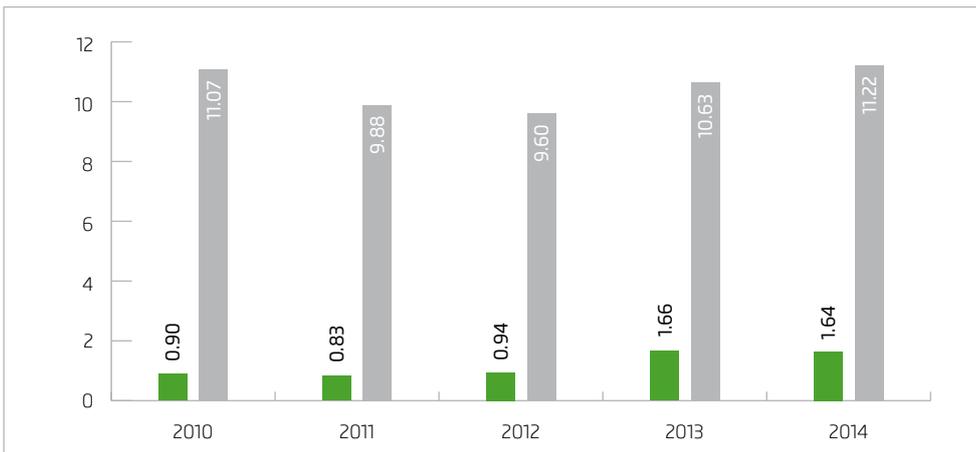
| Name | Hydrogeological zone | Area in km ² |
|------------------|---|-------------------------|
| Podorlická křída | 4222 Povodí Orlice (Orlice River Basin) | 434.5 |

Classification is in accordance with legal water protection requirements and VÚV TGM (T.G. Masaryk Water Research Institute) and ČHMÚ (Czech Hydrometeorological Institute) databases.

Hazardous waste for use and disposal (in thousands of t)



Hazardous waste for use and disposal/vehicle (in kg)

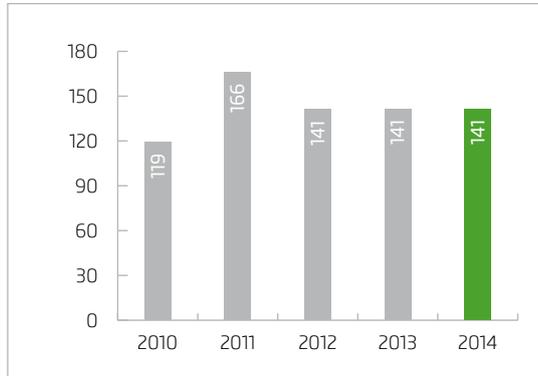


ŠKODA AUTO has to register and report production of hazardous waste (waste which exhibits one or more dangerous properties, e.g. explosiveness, flammability, toxicity etc.). This definition of hazardous waste derives from national law, but it is in accordance with the Basel Convention and other European laws. In the years 2013 and 2014, ŠKODA AUTO did not transport, import or export any hazardous waste subject to the Basel Convention.

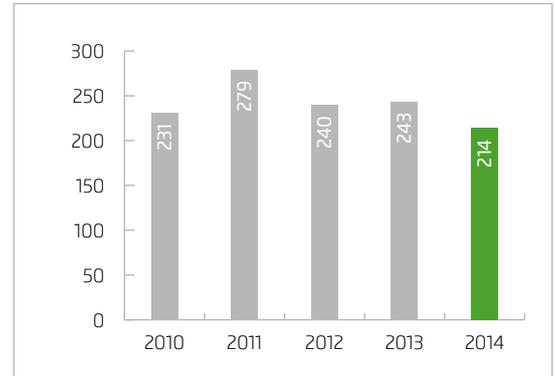
The increase in hazardous waste since 2013 is due to the higher production numbers of components, such as engines and gearboxes. This development is mainly driven by the change of the Vrchlabí plant from vehicle production to gearbox production since the end of 2012.

Data only refers to Czech Republic.

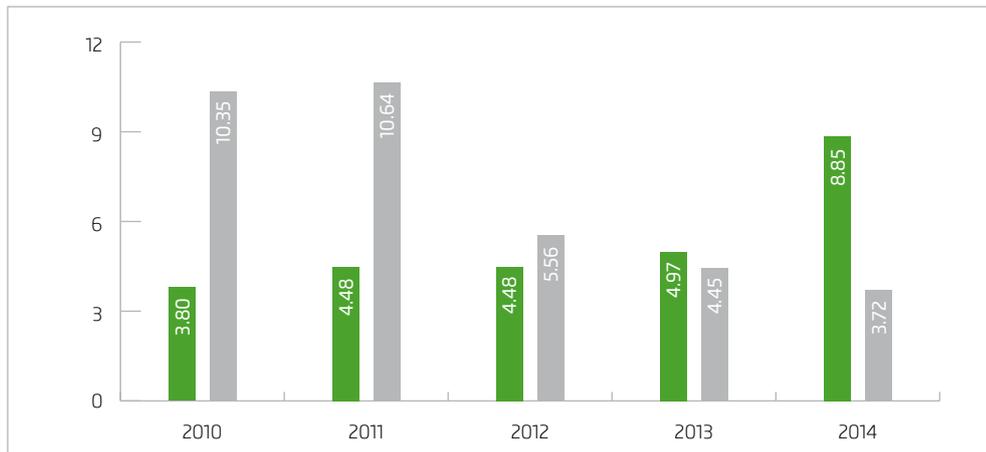
Metal waste (in thousands of t)



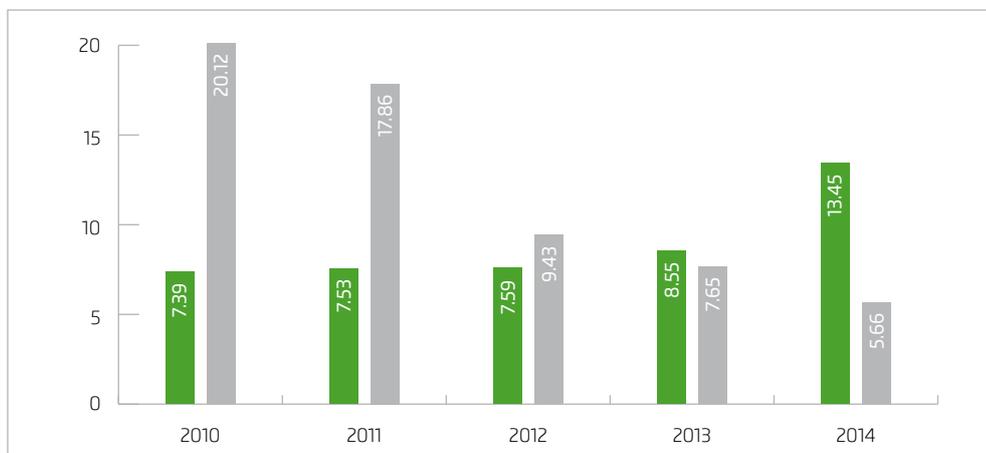
Metal waste/vehicle (in kg)



Other waste for use and disposal (in thousands of t)

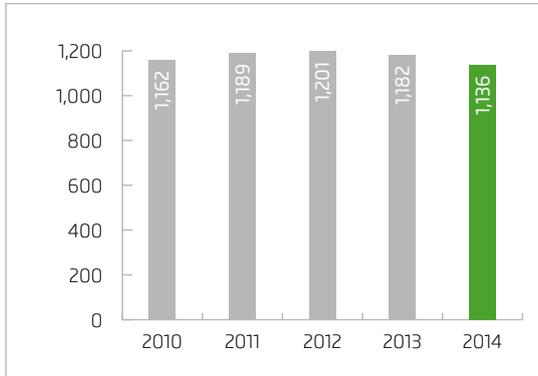


Other waste for use and disposal/vehicle (in kg)

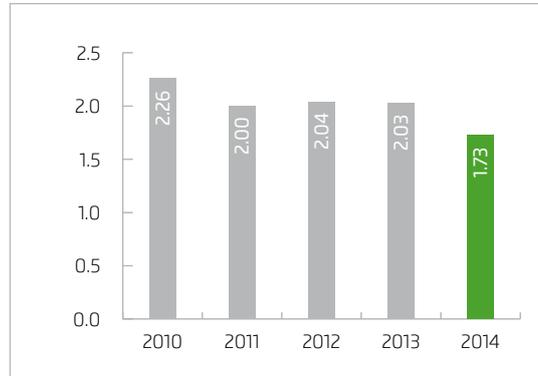


The reduction in other waste for disposal is due to the end of production at the cast iron foundry in Mladá Boleslav in 2012, as well as several further measures taken in recent years. Data only refers to Czech Republic.

Total energy consumption (in GWh)



Energy consumption/vehicle (in MWh)

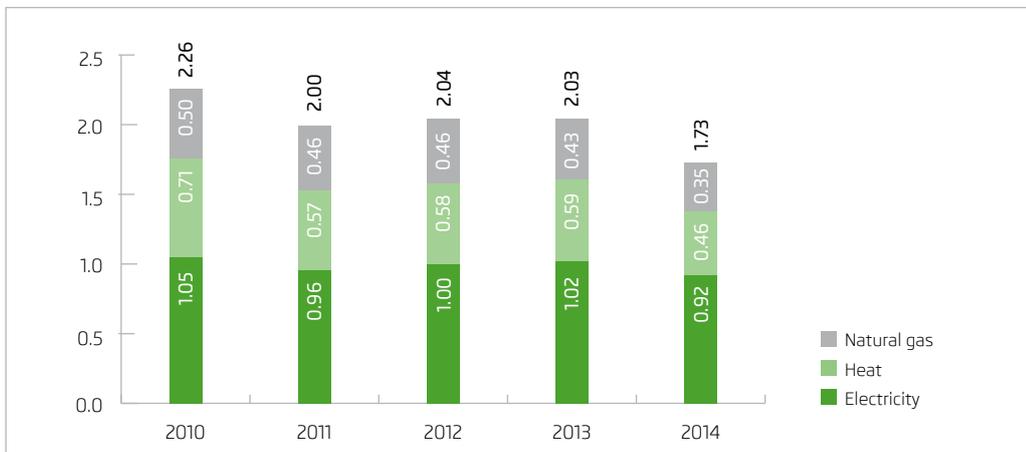


Deviations from last report with regard to energy consumption per vehicle are due to changes in the methods used to calculate the number of produced vehicles, which only counts vehicles that are entirely assembled in the Czech Republic. Data only refers to Czech Republic.

Energy consumption (in GWh)

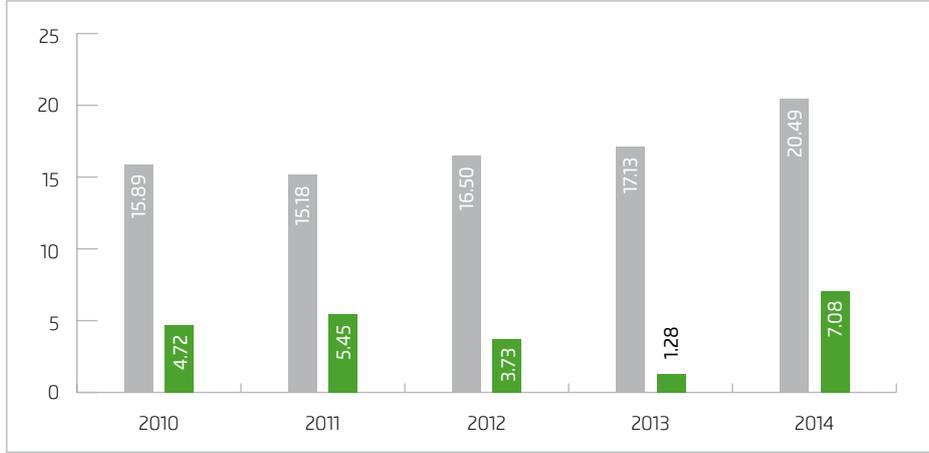


Energy consumption/vehicle (in MWh)

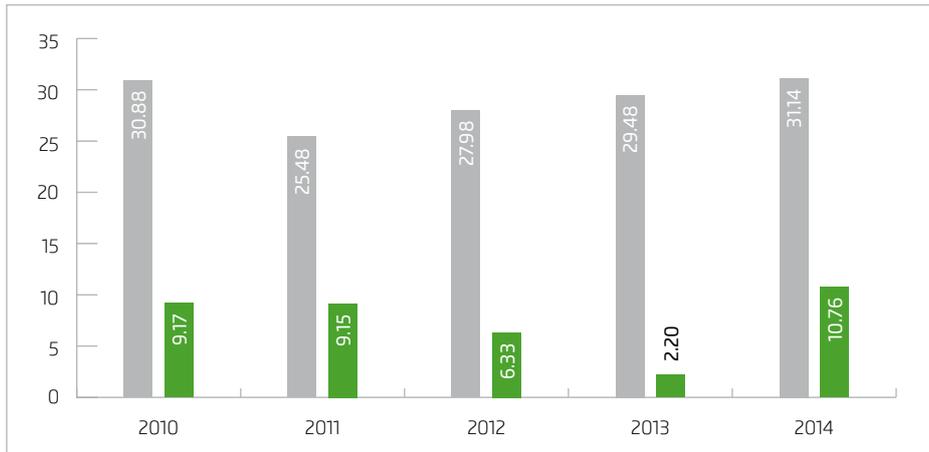


Energy consumption per vehicle refers to vehicles produced. Data only refers to Czech Republic.

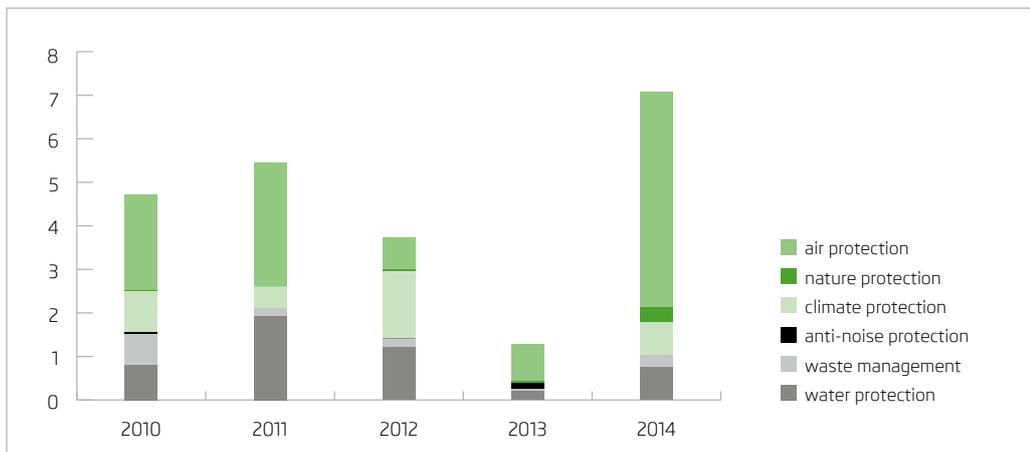
Environmental protection costs
 (■ operating costs ■ investment costs in million EUR)



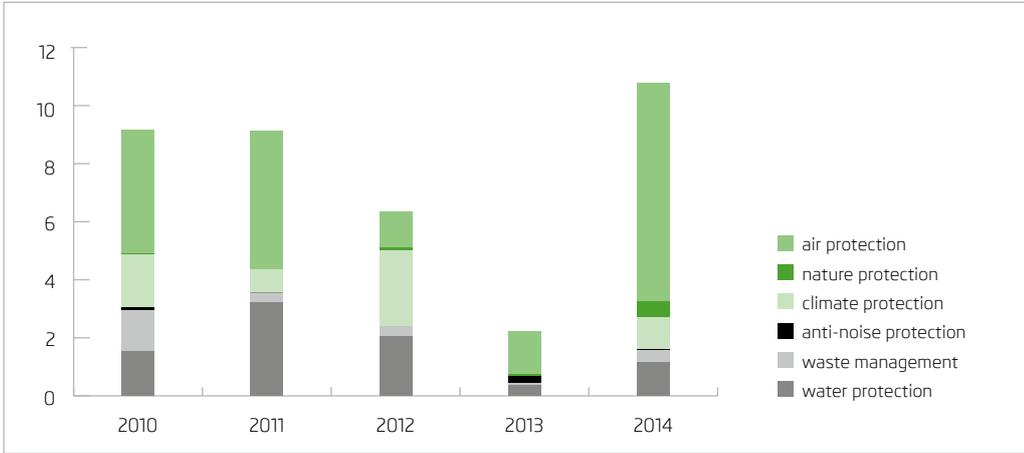
Environmental protection costs per vehicle
 (■ operating costs ■ investment costs in EUR)



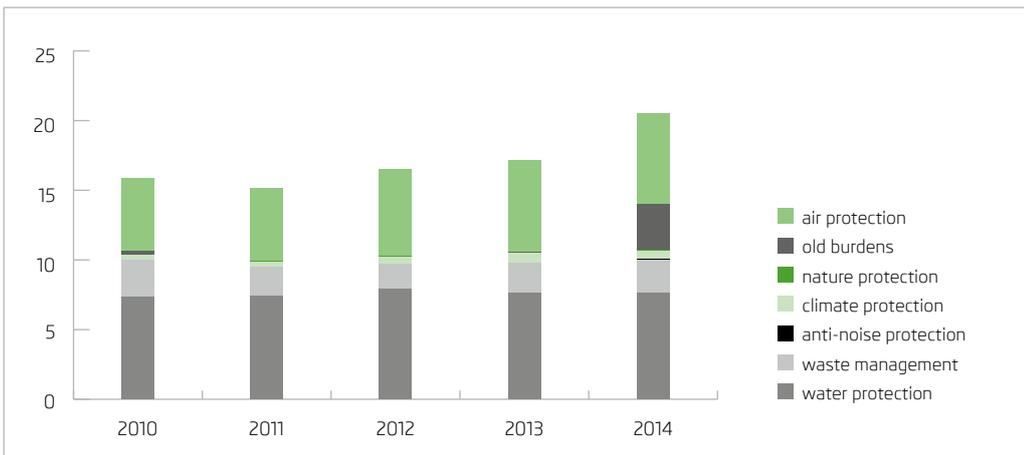
Investment costs for environmental protection (in million EUR)



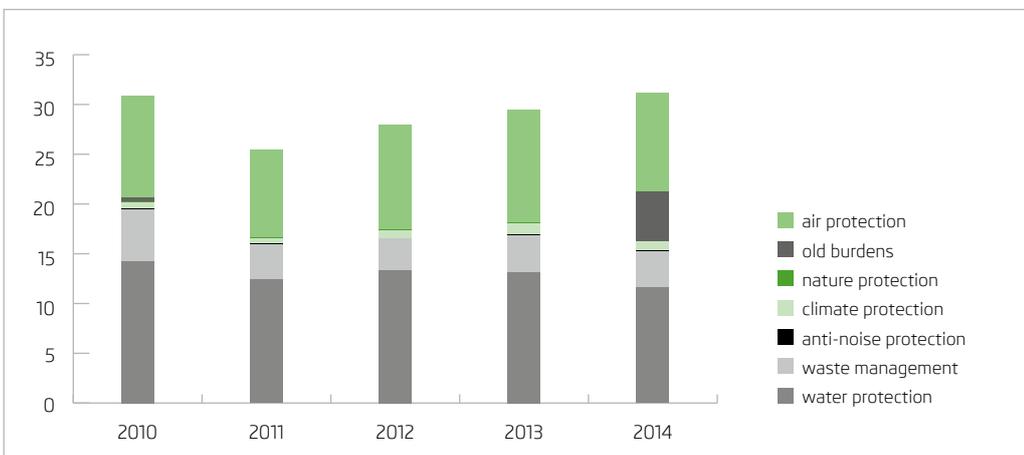
Investment costs for environmental protection per vehicle (in EUR)



Operating costs for environmental protection (in million EUR)



Operating costs for environmental protection per vehicle (in EUR)

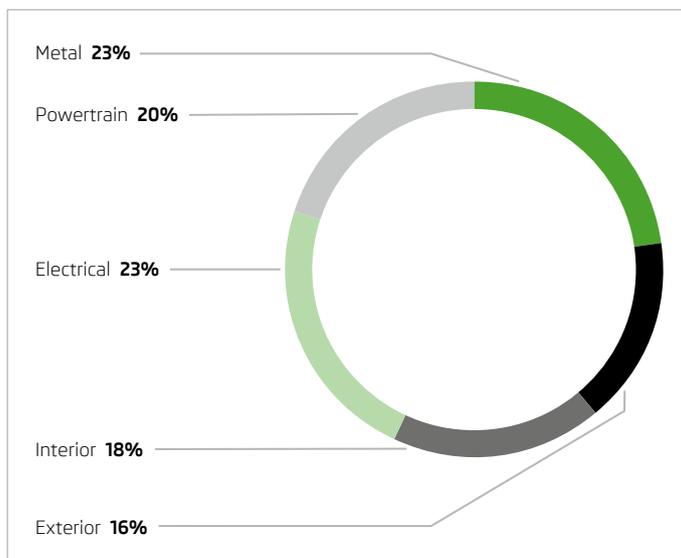


Recycling rate of reclaimed products

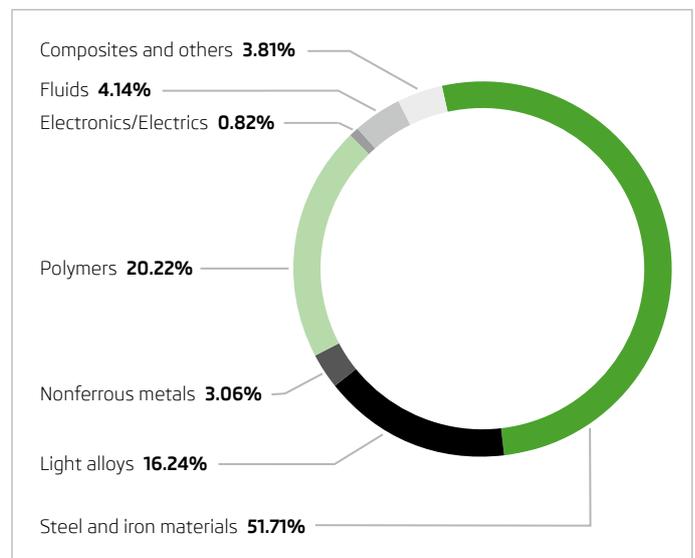
| Year | Reclaimed products (Czech Republic) | | | | | |
|------|-------------------------------------|--------------------|-------------------------|--------------------|----------------------|--------------------|
| | End of life vehicles | | Used tyres | | Used Pb accumulators | |
| | Collected amount [pcs]* | Recycling rate [%] | Collected amount [pcs]* | Recycling rate [%] | Collected amount [t] | Recycling rate [%] |
| 2010 | 8,165 | 91.7 | 34,000 | 99.9 | 511 | 65.5 |
| 2011 | 6,416 | 92.2 | 35,500 | 99.9 | 656 | 66.2 |
| 2012 | 4,912 | 92.4 | 36,900 | 99.9 | 577 | 66.5 |
| 2013 | 3,668 | 91.9 | 58,000 | 99.9 | 735 | 65.1 |
| 2014 | 3,785 | 92.8 | 53,900 | 99.9 | 1,037 | 65.2 |

* ŠKODA brand end of life vehicles only. The decrease is due to the overall market situation for end of life vehicles in the Czech Republic. While the number of wrecked cars decreases continuously, the number of companies that process these cars independently from ŠKODA AUTO keeps increasing. Additionally, around 800 tons of used oil have been collected per year.

2014 Procurement volumes by commodity



Material composition, ŠKODA OCTAVIA III 1,6 TDI 77 kW



Major protected areas near production sites

| Category | Name | Distance (km) | Area (ha) | Object of protection & notes |
|----------------------------------|----------------------|---------------|-----------|--|
| Mladá Boleslav plant | | | | |
| Protected landscape area | Český ráj | 10 | 18,152.3 | The purpose of this area is to preserve and restore the natural environment, particularly ecosystems of wild animal and plant species, and to maintain the typical character of the landscape while developing environmentally optimal use of the land and its natural resources. |
| Nature reserve | Vrch Baba u Kosmonos | 2.2 | 249.61 | The complex forest and non-forest natural ecosystems (forest borders, edges, grassland) with high concentration of major habitats, plant and animal taxa and significant geological and geomorphological phenomena – the exposed open space and crack-seal basalt veins. |
| National natural monument | Radouč | 1.6 | 1.47 | To protect significant calcicole and thermophilic communities of argillaceous rocks with a unique occurrence of needle sunrose (<i>Fumana procumbens</i>) in Bohemia. |
| Natural monument | Bezděčín | 2 | 75.11 | Protection of the critically endangered species, European ground squirrel; its population is residing in grassed areas of this natural monument. |
| Natural monument | Podhradská tůň | 3.4 | 3.07 | A landscape with significant natural and aesthetic values, especially the dead arm of the Jizera River as a remnant of the meandering of the watercourse with a characteristic ecosystem of water surface areas, floodplain forest, natural dead arm vegetation stands, including a strip of riparian and aquatic plants, while allowing for semi-intensive fish farming and sport fishing, with the requirement to maintain the equilibrium state and achieve recovery of this ecosystem. |
| Natural monument | Lom u Chrástu | 4.3 | 1.47 | Significant paleontological deposits of Cretaceous middle Turonian fauna, which is one of the baseline supporting profiles for stratigraphy of the Czech Cretaceous layer. |
| Nature park | Chlum | 1.5 | 1,319 | Most of the territory is covered by forests – mainly oak and hornbeam forests, locally with acidophilic oak woods or herb-rich beech forests. The most abundantly represented trees are summer and winter oaks, small-leaved lime, hornbeam, sycamore maple, common ash, and common beech. The herbaceous layer contains rare or protected species of plants, such as white helleborine, common hepatica, Lily of the valley, hazelwort, hairy sedge, wood sedge (<i>Carex sylvatica</i>), Chinese lantern, sweet woodruff, Turk's cap lily, wood anemone, Solomon's seal, salisbury (<i>Dryopteris pulchella</i>), baneberry, and others. The area also harbours many insect species, such as mallow skipper, purple emperor, large poplar longhorn beetle (<i>Saperda carcharias</i>), several species of longhorn beetles and jewel beetles. The birds are represented by European robin, great spotted woodpecker, Eurasian nuthatch, Eurasian collared dove, Eurasian jay, common buzzard, willow warbler, European green woodpecker. Other animals include amphibians, such as common water frog, European water frog, European tree frog, and common toad. |
| Nature park | Jabkenicko | 9 | 556 | The main reason for establishment of this nature park was a continuous forest area, absence of larger settlements and a system of mainly forest ponds supplied with water from forest complexes, and thus uncontaminated with washes from the fields and wastes from the municipalities. It is a system of ponds in Jabkenický potok creek, the largest of which is Vidlák, and the system on Svatojířský (Hladoměřský) potok creek and a variety of small ponds on forest streams. Geology: The entire area is located on upper Turonic marls that only come to the surface in the valley indentations and then in the lower deforested areas. The bedrock of the entire forest is formed by Jizera River gravels during the early Pleistocene epoch. Fauna and flora: Oak trees in Jabkenická obora. In botanical terms, this area represents poor forest communities – originally pine oak forests, now mostly converted to cultural pine forests with smaller areas of native oaks, but also non-native trees, especially spruce. More varied vegetation is located in the valley indentations, with preserved fragments of hornbeam-oak woodlands, wet alder forests in the floodplain, and wet floodplain meadows. Of paramount importance is the system of forest ponds, which serves as a refuge for a number of formerly common, now vanishing aquatic animals and plants. Fallow deer is primarily bred in the Jabkenická obora game preserve. |

| Category | Name | Distance (km) | Area (ha) | Object of protection & notes |
|--|-----------------|---------------|-----------|---|
| Nature park | Čížovky | 9 | 386 | <p>The Čížovka Nature park is a protected area, which was established in 1998 in the surrounding of the Petkovy, Domousnice and Lhotky communities. It is a little affected landscape with sparse, scattered settlements and minimal post-war construction. The protected area includes the surroundings of the Křesovský potok stream, which is a source of water for several ponds, and Křemenice hill (336 m above sea), representing the eastern end of the prominent Chloumecký hřbet landform. The landscape here is a mosaic of water areas, wetlands, meadows, remnants of old orchards, while the valley slopes are covered with forests. These habitats provide an environment for many different species of plants and animals.</p> <p>Fauna and flora: Animals known to occur in the area of the nature park include several species of endangered amphibians, owls, kingfisher (<i>Alcedo atthis</i>), white wagtail (<i>Motacilla alba</i>) and grey wagtail (<i>M. cinerea</i>), great spotted woodpecker (<i>Dendrocopos major</i>) and lesser spotted woodpecker (<i>Dendrocopos minor</i>), red-backed shrike (<i>Lanius collurio</i>), Eurasian coot (<i>Fulica atra</i>), garden warbler (<i>Sylvia borin</i>), sedge warbler (<i>Acrocephalus schoenobaenus</i>) and several species of bats (a colony of bats residing in the mill below the dam of one of the ponds). The park area harbours many interesting habitats, for example pigra, fescue and sedge meadows. Many plant species grow in the park, including marsh fern (<i>Thelypteris palustris</i>), shining pondweed (<i>Potamogeton lucens</i>), horned pondweed (<i>Zannichellia palustris</i>), pepper saxifrage (<i>Silaum silaus</i>) field wormwood (<i>Artemisia campestris</i>), several sedge species, such as soft-leaved sedge (<i>Carex montana</i>), greater tussock-sedge (<i>Carex paniculata</i>) and cyperus sedge (<i>Carex pseudocyperus</i>), common centaury (<i>Centaurium erythraea</i>), northern bedstraw (<i>Galium boreale</i>), valerian (<i>Valeriana dioica</i>), Kashubian vetch (<i>Vicia cassubica</i>), mountain parsley (<i>Peucedanum oreoselinum</i>), and others.</p> |
| Kvasiny plant | | | | |
| Protected landscape area | Orlické Hory | 5.5 | 23,387 | <p>The purpose of this area is to protect the landscape, its appearance and its typical characters so that these values create a balanced environment; the distinctive features of the landscape include in particular its surface profile, including watercourses and water areas, vegetation cover and its wild fauna, as well as the layout and use of forest and agricultural land fund, settlement structure of the areas, urban structure of settlements, local vernacular architecture, and construction works of monumental or dominant character</p> |
| Nature reserve | Skalecký háj | 8 | 3.16 | <p>Forest vegetation with natural composition of tree species and rich herbaceous layer (common cowslip, wild arum, and rue-leaved isopyrum <i>Isopyrum thalictroides</i>). The most important plant species is a rare Czech endemic orchid species <i>Epipactis albensis</i>, which has its global occurrence bound only to Bohemia and Moravia.</p> |
| Natural monument (proposed) Special Area of Conservation (SAC) | Uhřínov-Benátky | 5 | 4.94 | <p>To support and stabilise the population of an highly endangered animal and European important species, dusky large blue, including active protection of its habitat and appropriate interventions and management of the watercourse, grasslands and other vegetation concerned to ensure stability of the population and support its further spread in the locality</p> |
| Nature park | Les Včelný | 3.5 | 235.78 | <p>A pond known as Ivanské jezero was built in the North-Eastern part of the park on the Javornický potok creek. The slopes and plateaus are covered with forest stands, dominated by coniferous trees, or with mixed stands. The original vegetation in the area was composed of oak and hornbeam woodlands. A total of about 400 plant species were identified in this area. Given the character of the habitats, forest vertebrates are predominant species in the park. The wetlands around the pond harbours several species of amphibians, while forest bird species nest in the nearby forest stands.</p> |

| Category | Name | Distance (km) | Area (ha) | Object of protection & notes |
|-------------------------|------------------------|---------------|-----------|---|
| Vrchlabí plant | | | | |
| National park | Krkonoše National Park | 1.1 | 36,300 | Preservation and improvement of the natural environment, in particular protection or restoration of self-control functions of the natural systems, strict protection of wild fauna and flora, maintaining the typical appearance of the landscape, fulfilling scientific and educational goals, as well as the use of the national park for ecologically viable tourism and recreation, not worsening the environment, SAC site No. CZ0524044, bird region CZ0521009 |
| Natural monument | Lom Strážné | 7 | 4.22 | Calcicole and thermophilic plant communities (including specially protected species), which developed by succession after the exploitation on a very unusual bare limestone bedrock. This site harbours the largest population of common spotted orchid in the Krkonoše mountains. If the uninterrupted succession continues, emergence of additional calcicole species can be undoubtedly expected in the future. Botanical reasons of protection are further supported by geological (protection of the remaining lenses of crystalline limestone formed in the inner schist series of the Krkonoše mountains bedrock) and geomorphological reasons (protection of karst areas), as well as by protection of animal species included in the category of endangered species that live in this area (amphibians in ponds at the bottom of the quarry, reptiles on dry sites and wintering bats in the mine drainage), as well as landscape (aesthetic) reasons. |
| Natural monument | Herlíkovické štoly | 7 | 0.0025 | Protection of permanent hibernacula of various species of bats in old adits |
| Natural monument | Labská soutěska | 7.5 | 2.8 | Protection of unique evorsion structures and riffles in muscovite orthogneiss of the upper Elbe. |

Fuel consumption and CO₂ emissions of ŠKODA models (December 2014)

| Model | Engine/Power Output | CO₂ Emissions (g/km) | Combined Consumption (l/100 km) |
|----------------------------|----------------------------|--|--|
| Citigo | | | |
| Citigo 3D | 1.0 MPI/44 kW | 105 | 4.5 |
| Citigo 3D Green tec | 1.0 MPI/44 kW | 95 | 4.1 |
| Citigo 3D | 1.0 MPI/55 kW | 108 | 4.7 |
| Citigo 3D Green tec | 1.0 MPI/55 kW | 98 | 4.2 |
| Citigo 3D | 1.0 MPI/44 kW (A) | 103 | 4.4 |
| Citigo 3D Green tec | 1.0 MPI/44 kW (A) | 93 | 4 |
| Citigo 3D | 1.0 MPI/55 kW (A) | 105 | 4.5 |
| Citigo 3D Green tec | 1.0 MPI/55 kW (A) | 95 | 4.1 |
| Citigo 3D G-TEC | 1.0 MPI/50 kW G-TEC | 79 | 4.4 m ³ /100 km |
| Citigo 5D | 1.0 MPI/44 kW | 105 | 4.5 |
| Citigo 5D Green tec | 1.0 MPI/44 kW | 95 | 4.1 |
| Citigo 5D | 1.0 MPI/55 kW | 108 | 4.7 |
| Citigo 5D Green tec | 1.0 MPI/55 kW | 98 | 4.2 |
| Citigo 5D | 1.0 MPI/44 kW (A) | 103 | 4.4 |
| Citigo 5D Green tec | 1.0 MPI/44 kW (A) | 93 | 4 |
| Citigo 5D | 1.0 MPI/55 kW (A) | 105 | 4.5 |
| Citigo 5D Green tec | 1.0 MPI/55 kW (A) | 95 | 4.1 |
| Citigo 5D G-TEC | 1.0 MPI/50 kW G-TEC | 79 | 4.4 m ³ /100 km |
| Fabia | | | |
| Fabia | 1.0 MPI/44 kW | 106 | 4.7 |
| Fabia | 1.0 MPI/55 kW | 108 | 4.8 |
| Fabia | 1.2 TSI/66 kW | 107 | 4.7 |
| Fabia | 1.2 TSI/81 kW | 110 | 4.8 |
| Fabia | 1.2 TSI/81 kW (A) | 109 | 4.7 |
| Fabia | 1.4 TDI CR DPF/66 kW | 88 | 3.4 |
| Fabia | 1.4 TDI CR DPF/66 kW (A) | 94 | 3.6 |
| Fabia | 1.4 TDI CR DPF/77 kW | 90 | 3.5 |
| Fabia Combi | | | |
| Fabia Combi | 1.0 MPI/55 kW | 109 | 4.8 |
| Fabia Combi | 1.2 TSI/66 kW | 107 | 4.7 |
| Fabia Combi | 1.2 TSI/81 kW | 110 | 4.8 |
| Fabia Combi | 1.2 TSI/81 kW (A) | 110 | 4.8 |
| Fabia Combi | 1.4 TDI CR DPF/66 kW | 89 | 3.4 |
| Fabia Combi | 1.4 TDI CR DPF/66 kW (A) | 94 | 3.6 |
| Fabia Combi | 1.4 TDI CR DPF/77 kW | 92 | 3.5 |
| Praktik | | | |
| Praktik | 1.2 12V HTP/51 kW | 143 | 6.2 |
| Praktik | 1.4 16V/63 kW | 149 | 6.4 |
| Praktik | 1.2 TSI/63 kW | 134 | 5.7 |

| Model | Engine/Power Output | CO ₂ Emissions (g/km) | Combined Consumption (l/100 km) |
|---------------------------|----------------------|----------------------------------|---------------------------------|
| Praktik | 1.2 TDI CR DPF/55 kW | 119 | 4.5 |
| Praktik | 1.6 TDI CR DPF/66 kW | 124 | 4.7 |
| Praktik | 1.6 TDI CR DPF/66 kW | 119 | 4.5 |
| Roomster | | | |
| Roomster | 1.2 12V HTP/51 kW | 143 | 6.2 |
| Roomster | 1.4 16V/63 kW | 149 | 6.4 |
| Roomster | 1.2 TSI/63 kW | 134 | 5.7 |
| Roomster | 1.2 TSI/63 kW | 132 | 5.7 |
| Roomster Green tec | 1.2 TSI/63 kW | 124 | 5.3 |
| Roomster | 1.2 TSI/77 kW | 134 | 5.7 |
| Roomster Green tec | 1.2 TSI/77 kW | 124 | 5.3 |
| Roomster | 1.2 TSI/77 kW (A) | 134 | 5.7 |
| Roomster | 1.6 16V/77 kW | 165 | 6.9 |
| Roomster | 1.6 16V/77 kW (A) | 180 | 7.5 |
| Roomster Scout | 1.4 16V/63 kW | 149 | 6.4 |
| Roomster Scout | 1.2 TSI/63 kW | 134 | 5.7 |
| Roomster Scout | 1.2 TSI/77 kW | 134 | 5.7 |
| Roomster Scout | 1.2 TSI/77 kW (A) | 134 | 5.7 |
| Roomster Scout | 1.6 16V/77 kW | 165 | 6.9 |
| Roomster Scout | 1.6 16V/77 kW (A) | 180 | 7.5 |
| Roomster | 1.2 TDI CR DPF/55 kW | 119 | 4.5 |
| Roomster GreenLine | 1.2 TDI CR DPF/55 kW | 109 | 4.2 |
| Roomster | 1.6 TDI CR DPF/66 kW | 124 | 4.7 |
| Roomster | 1.6 TDI CR DPF/66 kW | 119 | 4.5 |
| Roomster | 1.6 TDI CR DPF/77 kW | 124 | 4.7 |
| Roomster | 1.6 TDI CR DPF/77 kW | 119 | 4.5 |
| Roomster Scout | 1.2 TDI CR DPF/55 kW | 119 | 4.5 |
| Roomster Scout | 1.6 TDI CR DPF/66 kW | 124 | 4.7 |
| Roomster Scout | 1.6 TDI CR DPF/77 kW | 124 | 4.7 |
| Octavia | | | |
| Octavia | 1.6 MPI/81 kW | 149 | 6.4 |
| Octavia | 1.6 MPI/81 kW (A) | 155 | 6.7 |
| Octavia | 1.2 TSI/63 kW | 119 | 5.2 |
| Octavia Green tec | 1.2 TSI/77 kW | 114 | 4.9 |
| Octavia | 1.2 TSI/77 kW | 119 | 5.2 |
| Octavia Green tec | 1.2 TSI/77 kW (A) | 115 | 5 |
| Octavia Green tec | 1.4 TSI/103 kW | 121 | 5.3 |
| Octavia Green tec | 1.4 TSI/103 kW | 119 | 5.2 |
| Octavia | 1.4 TSI/103 kW | 128 | 5.5 |
| Octavia Green tec | 1.4 TSI/103 kW (A) | 126 | 5.4 |
| Octavia Green tec | 1.4 TSI/103 kW (A) | 116 | 5 |
| Octavia | 1.4 TSI/103 kW (A) | 124 | 5.3 |

| Model | Engine/Power Output | CO ₂ Emissions (g/km) | Combined Consumption (l/100 km) |
|--------------------------------|-------------------------------|----------------------------------|---------------------------------|
| Octavia Green tec | 1.8 TSI/132 kW | 141 | 6.1 |
| Octavia | 1.8 TSI/132 kW | 149 | 6.4 |
| Octavia Green tec | 1.8 TSI/132 kW (A) | 131 | 5.7 |
| Octavia | 1.8 TSI/132 kW (A) | 140 | 6.1 |
| Octavia 4x4 Green tec | 1.8 TSI/132 kW 4x4 (A) | 154 | 6.7 |
| Octavia G-TEC | 1.4 TSI/81 kW G-TEC | 97 | 5.4 m ³ /100 km |
| Octavia G-TEC | 1.4 TSI/81 kW G-TEC | 94 | 5.3 m ³ /100 km |
| Octavia RS | 2.0 TSI/162 kW | 142 | 6.2 |
| Octavia RS | 2.0 TSI/162 kW (A) | 149 | 6.4 |
| Octavia | 1.6 TDI CR DPF/66 kW | 109 | 4.1 |
| Octavia Green tec | 1.6 TDI CR DPF/77 kW | 99 | 3.8 |
| Octavia | 1.6 TDI CR DPF/77 kW | 109 | 4.2 |
| Octavia Green tec | 1.6 TDI CR DPF/77 kW (A) | 102 | 3.9 |
| Octavia GreenLine | 1.6 TDI CR DPF/81 kW | 85 | 3.2 |
| Octavia Green tec | 2.0 TDI CR DPF/110 kW | 106 | 4.1 |
| Octavia | 2.0 TDI CR DPF/110 kW | 116 | 4.5 |
| Octavia | 2.0 TDI CR DPF/110 kW | 114 | 4.4 |
| Octavia | 2.0 TDI CR DPF/105 kW | 121 | 4.6 |
| Octavia Green tec | 2.0 TDI CR DPF/110 kW (A) | 119 | 4.5 |
| Octavia | 2.0 TDI CR DPF/105 kW (A) | 133 | 5.1 |
| Octavia 4x4 Green tec | 1.6 TDI CR DPF/77 kW 4x4 | 119 | 4.5 |
| Octavia 4x4 Green tec | 2.0 TDI CR DPF/110 kW 4x4 | 122 | 4.7 |
| Octavia 4x4 Green tec | 2.0 TDI CR DPF/135 kW 4x4 (A) | 129 | 4.9 |
| Octavia Combi | 1.6 TDI CR DPF/66 kW | 109 | 4.1 |
| Octavia RS | 2.0 TDI CR DPF/135 kW | 119 | 4.6 |
| Octavia RS | 2.0 TDI CR DPF/135 kW (A) | 129 | 5 |
| Octavia Combi | | | |
| Octavia Combi | 1.6 MPI/81 kW | 149 | 6.4 |
| Octavia Combi | 1.6 MPI/81 kW (A) | 155 | 6.7 |
| Octavia Combi | 1.2 TSI/63 kW | 122 | 5.3 |
| Octavia Combi | 1.2 TSI/63 kW | 119 | 5.2 |
| Octavia Combi Green tec | 1.2 TSI/77 kW | 117 | 5.1 |
| Octavia Combi | 1.2 TSI/77 kW | 122 | 5.3 |
| Octavia Combi Green tec | 1.2 TSI/77 kW (A) | 115 | 5 |
| Octavia Combi Green tec | 1.4 TSI/103 kW | 121 | 5.3 |
| Octavia Combi Green tec | 1.4 TSI/103 kW | 119 | 5.2 |
| Octavia Combi | 1.4 TSI/103 kW | 128 | 5.5 |
| Octavia Combi | 1.4 TSI/103 kW | 126 | 5.4 |
| Octavia Combi Green tec | 1.4 TSI/103 kW (A) | 116 | 5 |
| Octavia Combi | 1.4 TSI/103 kW (A) | 124 | 5.3 |
| Octavia Combi Green tec | 1.8 TSI/132 kW | 141 | 6.1 |
| Octavia Combi | 1.8 TSI/132 kW | 149 | 6.4 |
| Octavia Combi Green tec | 1.8 TSI/132 kW (A) | 132 | 5.7 |

| Model | Engine/Power Output | CO ₂ Emissions (g/km) | Combined Consumption (l/100 km) |
|------------------------------------|-------------------------------|----------------------------------|---------------------------------|
| Octavia Combi | 1.8 TSI/132 kW (A) | 140 | 6.1 |
| Octavia Combi G-TEC | 1.4 TSI/81 kW G-TEC | 97 | 5.4 m ³ /100 km |
| Octavia Combi 4*4 Green tec | 1.8 TSI/132 kW 4*4 (A) | 154 | 6.7 |
| Octavia Combi RS | 2.0 TSI/162 kW | 142 | 6.2 |
| Octavia Combi RS | 2.0 TSI/162 kW (A) | 149 | 6.4 |
| Octavia Scout | 1.8 TSI/132 kW 4*4 (A) | 158 | 6.9 |
| Octavia Combi Green tec | 1.6 TDI CR DPF/77 kW | 99 | 3.8 |
| Octavia Combi | 1.6 TDI CR DPF/77 kW | 109 | 4.2 |
| Octavia Combi Green tec | 1.6 TDI CR DPF/77 kW (A) | 104 | 4 |
| Octavia Combi GreenLine | 1.6 TDI CR DPF/81 kW | 85 | 3.2 |
| Octavia Combi Green tec | 2.0 TDI CR DPF/110 kW | 110 | 4.2 |
| Octavia Combi | 2.0 TDI CR DPF/110 kW | 120 | 4.6 |
| Octavia Combi | 2.0 TDI CR DPF/110 kW | 118 | 4.5 |
| Octavia Combi | 2.0 TDI CR DPF/105 kW | 124 | 4.7 |
| Octavia Combi Green tec | 2.0 TDI CR DPF/110 kW (A) | 119 | 4.5 |
| Octavia Combi Green tec | 2.0 TDI CR DPF/110 kW (A) | 117 | 4.4 |
| Octavia Combi | 2.0 TDI CR DPF/105 kW (A) | 133 | 5.1 |
| Octavia Combi 4*4 Green tec | 1.6 TDI CR DPF/77 kW 4*4 | 119 | 4.5 |
| Octavia Combi 4*4 Green tec | 2.0 TDI CR DPF/110 kW 4*4 | 124 | 4.9 |
| Octavia Combi 4*4 Green tec | 2.0 TDI CR DPF/110 kW 4*4 | 122 | 4.7 |
| Octavia Combi 4*4 Green tec | 2.0 TDI CR DPF/135 kW 4*4 (A) | 129 | 4.9 |
| Octavia Combi RS | 2.0 TDI CR DPF/135 kW | 119 | 4.6 |
| Octavia Combi RS | 2.0 TDI CR DPF/135 kW (A) | 129 | 5 |
| Octavia Scout | 2.0 TDI CR DPF/110 kW 4*4 | 129 | 5.1 |
| Octavia Scout | 2.0 TDI CR DPF/135 kW 4*4 (A) | 134 | 5.1 |
| Yeti | | | |
| Yeti | 1.2 TSI/77 kW | 140 | 6 |
| Yeti | 1.2 TSI/77 kW | 142 | 6.1 |
| Yeti | 1.2 TSI/77 kW (A) | 142 | 6.1 |
| Yeti | 1.2 TSI/77 kW (A) | 147 | 6.3 |
| Yeti | 1.4 TSI/90 kW (A) | 154 | 6.6 |
| Yeti Green tec | 1.4 TSI/90 kW | 148 | 6.4 |
| Yeti | 1.6 MPI/81 kW | 160 | 6.9 |
| Yeti | 1.6 MPI/81 kW (A) | 165 | 7.1 |
| Yeti | 1.8 TSI/118 kW 4*4 | 184 | 7.8 |
| Yeti | 1.8 TSI/112 kW 4*4 (A) | 184 | 7.9 |
| Yeti Outdoor | 1.2 TSI/77 kW | 140 | 6 |
| Yeti Outdoor | 1.2 TSI/77 kW | 142 | 6.1 |
| Yeti Outdoor | 1.2 TSI/77 kW (A) | 142 | 6.1 |
| Yeti Outdoor | 1.2 TSI/77 kW (A) | 147 | 6.3 |
| Yeti Outdoor | 1.4 TSI/90 kW (A) | 154 | 6.6 |
| Yeti Outdoor Green tec | 1.4 TSI/90 kW | 148 | 6.4 |
| Yeti Outdoor | 1.6 MPI/81 kW | 160 | 6.9 |

| Model | Engine/Power Output | CO ₂ Emissions (g/km) | Combined Consumption (l/100 km) |
|-------------------------------|-------------------------------|----------------------------------|---------------------------------|
| Yeti Outdoor | 1.6 MPI/81 kW (A) | 165 | 7.1 |
| Yeti Outdoor | 1.8 TSI/118 kW 4×4 | 184 | 7.8 |
| Yeti Outdoor | 1.8 TSI/112 kW 4×4 (A) | 184 | 7.9 |
| Yeti GreenLine | 1.6 TDI CR DPF/77 kW | 119 | 4.6 |
| Yeti Green tec | 1.6 TDI CR DPF/77 kW (A) | 132 | 5 |
| Yeti | 2.0 TDI CR DPF/81 kW | 132 | 5.1 |
| Yeti | 2.0 TDI CR DPF/81 kW | 134 | 5.1 |
| Yeti | 2.0 TDI CR DPF/81 kW 4×4 | 152 | 5.8 |
| Yeti | 2.0 TDI CR DPF/81 kW 4×4 | 154 | 5.9 |
| Yeti Green tec | 2.0 TDI CR DPF/103 kW | 134 | 5.1 |
| Yeti | 2.0 TDI CR DPF/103 kW 4×4 | 149 | 5.6 |
| Yeti | 2.0 TDI CR DPF/103 kW 4×4 | 152 | 5.8 |
| Yeti | 2.0 TDI CR DPF/103 kW 4×4 (A) | 164 | 6.3 |
| Yeti | 2.0 TDI CR DPF/125 kW 4×4 | 149 | 5.7 |
| Yeti | 2.0 TDI CR DPF/125 kW 4×4 (A) | 164 | 6.3 |
| Yeti Outdoor GreenLine | 1.6 TDI CR DPF/77 kW | 119 | 4.6 |
| Yeti Outdoor Green tec | 1.6 TDI CR DPF/77 kW (A) | 132 | 5 |
| Yeti Outdoor | 2.0 TDI CR DPF/81 kW | 132 | 5.1 |
| Yeti Outdoor | 2.0 TDI CR DPF/81 kW | 134 | 5.1 |
| Yeti Outdoor | 2.0 TDI CR DPF/81 kW 4×4 | 152 | 5.8 |
| Yeti Outdoor | 2.0 TDI CR DPF/81 kW 4×4 | 154 | 5.9 |
| Yeti Outdoor Green tec | 2.0 TDI CR DPF/103 kW | 134 | 5.1 |
| Yeti Outdoor | 2.0 TDI CR DPF/103 kW 4×4 | 149 | 5.6 |
| Yeti Outdoor | 2.0 TDI CR DPF/103 kW 4×4 | 152 | 5.8 |
| Yeti Outdoor | 2.0 TDI CR DPF/103 kW 4×4 (A) | 164 | 6.3 |
| Yeti Outdoor | 2.0 TDI CR DPF/125 kW 4×4 | 149 | 5.7 |
| Yeti Outdoor | 2.0 TDI CR DPF/125 kW 4×4 (A) | 164 | 6.3 |
| Superb | | | |
| New Superb | 1.4 TSI/110 kW ACT | 112 | 4.8 |
| Superb | 1.4 TSI/92 kW | 138 | 5.9 |
| Superb | 1.8 TSI/112 (118) kW | 169 | 7.2 |
| Superb | 1.8 TSI/112 kW (A) | 168 | 7.1 |
| Superb | 1.8 TSI/112 kW 4×4 | 189 | 8.1 |
| Superb | 1.8 TSI/118 kW | 158 | 6.8 |
| Superb | 1.8 TSI/118 kW (A) | 162 | 7 |
| Superb | 1.8 TSI/118 kW (A) | 168 | 7.1 |
| Superb | 1.8 TSI/118 kW 4×4 | 185 | 8 |
| Superb | 2.0 TSI/147 kW (A) | 178 | 7.9 |
| Superb | 3.6 FSI V6/191 kW 4×4 (A) | 215 | 9.3 |
| New Superb | 2.0 TDI CR DPF/110 kW | 105 | 4 |
| New Superb | 2.0 TDI CR DPF/110 kW (A) | 115 | 4.4 |
| New Superb | 2.0 TDI CR DPF/140 kW (A) | 118 | 4.5 |
| Superb | 1.6 TDI CR DPF/77 kW | 117 | 4.5 |

| Model | Engine/Power Output | CO ₂ Emissions (g/km) | Combined Consumption (l/100 km) |
|-------------------------------|-------------------------------|----------------------------------|---------------------------------|
| Superb | 1.6 TDI CR DPF/77 kW (A) | 120 | 4.6 |
| Superb | 2.0 TDI CR DPF/103 kW | 119 | 4.6 |
| Superb | 2.0 TDI CR DPF/103 kW (A) | 134 | 5.1 |
| Superb | 2.0 TDI CR DPF/103 kW (A) | 154 | 5.9 |
| Superb | 2.0 TDI CR DPF/103 kW 4×4 | 137 | 5.3 |
| Superb | 2.0 TDI CR DPF/125 kW | 120 | 4.6 |
| Superb | 2.0 TDI CR DPF/125 kW (A) | 138 | 5.2 |
| Superb | 2.0 TDI CR DPF/125 kW 4×4 (A) | 147 | 5.6 |
| Superb GreenLine | 1.6 TDI CR DPF/77 kW | 109 | 4.2 |
| Superb Combi | | | |
| Combi Superb | 1.4 TSI/92 kW | 142 | 6.1 |
| Combi Superb | 1.8 TSI/112 kW | 171 | 7.3 |
| Combi Superb | 1.8 TSI/112 kW (A) | 170 | 7.3 |
| Combi Superb | 1.8 TSI/112 kW 4×4 | 191 | 8.2 |
| Combi Superb | 1.8 TSI/118 kW | 160 | 6.9 |
| Combi Superb | 1.8 TSI/118 kW (A) | 164 | 7.1 |
| Combi Superb | 1.8 TSI/118 kW 4×4 | 187 | 8.1 |
| Combi Superb | 2.0 TSI/147 kW (A) | 180 | 8 |
| Combi Superb | 3.6 FSI V6/191 kW 4×4 (A) | 217 | 9.3 |
| Superb Combi | 1.6 TDI CR DPF/77 kW | 119 | 4.6 |
| Superb Combi | 1.6 TDI CR DPF/77 kW (A) | 122 | 4.7 |
| Superb Combi | 2.0 TDI CR DPF/103 kW | 119 | 4.6 |
| Superb Combi | 2.0 TDI CR DPF/103 kW (A) | 134 | 5.1 |
| Superb Combi | 2.0 TDI CR DPF/103 kW (A) | 158 | 6 |
| Superb Combi | 2.0 TDI CR DPF/103 kW 4×4 | 139 | 5.3 |
| Superb Combi | 2.0 TDI CR DPF/125 kW | 122 | 4.7 |
| Superb Combi | 2.0 TDI CR DPF/125 kW (A) | 138 | 5.2 |
| Superb Combi | 2.0 TDI CR DPF/125 kW 4×4 (A) | 149 | 5.7 |
| Superb Combi GreenLine | 1.6 TDI CR DPF/77 kW | 113 | 4.3 |
| Superb Combi GreenLine | 1.6 TDI CR DPF/77 kW | 110 | 4.3 |
| Rapid | | | |
| Rapid | 1.2 MPI/55 kW | 137 | 5.9 |
| Rapid | 1.2 MPI/55 kW | 134 | 5.8 |
| Rapid | 1.2 TSI/63 kW | 119 | 5.1 |
| Rapid Green tec | 1.2 TSI/63 kW | 114 | 4.9 |
| Rapid | 1.2 TSI/77 kW | 125 | 5.4 |
| Rapid Green tec | 1.2 TSI/77 kW | 116 | 5 |
| Rapid | 1.6 16V/77 kW | 152 | 6.4 |
| Rapid | 1.6 16V/77 kW (A) | 180 | 7.5 |
| Rapid | 1.4 TSI/90 kW (A) | 134 | 5.8 |
| Rapid Green tec | 1.4 TSI/90 kW (A) | 125 | 5.4 |
| Rapid Spaceback | 1.2 MPI/55 kW | 134 | 5.8 |

| Model | Engine/Power Output | CO₂ Emissions (g/km) | Combined Consumption (l/100 km) |
|----------------------------------|----------------------------|--|--|
| Rapid Spaceback | 1.2 MPI/55 kW | 137 | 5.9 |
| Rapid Spaceback | 1.2 TSI/63 kW | 119 | 5.1 |
| Rapid Spaceback Green tec | 1.2 TSI/63 kW | 114 | 4.9 |
| Rapid Spaceback | 1.2 TSI/77 kW | 125 | 5.4 |
| Rapid Spaceback Green tec | 1.2 TSI/77 kW | 116 | 5 |
| Rapid Spaceback | 1.6 16V/77 kW | 152 | 6.4 |
| Rapid Spaceback | 1.6 16V/77 kW (A) | 180 | 7.5 |
| Rapid Spaceback | 1.4 TSI/90 kW (A) | 134 | 5.8 |
| Rapid Spaceback Green tec | 1.4 TSI/90 kW (A) | 125 | 5.4 |
| Rapid | 1.6 TDI CR DPF/66 kW | 114 | 4.4 |
| Rapid Green tec | 1.6 TDI CR DPF/66 kW | 104 | 3.9 |
| Rapid | 1.6 TDI CR DPF/66 kW (A) | 118 | 4.5 |
| Rapid GreenLine | 1.6 TDI CR DPF/66 kW | 99 | 3.8 |
| Rapid | 1.6 TDI CR DPF/77 kW | 114 | 4.4 |
| Rapid Green tec | 1.6 TDI CR DPF/77 kW | 104 | 3.9 |
| Rapid Spaceback | 1.6 TDI CR DPF/66 kW | 114 | 4.4 |
| Rapid Spaceback Green tec | 1.6 TDI CR DPF/66 kW | 104 | 3.9 |
| Rapid Spaceback | 1.6 TDI CR DPF/66 kW (A) | 118 | 4.5 |
| Rapid Spaceback GreenLine | 1.6 TDI CR DPF/66 kW | 99 | 3.8 |
| Rapid Spaceback | 1.6 TDI CR DPF/77 kW | 114 | 4.4 |
| Rapid Spaceback Green tec | 1.6 TDI CR DPF/77 kW | 104 | 3.9 |

Social Affairs

Number of employees according to type of employment and subsidiaries

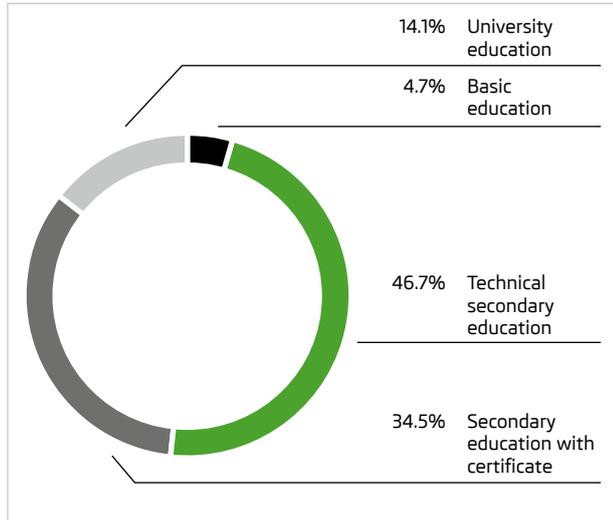
| All figures as at 31 Dec. | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---------------|---------------|---------------|---------------|---------------|
| Permanent staff - ŠKODA AUTO Group | 23,905 | 25,799 | 25,585 | 24,891 | 25,000 |
| of which: ŠKODA AUTO | 22,506 | 24,177 | 23,978 | 23,689 | 23,778 |
| of which: subsidiaries | 1,399 | 1,622 | 1,607 | 1,202 | 1,252 |
| Total permanent staff + apprentices ŠKODA AUTO Group / excl. temporary workers | 24,714 | 26,565 | 26,404 | 25,758 | 25,889 |
| of which: ŠKODA AUTO | 23,308 | 24,936 | 24,788 | 24,548 | 24,631 |
| of which: subsidiaries | 1,406 | 1,629 | 1,616 | 1,210 | 1,258 |
| of which: ŠKODA AUTO Deutschland GmbH | 269 | 311 | 326 | 326 | 326 |
| of which: Skoda Auto Polska S.A.* | 100 | 105 | 0 | 0 | 0 |
| of which: ŠKODA AUTO Slovensko, s.r.o. | 76 | 76 | 77 | 59 | 62 |
| of which: Skoda Auto India Private Ltd. | 954 | 1,130 | 1,204 | 817 | 864 |
| Total permanent staff + temporary workers + apprentices - ŠKODA AUTO Group | 27,488 | 29,134 | 29,202 | 28,573 | 28,445 |
| of which: ŠKODA AUTO | 26,029 | 27,456 | 27,556 | 27,348 | 27,173 |
| of which: subsidiaries | 1,459 | 1,678 | 1,646 | 1,225 | 1,272 |
| Temporary workers - ŠKODA AUTO Group | 2,774 | 2,569 | 2,798 | 2,815 | 2,556 |
| of which: ŠKODA AUTO | 2,721 | 2,520 | 2,768 | 2,800 | 2,542 |
| of which: subsidiaries | 53 | 49 | 30 | 15 | 14 |
| of which: ŠKODA AUTO Deutschland GmbH | 23 | 21 | 20 | 15 | 14 |
| of which: Skoda Auto Polska S.A.* | | | | | |
| of which: ŠKODA AUTO Slovensko, s.r.o. | | | | | |
| of which: Skoda Auto India Private Ltd. | 30 | 28 | 10 | 0 | 0 |
| Apprentices - ŠKODA AUTO Group | 809 | 766 | 819 | 867 | 889 |
| of which: ŠKODA AUTO | 802 | 759 | 810 | 859 | 883 |
| of which: subsidiaries | 7 | 7 | 9 | 8 | 6 |

*On 1 January 2012, the Company sold its 51% share in the subsidiary Skoda Auto Polska S.A. to its parent company Volkswagen International Finance N.V. (now Volkswagen Finance Luxembourg S.A.).

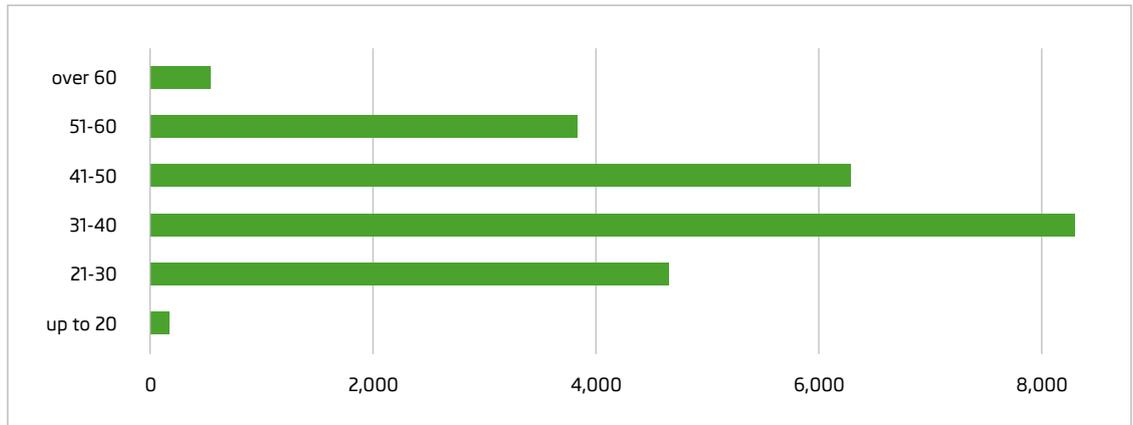
Employee structure of the ŠKODA AUTO Group by gender and nationality

| | men | | | women | | | total | | |
|------------------------|--------|--------|--------|-------|-------|-------|--------|--------|--------|
| | 2012 | 2013 | 2014 | 2012 | 2013 | 2014 | 2012 | 2013 | 2014 |
| Production workers | 11,873 | 11,532 | 12,022 | 2,522 | 2,532 | 2,600 | 14,395 | 14,064 | 14,622 |
| Non-production workers | 8,804 | 8,520 | 8,174 | 2,386 | 2,307 | 2,204 | 11,190 | 10,827 | 10,378 |
| Apprentices | 753 | 775 | 779 | 66 | 92 | 110 | 819 | 867 | 889 |
| Total workforce | 21,430 | 20,827 | 20,975 | 4,974 | 4,931 | 4,914 | 26,404 | 25,758 | 25,889 |

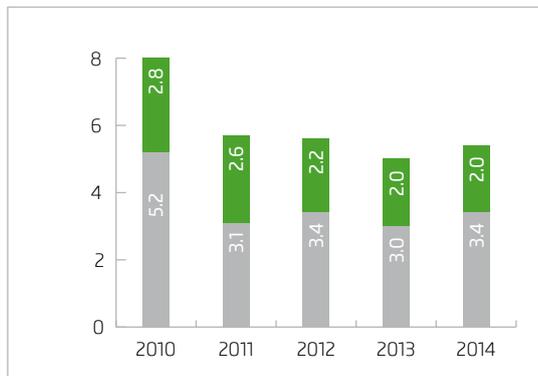
Qualification structure of the Company's permanent employees



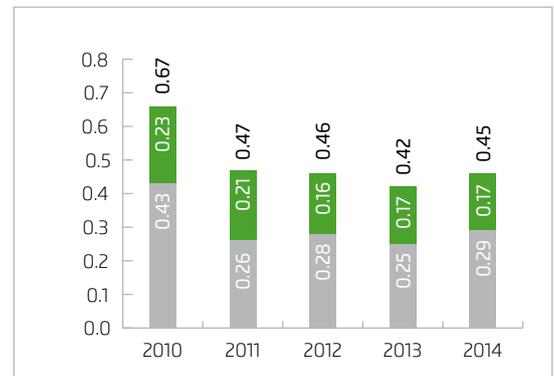
Age structure of the Company's core employees, Czech Republic



Yearly employee turnover, in %
(■ adjusted fluctuation ■ other fluctuation)



Average monthly employee turnover rate, in %
(■ adjusted fluctuation ■ other fluctuation)



Figures refer to ŠKODA AUTO a.s.' total core employees.

Employee benefits - stable part of budget

| Benefit | 2012 | | 2013 | | 2014 | | |
|---------------------------|--------------------------------|---------------------|--------------------------------|---------------------|--------------------------------|---------------------|-----------------------------|
| | Number of Beneficiaries | Total Amount in CZK | Number of Beneficiaries | Total Amount in CZK | Number of Beneficiaries | Total Amount in CZK | |
| Housing loans | 566 | 150,664,500 | 563 | 153,631,000 | 456 | 128,795,000 | |
| Pension insurance | 21,236 | 203,865,600 | 21,260 | 204,096,000 | 21,028 | 206,569,500 | |
| Childbirth | 1,078 | 4,935,500 | 1,041 | 5,224,000 | 1,061 | 5,362,500 | |
| Work anniversaries | 5,884 | 79,167,473 | 5,235 | 68,827,792 | 5,360 | 60,391,526 | |
| Retirement bonus | 38 | 3,944,016 | 54 | 4,676,286 | 50 | 4,191,528 | |
| Seniority | 23 | 2,239,000 | 23 | 3,404,000 | 43 | 6,401,000 | |
| Canteen meals | All employees | 45,164,567 | All employees | 44,913,437 | All employees | 45,864,926 | Part of company social fund |
| Health benefits programme | All employees with tariff wage | 3,164,300 | All employees with tariff wage | 5,834,000 | All employees with tariff wage | 6,199,900 | |

New employee hires (without returns after exemption)

| | age at hiring | men | women | total |
|---|-------------------|------------|------------|--------------|
| 2012 | | | | |
| recruitment reasons (recruitment, graduates, apprentices) | up to 20 years | 125 | 5 | 130 |
| | 21-30 years | 371 | 120 | 491 |
| | 31-40 years | 128 | 43 | 171 |
| | 41-50 years | 48 | 7 | 55 |
| | 51 years and more | 22 | 2 | 24 |
| total | | 694 | 177 | 871 |
| 2013 | | | | |
| recruitment reasons (recruitment, graduates, apprentices) | up to 20 years | 127 | 7 | 134 |
| | 21-30 years | 238 | 68 | 306 |
| | 31-40 years | 75 | 35 | 110 |
| | 41-50 years | 48 | 22 | 70 |
| | 51 years and more | 12 | 3 | 15 |
| total | | 500 | 135 | 635 |
| 2014 | | | | |
| recruitment reasons (recruitment, graduates, apprentices) | up to 20 years | 164 | 12 | 176 |
| | 21-30 years | 465 | 108 | 573 |
| | 31-40 years | 143 | 56 | 199 |
| | 41-50 years | 62 | 23 | 85 |
| | 51 years and more | 25 | 3 | 28 |
| total | | 859 | 202 | 1,061 |

Return to work and retention rates after parental leave, by gender, Czech Republic

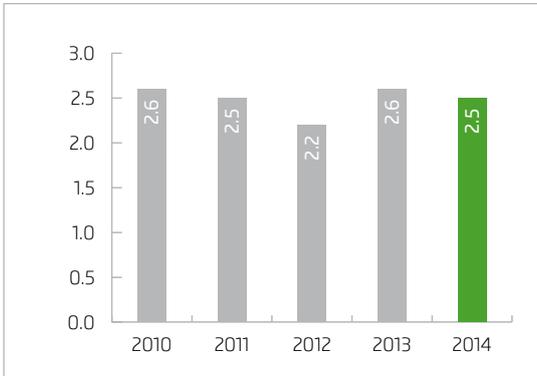
| period | departures - exemption from the registration status for maternity and parental leave + on unpaid leave up to 4 years of age of a child | | |
|--------|--|-------|-------|
| | men | women | total |
| 2012 | 2 | 203 | 205 |
| 2013 | 8 | 185 | 193 |
| 2014 | 7 | 216 | 223 |

| period | returns from maternity and parental leave + on unpaid leave up to 4 years of age of a child | | |
|--------|---|-------|-------|
| | men | women | total |
| 2012 | 2 | 230 | 232 |
| 2013 | 2 | 199 | 201 |
| 2014 | 5 | 200 | 205 |

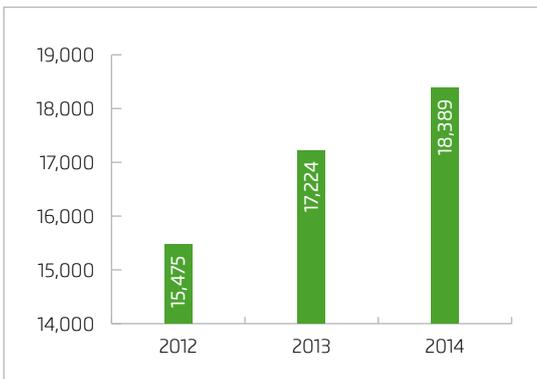
Training hours by employee category (in 2014)

| | Number of participants | Average hours/ participant | E-Learning participants |
|------------|------------------------|-------------------------------|-------------------------|
| Workers | 13,487 | 9.4 | 14,407 |
| Employees | 11,082 | 44.2 | 32,530 |
| Management | 1,016 | 40.1 | 2,449 |

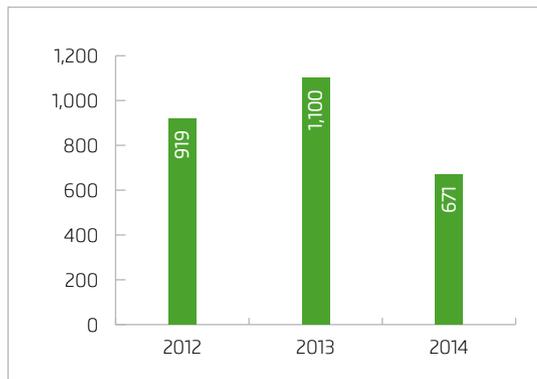
Sick leave trends (in %)



Participants ŠKODA Check-up

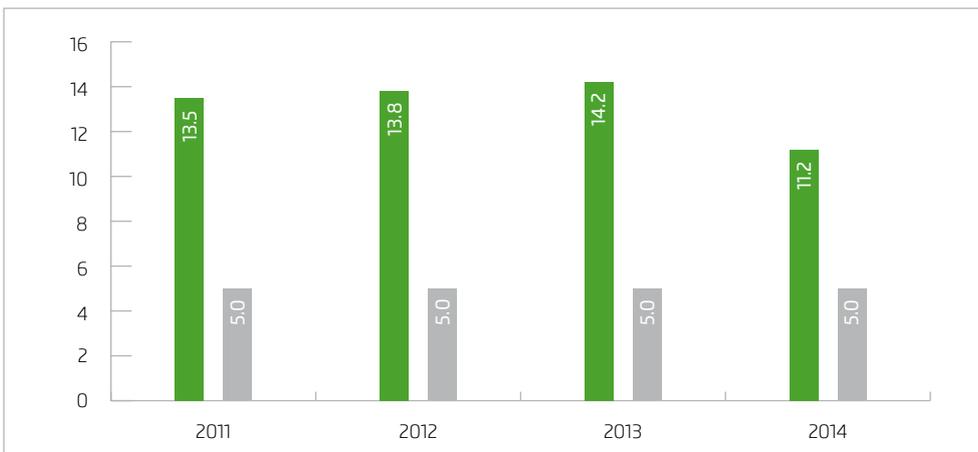


Participants rehabilitation programmes

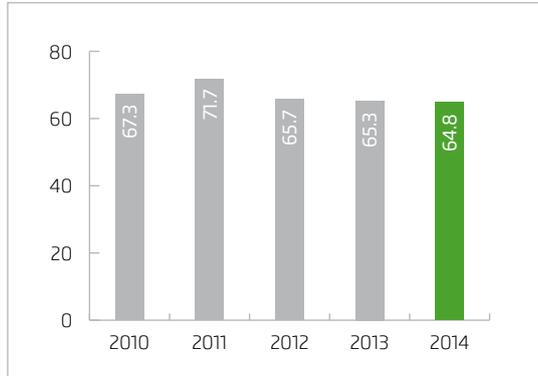


Vaccination against flu

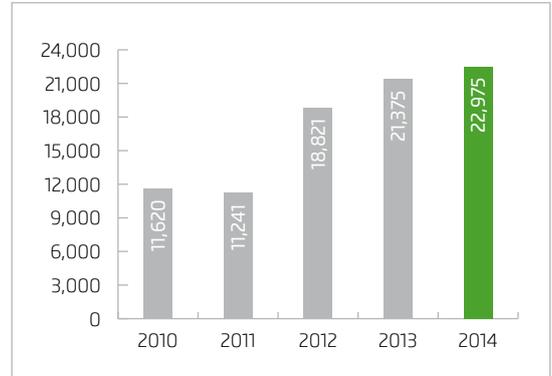
■ % of vaccinates ŠKODA AUTO employees ■ % of vaccination in the Czech Republic (est.)



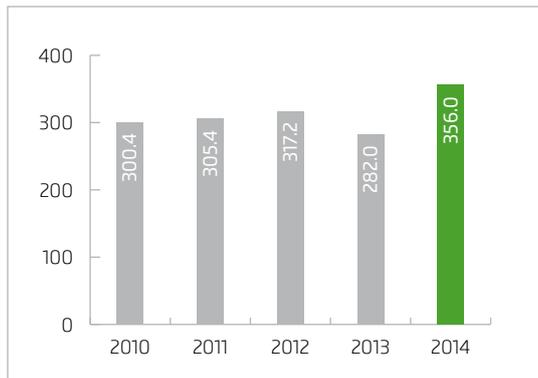
Success rate of proposals submitted to the Z.E.B.R.A. programme (in %)



Number of proposals submitted to the Z.E.B.R.A. programme



Benefits (in million CZK) from Z.E.B.R.A. proposals in the first year



Organisation of stakeholder dialogue

ŠKODA AUTO maintains regular contact with various social groups in order to accommodate their different interests as far as possible and to satisfy all their information needs. Different communications channels are used with varying frequency, as required, for this

purpose. A wide range of communication methods are employed, from individual meetings with representatives of different bodies to electronic communications – for example, with ŠKODA employees via intranet.

| Stakeholder | Topics | Form of communication | Frequency of communication | Responsibility |
|--|---|---|-----------------------------------|---|
| Employees | <ul style="list-style-type: none"> · employee relations · working conditions · remuneration and collective wage agreements · vocational and professional training · personal development and social commitment | Collective bargaining | 1x per year | HR management |
| | | Employee representation in Supervisory Board | 3x per year | Top management |
| | | Internal meetings | continuous | Management |
| | | ŠKODA Mobil magazine | monthly | Corporate Communications |
| | | Intranet | continuous | Corporate Communications |
| Community | <ul style="list-style-type: none"> · regional development · ŠKODA cultural, sports and social commitment · future investments · permits | Meetings with municipal representatives | on a regular basis | Management |
| | | Meetings with residents | public company events as required | Management |
| | | Weekly newsletter | weekly | HR management |
| Investors, shareholders, analysts | <ul style="list-style-type: none"> · Company's financial performance · strategy · sustainability issues | Financial reporting | continuous | Corporate Communications |
| Media | <ul style="list-style-type: none"> · new business developments · special events | Press releases and press conferences | on a regular basis | Corporate Communications |
| Government and administration | <ul style="list-style-type: none"> · legislation · economic policy · automotive industry development · topical regional and national issues | Meetings with local authorities and institutions | on a regular basis as needed | Management |
| Suppliers | <ul style="list-style-type: none"> · supplier and trade relations | Communication and meetings between the purchasing department and individual suppliers | continuous | Purchasing |
| Customers | <ul style="list-style-type: none"> · information about products and conditions of sale · future corporate plans and strategy · sustainability | Customer communication | continuous | Sales and Marketing |
| | | ŠKODA magazine | quarterly | Marketing |
| Schools and colleges | <ul style="list-style-type: none"> · practical training experience · social responsibility · graduate recruitment | Meetings with representatives of educational institutions, awards for research projects, job fair | continuous | Human Resources and Technical Development |
| NGOs | <ul style="list-style-type: none"> · current social issues · corporate responsibility | Meetings, press releases | on regular basis as needed | Management |

ŠKODA AUTO goals

| Action | Goals and actions | Status | Deadline |
|---|---|--|----------|
| Strategy and sustainability management | | | |
| Transparency | Establish IT-based sustainability management system | | 2016 |
| Stakeholder dialogue | Volkswagen Group target: Establish IT-based stakeholder management system | Supporting Volkswagen Group target | 2016 |
| Sustainability management | Expand sustainability management at ŠKODA AUTO | | ongoing |
| Economy | | | |
| Customer satisfaction | Volkswagen Group target: Top customer satisfaction with product, dealer and last workshop visit in the core market | In China, ŠKODA dealers have the most satisfied customers across the market | 2018 |
| | Improve customer satisfaction through employee training at newly-opened Service Training Centre | | 2018 |
| Quality | Volkswagen Group target: Strengthen innovation and technology leadership | Supporting Volkswagen Group target | ongoing |
| Stability & Profitability | Profitability and financial strength | | ongoing |
| Compliance, risk management, governance | Support networking of compliance organization and activities within the Volkswagen Group | | ongoing |
| | Firmly embed compliance culture and improve awareness of relevant compliance values and principles in the workforce | Information supplied to specific target groups via different media. Supporting Volkswagen Group target | ongoing |
| | Ongoing optimization of integrity checking of business partners (Business Partner Check) | Supporting Volkswagen Group target | ongoing |
| | Carry out and enhance compliance training for various target groups | Risk-based approach in classroom and online training courses | ongoing |
| Supplier relations | Volkswagen Group target: Extension of E-Learning Tool and questionnaire Sustainability | Supporting Volkswagen Group target | ongoing |
| | Volkswagen Group target: Supplier trainings regarding sustainability | Supporting Volkswagen Group target | ongoing |
| Growth and internationalization | Sales > 1.5 million vehicles, focus on EU and RIC-markets | | ongoing |
| Model offensive | Launch of a new or revised model every six months on average | | ongoing |
| | Strategic "spearhead" focused on price/value, practicality and spaciousness | | ongoing |
| Environment | | | |
| Climate and environmental protection | Implement Group environmental strategy | Activities in target areas continued; key focus on water adopted | ongoing |
| Environmentally friendly products | Volkswagen Group target: Cut European new car fleet CO ₂ emissions by around 30% to 120 g CO ₂ /km over the period 2006 to 2015 | Supporting Volkswagen Group target | 2015 |
| | Volkswagen Group target: Cut European new car fleet CO ₂ emissions to 95 g CO ₂ /km | Supporting Volkswagen Group target | 2020 |
| | Volkswagen Group target: Every new model generation to be 10-15% more fuel-efficient than its predecessor | Supporting Volkswagen Group target | ongoing |
| | Volkswagen Group target: Reducing car emissions [g/km] to levels in line with national legislation | Supporting Volkswagen Group target | ongoing |
| | Volkswagen Group target: Reducing fuel consumption with innovative technical solutions | Supporting Volkswagen Group target | ongoing |

| Action | Goals and actions | Status | Deadline |
|---|--|---|----------|
| Resource conservation across the life cycle | Volkswagen Group target: Increasing the ratio of recycled materials used in producing new cars | Supporting Volkswagen Group target | ongoing |
| | Volkswagen Group target: Every new model generation to demonstrate better environmental properties over the full life cycle than its predecessor | Supporting Volkswagen Group target | ongoing |
| Ecologically friendly production | Through the use of innovative technology, ŠKODA plans to reduce the environmental impact by 25% compared to 2010 using the following key performance indicators: <ul style="list-style-type: none"> • Energy consumption [MWh/car] • CO₂ emissions [kg/car] • waste [kg/car] • water consumption [m³/car] • air emissions, especially VOCs (kg/car) | | 2018 |
| | Continue planting and maintaining green areas, avoid pollution through preventative measures | | 2018 |
| Ecologically friendly retail | Active consultation on ŠKODA sales organization regarding the following topics: <ul style="list-style-type: none"> • Ecological resource management • Ecological take-back and repairs | | 2018 |
| Social affairs | | | |
| Attractive Employer | Volkswagen Group target: Top employer in the automotive sector / Top-employer with global talent pool | In 2014 ŠKODA attained leading positions in several employer rankings | 2018 |
| | Volkswagen Group target: Strengthen dual vocational education and training internationally. Introduce personnel development in leadership and management to same standards worldwide | Supporting Volkswagen Group target | 2018 |
| | Expand employee training in light of increasing internationalization of ŠKODA AUTO | | ongoing |
| Health | Promote health, fitness and ergonomics: extension of the checkup and follow-up screening and training programs | Over 18,000 checkups were carried out at ŠKODA AUTO a.s. in the Czech Republic in 2014 | ongoing |
| | Continuous improvement of preventive health measures and training provision | | ongoing |
| | Reduce number of working days lost due to illness, especially among older employees | | ongoing |
| Occupational Safety | Improve Group occupational safety management system at all production locations | | ongoing |
| Diversity and Equal Opportunities | Volkswagen Group target: Increase the proportion of women at all levels of management | Supporting Volkswagen Group target | ongoing |
| | Improve work-life balance, especially for women in management positions | | ongoing |
| Social Responsibility | Volkswagen Group target: Introduce Group-wide analysis of the effectiveness of Corporate Citizenship activities and incorporate into sustainability management system | Assessment of ŠKODA activities in line with Volkswagen Group guidelines of specific CSR strategy and CSR guidelines for the ŠKODA Group | 2015 |
| | Volkswagen Group target: Introduce guidelines for developing and carrying out CSR projects | Development of specific ŠKODA Group CSR strategy | ongoing |
| | Development of the main Czech production regions Mladá Boleslav, Kvasiny and Vrchlabí. Focus on infrastructure, environment and CSR priorities | Intensifying cooperation with respective municipalities and other stakeholders based on mutual understanding | ongoing |

GRI Content Index

The present sustainability report follows the fourth edition (G4) of the reporting guidelines of the Global Reporting Initiative (GRI) in line with the "Core" option. The guidelines require information on standard disclo-

tures as well as management approaches and specific indicators in economic, environmental and social categories.

| Indicator | Description | Reference | Status |
|---|---|----------------------|--------|
| Strategy and Analysis | | | |
| G4-1 | Statement from the most senior decision-maker of the organization | 4-5 | ● |
| Organisational Profile | | | |
| G4-3 | Name of the organization | 1 | ● |
| G4-4 | Primary brands, products, and/or services | 6-7, 62-63, AR 14 | ● |
| G4-5 | Location of organization's headquarters | 6-7 | ● |
| G4-6 | Countries with significant operations | 6-7, 61-62 | ● |
| G4-7 | Nature of ownership and legal form | 6-7 | ● |
| G4-8 | Markets served | 61-62 | ● |
| G4-9 | Scale of the organization | 15-16, 60, 62-63, 83 | ● |
| G4-10 | Total number of employees by employment contract and gender | 83 | ● |
| G4-11 | Percentage of total employees covered by collective bargaining agreements | 42 | ● |
| G4-12 | Organization's supply chain | 20 | ● |
| G4-13 | Significant changes during the reporting period | 2 | ● |
| G4-14 | Whether and how the precautionary approach or principle is addressed by the organization | 34 | ● |
| G4-15 | External charters, principles, or initiatives to which the organization subscribes or which it endorses | 23 | ● |
| G4-16 | Significant memberships in industry and business associations | 26 | ● |
| Identified material aspects and boundaries | | | |
| G4-17 | Entities included in the consolidated financial statements | 2 | ● |
| G4-18 | Process for defining the report content | 2, 12 | ● |
| G4-19 | Material aspects identified | 12 | ● |
| G4-20 | Aspect Boundaries within the organization. | 2, 12 | ● |
| G4-21 | Aspect Boundaries outside the organization | 2, 12 | ● |
| G4-22 | Restatements of information provided in previous reports | 2 | ● |
| G4-23 | Significant changes from previous reporting periods in the Scope and Aspect Boundaries | 2 | ● |
| Stakeholder engagement | | | |
| G4-24 | Stakeholder groups engaged | 11, 89 | ● |
| G4-25 | Identification and selection of stakeholders | 11 | ● |

| Indicator | Description | Reference | Status |
|-----------|--|-----------|--------|
| G4-26 | Approach to stakeholder engagement and frequency | 11, 89 | ● |
| G4-27 | Key topics and concerns raised through stakeholder engagement and response | 89 | ● |

Report profile

| | | | |
|-------|-------------------------------------|--------|---|
| G4-28 | Reporting period | 2 | ● |
| G4-29 | Date of most recent previous report | 2 | ● |
| G4-30 | Reporting cycle | 2 | ● |
| G4-31 | Contact point for questions | 2 | ● |
| G4-32 | GRI Content Index | 94-100 | ● |
| G4-33 | External assurance for the report | 2 | ● |

Governance

| | | | |
|-------|--|-----------|---|
| G4-34 | Governance structure, incl. committees under the highest governance body | 23, AR 10 | ● |
|-------|--|-----------|---|

Ethics and integrity

| | | | |
|-------|---|-------|---|
| G4-56 | Values, principles, standards and norms of behavior | 23-26 | ● |
|-------|---|-------|---|

Category: Economic

Material aspect: economic performance

| | | | |
|--------|--|----------------------|---|
| G4-DMA | Management approach economic performance | 9-10, 15-16, AR 13 | ● |
| G4-EC1 | Direct economic value generated and distributed | 15-16, 60 | ● |
| G4-EC2 | Financial implications and other risks and opportunities due to climate change | AR 34, AR VW 168-170 | ● |
| G4-EC3 | Coverage of benefit plan obligations | 43-44, AR VW 240-246 | ● |
| G4-EC4 | Financial assistance received from government | 27 | ● |

Material aspect: market presence

| | | | |
|--------|--|-------------|---|
| G4-DMA | Management approach for market presence | 9-10, 15-16 | ● |
| G4-EC5 | Ratios of standard entry level wage compared to local minimum wage | 43 | ● |
| G4-EC6 | Proportion of senior management hired from the local community | 45 | ● |

Material aspect: indirect economic impacts

| | | | |
|--------|---|--------|---|
| G4-DMA | Management approach indirect economic impacts | 20, 27 | ● |
| G4-EC7 | Infrastructure investments and services supported | 27 | ● |
| G4-EC8 | Indirect economic impacts | 20, 27 | ● |

Material aspect: procurement practices

| | | | |
|--------|---|----|---|
| G4-DMA | Management approach procurement practices | 20 | ● |
| G4-EC9 | Spending on local suppliers | 20 | ● |

Category: Environment

Material aspect: materials

| | | | |
|--------|--|--------------|---|
| G4-DMA | Management approach materials | 29-31, 37-38 | ● |
| G4-EN1 | Materials used by weight or volume | 75 | ● |
| G4-EN2 | Percentage of materials used that are recycled input materials | | ● |

| Indicator | Description | Reference | Status |
|--|---|--|--------|
| Material aspect: energy | | | |
| G4-DMA | Management approach energy | 22, 29-37, 39 | ● |
| G4-EN3 | Energy consumption within the organization | 71 | ● |
| G4-EN4 | Energy consumption outside of the organization | | ● |
| G4-EN5 | Energy intensity | 71 | ● |
| G4-EN6 | Reduction of energy consumption | 29-37 | ● |
| G4-EN7 | Reductions in energy requirements of products and services | 37-38 | ● |
| Material aspect: Water | | | |
| G4-DMA | Management approach water | 29-30, 33, 35 | ● |
| G4-EN8 | Volume of water withdrawn by source | 67 | ● |
| G4-EN9 | Water sources significantly affected | 68 | ● |
| G4-EN10 | Water recycled and reused | 33 | ● |
| Material aspect: Biodiversity | | | |
| G4-DMA | Management approach biodiversity | 35 | ● |
| G4-EN11 | Operational sites in protected areas | 74 | ● |
| G4-EN12 | Impacts on protected areas and areas of high biodiversity value | 74 | ● |
| G4-EN13 | Habitats protected or restored | 35 | ● |
| G4-EN14 | Affected endangered animal and plant species | | ● |
| Material aspect: Emissions | | | |
| G4-DMA | Management approach emissions | 30-33, 35-38 | ● |
| G4-EN15 | Direct greenhouse gas (GHG) emissions (Scope 1) | 65 | ● |
| G4-EN16 | Energy indirect greenhouse gas (GHG) emissions (Scope 2) | 65 | ● |
| G4-EN17 | Other indirect greenhouse gas (GHG) emissions (Scope 3) | | ● |
| G4-EN18 | Greenhouse gas (GHG) emissions intensity | 65 | ● |
| G4-EN19 | Reduction of greenhouse gas (GHG) emissions | 32-38 | ● |
| G4-EN20 | Emissions of ozone-depleting substances (ODS) | | ● |
| G4-EN21 | NOx, SOx, and other significant air emissions | 64 | ● |
| Material aspect: Effluents and waste | | | |
| G4-DMA | Management approach effluents and waste | 33 | ● |
| G4-EN22 | Total water discharge | 66 | ● |
| G4-EN23 | Total weight of waste | 68-70 | ● |
| G4-EN24 | Total number and volume of significant spills | 33 | ● |
| G4-EN25 | Weight of hazardous waste | 69 | ● |
| G4-EN26 | Water bodies significantly affected by discharges of water and runoff | | ● |
| Material aspect: Products and services | | | |
| G4-DMA | Management approach for environment friendly products and services | 37-38 | ● |
| G4-EN27 | Mitigation of environmental impacts of products and services | 37-38 | ● |
| G4-EN28 | Percentage of products sold and their packaging materials that are reclaimed by category | 74 | ● |
| Material aspect: Environmental Compliance | | | |
| G4-DMA | Management approach environmental compliance | 20-21, 25 | ● |
| G4-EN29 | Significant fines and non-monetary sanctions for non-compliance with environmental laws and regulations | Fines, sanctions and litigations are listed in the annual report if significant, AR VW 269 | ● |

| Indicator | Description | Reference | Status |
|--|---|--|--------|
| Material aspect: Transport | | | |
| G4-DMA | Management approach transport | 35-36 | ● |
| G4-EN30 | Significant environmental impacts of transport | 35-36 | ● |
| Material aspect: overall (environmental expenditures) | | | |
| G4-DMA | Management approach overall (environmental expenditures) | 34 | ● |
| G4-EN31 | Environmental protection expenditures and investments by type | 34, 72-73 | ● |
| Material aspect: Supplier environmental assessment | | | |
| G4-DMA | Management approach supplier environmental assessment | 20-22 | ● |
| G4-EN32 | Percentage of new suppliers that were screened using environmental criteria | 20-22 | ● |
| G4-EN33 | Significant environmental impacts in the supply chain | | ● |
| Material aspect: Environmental grievance mechanisms | | | |
| G4-DMA | Management approach environmental grievance mechanisms | 25 | ● |
| G4-EN34 | Grievances about environmental impacts | Grievances about environmental impacts are not recorded separately | ● |

Category: Social

| | | | |
|--|--|--------------|---|
| Labor practices and decent work | | | |
| Material aspect: Employment | | | |
| G4-DMA | Management approach employment | 41-42 | ● |
| G4-LA1 | New employee hires and employee turnover | 84-85 | ● |
| G4-LA2 | Benefits provided to full-time employees | 43-44 | ● |
| G4-LA3 | Return to work and retention rates after parental leave, by gender | 86 | ● |
| Material aspect: Labor/management relations | | | |
| G4-DMA | Management approach labor/management relations | 41-43, 46-48 | ● |
| G4-LA4 | Minimum notice periods regarding operational changes | 42 | ● |
| Material aspect: Occupational health and safety | | | |
| G4-DMA | Management approach occupational health and safety | 48-50 | ● |
| G4-LA5 | Percentage of total workforce represented in health and safety committees | | ● |
| G4-LA6 | Injuries, occupational diseases, lost days, and work-related fatalities | 49, 87 | ● |
| G4-LA7 | Workers with high incidence or high risk of diseases | 48 | ● |
| G4-LA8 | Health and safety topics covered in formal agreements with trade unions | | ● |
| Material aspect: Training and education | | | |
| G4-DMA | Management approach training and education | 46-48, 54 | ● |
| G4-LA9 | Average hours of training | 86 | ● |
| G4-LA10 | Programs that support the continued employability of employees | 45, 47-48 | ● |
| G4-LA11 | Percentage of employees receiving regular performance and career development reviews | 47 | ● |

| Indicator | Description | Reference | Status |
|--|--|---|--------|
| Material aspect: Diversity and equal opportunities | | | |
| G4-DMA | Management approach diversity and equal opportunities | 44-45 | ● |
| G4-LA12 | Composition of governance bodies and breakdown of employees by aspects of diversity | 44-45, 83, AR 10 | ● |
| Material aspect: equal remuneration for women and men | | | |
| G4-DMA | Management approach equal remuneration for women and men | 43 | ● |
| G4-LA13 | Ratio of basic salary and remuneration of women to men | 43 | ● |
| Material aspect: Supplier Assessment for Labor Practices | | | |
| G4-DMA | Management approach for assessment of suppliers' labor practices | 20-22 | ● |
| G4-LA14 | Percentage of new suppliers that were screened using labor practices criteria | 20 | ● |
| G4-LA15 | Significant actual and potential negative impacts for labor practices in the supply chain and actions taken | | ● |
| Material aspect: Labor practice grievance mechanisms | | | |
| G4-DMA | Management approach labor practice grievance mechanisms | 25, 42 | ● |
| G4-LA16 | Grievances about labor practices | 42 | ● |
| Human rights | | | |
| Material aspect: Investments into human rights protection | | | |
| G4-DMA | Management approach investments into human rights protection | 21, 23-24, 42 | ● |
| G4-HR1 | Significant investment agreements and contracts that include human rights clauses or screening | | ● |
| G4-HR2 | Employee training on human rights policies or procedures | 23-24 | ● |
| Material aspect: Non-discrimination | | | |
| G4-DMA | Management approach to avoid discrimination | 44-45 | ● |
| G4-HR3 | Total number of incidents of discrimination and corrective actions taken | 45 | ● |
| Material aspect: Freedom of association | | | |
| G4-DMA | Management approach for freedom of association | 42-43 | ● |
| G4-HR4 | Operations and suppliers identified in which the right to exercise freedom of association may be violated or at risk, and measures taken | 21 | ● |
| Material aspect: Child labor | | | |
| G4-DMA | Management approach to avoid child labor | 20-22 | ● |
| G4-HR5 | Operations and suppliers having significant risk for incidents of child labor, and measures taken | 21 | ● |
| Material aspect: Forced and compulsory labor | | | |
| G4-DMA | Management approach to avoid forced and compulsory labor | 20-22 | ● |
| G4-HR6 | Operations and suppliers having significant risk for incidents of forced or compulsory labor, and measures taken | 21 | ● |
| Material aspect: Security practices | | | |
| G4-DMA | Management approach for security practices that protect human rights | 20-22, 23-24 | ● |
| G4-HR7 | Percentage of security personnel trained in the field of human rights | 23-24, Percentage of trained security personnel is not counted separately | ● |

| Indicator | Description | Reference | Status |
|--|--|--|--------|
| Material aspect: Indigenous rights | | | |
| G4-DMA | Management approach to protect indigenous rights | Not relevant for ŠKODA AUTO's operation sites | ● |
| G4-HR8 | Violations involving rights of indigenous peoples and actions taken | Not relevant for ŠKODA AUTO's operation sites | ● |
| Material aspect: Assessment performance concerning human rights | | | |
| G4-DMA | Management approach to assess performance with regard to protection of human rights | 20-22, 25, 42 | ● |
| G4-HR9 | Operations that have been subject to human rights reviews or impact assessments | 20-22, 42 | ● |
| Material aspect: Supplier human rights assessment | | | |
| G4-DMA | Management approach to assess performance of suppliers with regard to protection of human rights | 20-22 | ● |
| G4-HR10 | Percentage of new suppliers that were screened using human rights criteria | 20-22 | ● |
| G4-HR11 | Significant actual and potential negative human rights impacts in the supply chain and actions taken | | ● |
| Material aspect: Human rights grievance mechanisms | | | |
| G4-DMA | Management approach to human rights grievance mechanisms | 20-22, 25, 42 | ● |
| G4-HR12 | Grievances about human rights impacts | Grievances about human rights are not recorded separately | ● |
| Society | | | |
| Material aspect: Local communities | | | |
| G4-DMA | Management approach for social responsibility in local communities | 51-52 | ● |
| G4-S01 | Percentage of operations with implemented local community engagement, impact assessments, and development programs | 51-57 | ● |
| G4-S02 | Operations with significant actual and potential negative impacts on local communities | | ● |
| Material aspect: Anti corruption | | | |
| G4-DMA | Management approach to avoid corruption | 20-21, 24-25 | ● |
| G4-S03 | Percentage of operations assessed for risks related to corruption and risks identified | 21 | ● |
| G4-S04 | Communication and training on anti-corruption | 20-21, 24-25 | ● |
| G4-S05 | Confirmed incidents of corruption and actions taken | For a company the size of ŠKODA AUTO, with more than 25,000 employees worldwide, compliance with the Code of Conduct cannot be guaranteed on a case-by-case basis. During the reporting period, there were several incidents of non-compliance with the Code of Conduct. However, these were quickly resolved without any significant consequences | ● |
| Material aspect: Public policy | | | |
| G4-DMA | Management approach for public policy involvement | 26 | ● |
| G4-S06 | Total value of political contributions | 26 | ● |
| Material aspect: Anti competitive behavior | | | |
| G4-DMA | Management approach for anti competitive behavior | 25 | ● |

| Indicator | Description | Reference | Status |
|--|--|--|--------|
| G4-S07 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Fines, sanctions and litigations are listed in the annual report if significant, AR VW 269 | ● |
| Material aspect: Compliance | | | |
| G4-DMA | Management approach to ensure compliance | 23-25 | ● |
| G4-S08 | Fines and sanctions for non-compliance with laws and regulations | Fines, sanctions and litigations are listed in the annual report if significant, AR VW 269 | ● |
| Material aspect: Supplier Assessment for Impacts on Society | | | |
| G4-DMA | Management approach for supplier assessment for impact on society | 20-22 | ● |
| G4-S09 | Percentage of new suppliers that were screened using criteria for impacts on society | 20-22 | ● |
| G4-S010 | Significant actual and potential negative impacts on society in the supply chain and actions taken | | ● |
| Material aspect: Grievance mechanisms for impact on society | | | |
| G4-DMA | Management approach for grievance mechanisms for impact on society | 25 | ● |
| G4-S011 | Number of grievances about impacts on society | Grievances about impacts on society are not recorded separately | ● |
| Product responsibility | | | |
| Material aspect: Customer health and safety | | | |
| G4-DMA | Management approach for customer health and safety | 17-19 | ● |
| G4-PR1 | Percentage of significant product and service categories for which health and safety impacts are assessed | 17-19 | ● |
| G4-PR2 | Incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services | Fines, sanctions and litigations are listed in the annual report if significant, AR VW 269 | ● |
| Material aspect: Product and service labeling | | | |
| G4-DMA | Management approach for product and service labeling | 19 | ● |
| G4-PR3 | Principles/ procedures for product and service information and labeling | 19 | ● |
| G4-PR4 | Incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling | Fines, sanctions and litigations are listed in the annual report if significant, AR VW 269 | ● |
| G4-PR5 | Results of surveys measuring customer satisfaction | | ● |
| Material aspect: Marketing communications | | | |
| G4-DMA | Management approach for marketing communications | 17-19, SR VW 37-40 | ● |
| G4-PR6 | Sale of banned or disputed products | ŠKODA AUTO does not sell any banned or disputed products | ● |
| G4-PR7 | Incidents of non-compliance with regulations and voluntary codes concerning marketing communications | Fines, sanctions and litigations are listed in the annual report if significant, AR VW 269 | ● |
| Material aspect: Customer privacy | | | |
| G4-DMA | Management approach for customer privacy | 19 | ● |
| G4-PR8 | Substantiated complaints regarding breaches of customer privacy | 19 | ● |
| Material aspect: Compliance (product responsibility) | | | |
| G4-DMA | Management approach for compliance with regard to product responsibility | 24-25 | ● |
| G4-PR9 | Significant fines concerning the provision and use of products and services | Fines, sanctions and litigations are listed in the annual report if significant, AR VW 269 | ● |

AR = 2014 Annual Report
ŠKODA AUTOAR VW = 2014 Annual Report
Volkswagen GroupSR VW = 2014 Sustainability
Report Volkswagen Group

