

SKODA



Sustainability Report

reporting.skoda-auto.com

2024

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Foreword

Dear reader,

I am proud to present Škoda Auto's 2024 Sustainability Report, a testament to our unwavering commitment to all dimensions of sustainability: Environmental, Social and Governance (ESG). This report encapsulates our initiatives, progress, and aspirations as we continue to drive transformation within the automotive industry, fostering a sustainable future. On this journey, our Next Level Škoda Strategy is paving the way and serves as a strategic framework in this decade of transformation.

The importance of sustainable entrepreneurship was once again made clear to us in 2024: Among headline events, the great September flooding in our home country Czech Republic and neighbouring Central European countries spotlighted the issue of extreme weather and the social impacts of climate change. In the case of floods, Škoda Auto responded by providing vehicles to local non-governmental organisations and by matching the donations from the special employee collection organised in cooperation with our social partner KOVO Unions to help rebuild the most affected regions after the devastating floods. The total amount of the donation totalled CZK 6.5 million.

More broadly, I hope you will find in this year's Sustainability Report many other concrete examples of how sustainability is anchored in the operations and the transformation strategy of Škoda Auto.

Environmental stewardship is integral to our mission, even as the global automotive market has been sluggish and sales of electric vehicles in Europe have slowed. While this was true for the industry as a whole, we have continued to see strong demand in many markets for the Škoda Enyaq, our flagship BEV. And in October, we launched the compact SUV Škoda Elroq, a second all-electric model line whose package and pricing make it a new benchmark for affordable and more sustainable mobility in its segment. In addition to expanding our BEV portfolio, we continue to make progress in increasing the sustainable elements in our products.

The textiles in selected interiors are made from recycled PET bottles and other components from recycled clothing and old fishing nets. By doing so, we support the circular economy principles and create material closed loops.

In regard to decarbonisation of our operations, together with ŠKO-ENERGO we have started the modernisation of the power plant at our main plant in Mladá Boleslav in 2024 which aims to replace coal with 100% biomass, saving up to 290 thousand tons of CO₂ per year. We also realised effective energy saving measures and reduced the consumption across all our global plants in 2024 by 44,675 MWh annually (-3.7%) – enough to fully charge 839,500 Škoda Elroq 50 models. Škoda Auto also plans to reduce the carbon footprint of its authorized sales and service network by at least 30% by 2030. The "goTOzero Retail" project is a key initiative that helps achieve this goal.

In 2024, social sustainability continued to be important to us with regard to creating socially positive impacts on our people and communities in which we operate. For example, as part of the Škoda Social Week initiative, we created and broadcast a series of podcasts in which we discussed sustainability, digital literacy, cultural heritage and other topics from the intergenerational perspective. This dialogue also finds a place in the Company environment, helping to improve relationships and mutual understanding. For this activity we won second place in the Donors Forum Awards. We have also continued to implement our diversity strategy, thus contributing to a more inclusive environment in the Company. With 20.4% women in the management, we exceeded our target. For the first time in this report, we applied the rules on the use of inclusive language. In 2024, the Škoda Auto Endowment Fund supported regional development projects with CZK 81 million. The company is also systematically preparing its Czech regions for the transformation of the automotive industry in the coming years. To ensure sustainable financing of the activities of the Endowment Fund, the Company plans to support the activities of the Fund in the long term

in relation to its financial results. In 2024, the Company contributed 113 million CZK to the Fund's activities.

Škoda Auto acts responsibly and transparently, promoting corporate governance, risk management, and a culture based on integrity. Our newly updated code of conduct 'OUR CODE' defines basic ethical standards for all employees, guiding their daily behaviour and company decisions. By adhering to the highest standards of corporate governance, we aim to build trust and foster long-term relationships with our stakeholders.

In 2024, we continued evaluating our suppliers through the sustainability-focused S-rating, ensuring they meet agreed standards. We achieved a 93% turnover share with suppliers having the highest sustainability rating.

We remain committed to our sustainability targets, striving for "Best-in-class in ESG". Our efforts were recognized in an independent ESG rating with a TOP10 ESG Excellence award from the University of Economics in Prague, among more than 100 participating Czech companies.

For all this, I extend my heartfelt gratitude to our employees, partners, customers, and shareholders for their support and dedication. Together, we will drive the change needed to create a sustainable and prosperous future for generations to come.

Best regards



Klaus Zellmer

Chairman of the Board of Management Škoda Auto a. s.



About This Report

The Company Škoda Auto a.s. (hereinafter referred to as the "Company" or "Škoda Auto") considers it important that its stakeholders are regularly and transparently informed of all important aspects of its business. Since 2005, the Company has regularly published a report on sustainable development. The primary aim is to share experience, information, and new trends in sustainable business, as well as examples of good practice in this area. The data in the report relate to Škoda Auto a.s. and not to its subsidiaries. There is also a chapter devoted to the Škoda Auto Endowment Fund (hereinafter referred to as the "Endowment Fund" or "Fund"), through which selected activities are carried out as part of the social sustainability strategy. The Company exercises managerial control over the Endowment Fund through the involvement of employees in the Fund's management board and supervisory board.

Until now, the Sustainability Report has been published as a separate document. Taking into consideration Group reporting and legislative obligations, the Company plans to incorporate information about sustainability into its future Annual Reports.

Until 2020, the Company prepared Sustainability reports in compliance with GRI standards. The 2021–2022 Sustainability Report reflected the provisional version of ESRS available at that time, within the bounds of preparations for the gradual transition to new reporting standards.

The final, approved version of ESRS standards, dated 31 July 2023, was considered when preparing the first report on an annual basis, and this approach was applied again in 2024. The Company will add the information reported in line with the extended requirements over time, and this report is therefore not fully compliant with ESRS regarding all points of the individual publication requirements.

For 2024, the Company continues to publish its Sustainability report on a voluntary basis. The Group, which has consolidation and reporting duties for the 2024 reporting period, issues a report entirely in line with CSRD and ESRS. Non-financial Company data are therefore published as part of the consolidated report.

The Group's consolidated Sustainability report is available [here](#).

In the remaining time before reporting obligations for Škoda Auto begin on 1 January 2025, the Company will be concentrating on fulfilling the remaining requirements of CSRD and ESRS. For example, determining the issues reported in accordance with the principles of double materiality.

The Company intends to continue publishing a report, fully in compliance with the requirements of CSRD and ESRS, mainly to ensure continuity and transparency of the information provided for its stakeholders.

The upstream and downstream parts of the value chain are considered wherever impacts, risks, or opportunities exist or could arise from the Company's business ties. At present, this information is mostly disclosed in the chapters of the Company's Sustainability report on Circular Economy and Resources, Workers in the Value Chain, and Business Conduct. These disclosures will be expanded on in future reports based on double materiality assessments.

Given the voluntary nature of reporting for the year 2024, there is currently no obligation to have the report verified from outside by an independent audit. However, non-financial indicators for Škoda Auto are projected in reporting at the Group which is verified on a consolidated basis with limited assurance.

Estimate of the value chain

Certain indicators in the report, such as the Decarbonisation Index (DCI), include estimates of the value chain. This information will be provided with more accuracy in the future, in line with the requirements of ESRS.

Sources of uncertainty of estimates and results

The quantitative indicators in the report are prepared with the frequent use of estimates. In cases in which data for the whole year are unavailable in time to be taken into account in the report, a calculation is undertaken with the use of actual data for 11 months, with a qualified estimate for the final month. The reliability of these estimates is retrospectively validated. Such cases are indicated in the appropriate places in the report, primarily in the chapters on Pollution, Water, and Circular Economy.

Errors in previous reporting periods

No reporting errors were identified in the preceding period.

Incorporating information by links

The report contains links to external documents to a greater extent than will be possible under future ESRS disclosure requirements. Required information will be gradually integrated into the report. During the voluntary reporting period, the Company does not prepare an overview of information incorporated by links.

Application of the provision on phase-in according to Appendix C ESRS 1

In light of the voluntary nature of reporting at present, requirements will be met over time. The Company does not prepare an overview of omitted information in accordance with Appendix C ESRS 1 for the period of voluntary reporting.

The use of inclusive language

When compiling the 2024 Sustainability report, emphasis was placed on the use of inclusive language to avoid gender-based discrimination. The Czech version therefore makes efforts to avoid excessive use of the generic masculine.

Currency used

Financial data are generally provided in euros, although in isolated cases they may also be stated in Czech crowns.

Introductory Information

Company Profile

Škoda Auto is one of the oldest continually active car manufacturers in the world. The Company's history dates back to 1895, when Václav Laurin and Václav Klement laid the foundations for what has become a global company. Starting with bicycles 130 years ago followed by motorcycles, the Company launched passenger car production in Mladá Boleslav in 1905. In the following decades, the company first developed into a regional market leader and became an internationally competitive global player after its integration into the Volkswagen Group in 1991. Today, Škoda offers the broadest portfolio ever and provides customers the "best of both worlds" to choose from – both in terms of body variants as well as powertrain options, entailing completely new fully electric models, further improved plug-in hybrids and efficient ICE models. In 2024, Škoda Auto significantly updated its broad portfolio.

The Company has its headquarters and biggest production plant in Mladá Boleslav. Additional facilities are located in Kvasiny and Vrchlabí. Furthermore, vehicles are also manufactured in India, Slovakia and China, mostly through Group partnerships, and in Ukraine in cooperation with a local partner. Apart from developing, manufacturing and selling vehicles and components such as MEB battery systems which also mounted in vehicles of other group brands, Škoda Auto is also selling spare parts and accessories and provides after-sales servicing.

Škoda Auto has a robust and healthy business model, based on its broad and highly sought-after model range as well as its efficient cost structure. The Company accelerates its efforts to further increase the electrification of its fleet by updating and expanding its EV portfolio and making e-mobility accessible to even more customer groups.

Škoda Auto is committed to shaping the transformation of the automotive industry in its home country and beyond and recognising its responsibility in further strengthening the country's role as a future-proof location in the European automotive industry. Its successful electric mobility is being developed at the heart of the company, in the Czech Republic. The Company is implementing its clearly defined e-mobility strategy, which includes the launch of new electric models in the upcoming years. This endeavour was recently underlined by the battery-electric compact BEV Elroq, providing list-price parity with its ICE counterpart, the Karoq.

Škoda's success is based on its classic brand values and its strong customer focus. At the same time, the brand benefits from the existing structures within the Volkswagen Group and the joint teamwork of the Brand Group Core. As an integral part of the Brand Group Core, Škoda is tapping growth potential in price-sensitive growth markets for the Volkswagen Group. Škoda Auto is leading the operation on behalf of the Volkswagen Group and its brands in India. The country is a key market in Škoda's internationalisation plans and future export hub. About 50% of Škoda cars manufactured outside of the Czech Republic come from India.



Purpose

We will help the world live smarter.

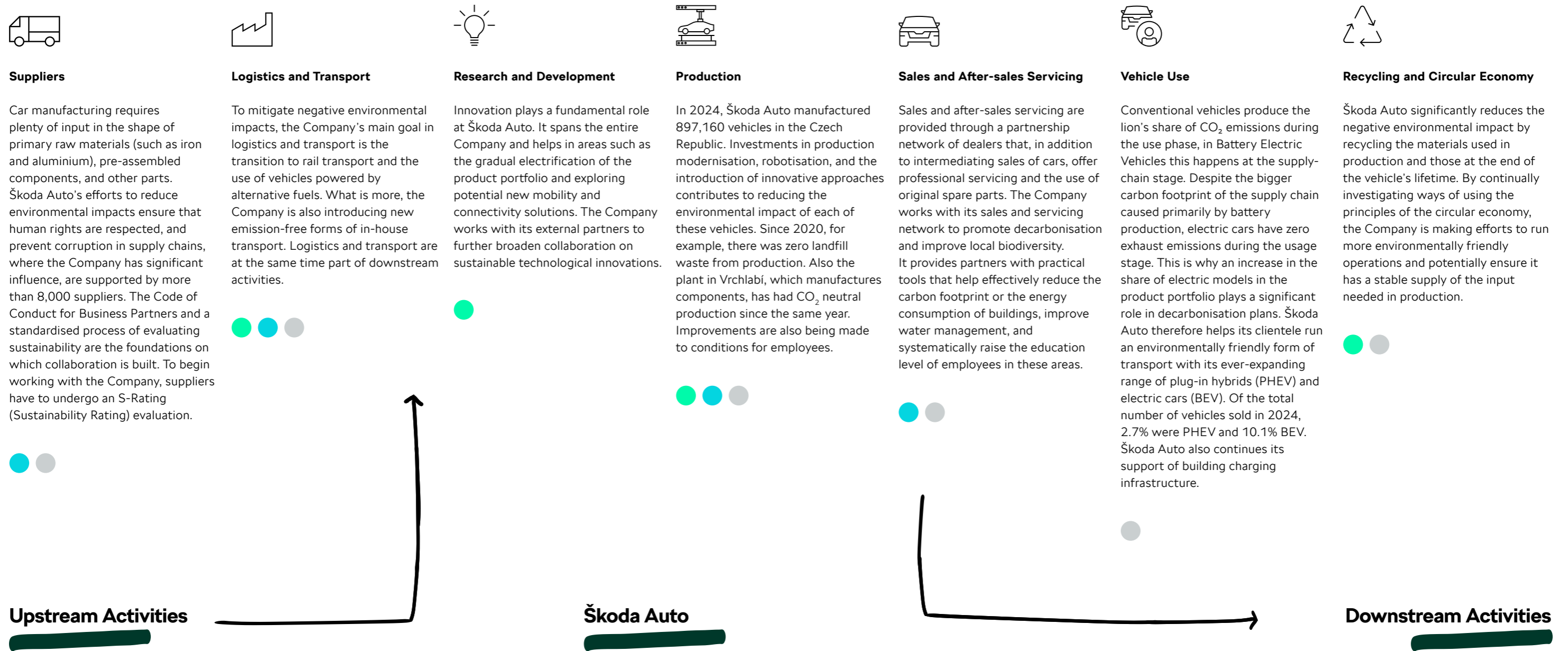
Mission

Modern accessible mobility with everything you need and surprises you love.

Value Chain

This graphic provides an overview of the Company's main activities. The value chain is conceived to capture all flows of input and output in relation to a product in the form of what are known as upstream and downstream activities.

- Škoda Auto
- Volkswagen Group
- External Partners



Sustainability Strategy

Sustainability is one of the main priorities of the Company's Next Level Škoda Strategy, which defines a total of nine key elements and priorities for the Company's development plan through to 2030 within three areas: Brand and Market, Technology and Quality, and People and Company.

Sustainability is an integral part of this strategy. The very name, in fact, reflects the Company's ambition to be the **"Best-in-class in ESG"**.

The implementation of this strategic topic is at the highest level overseen by the two members of the Board of Management responsible for Procurement and Production and Logistics.

As a car manufacturer of long-standing tradition, Škoda Auto is well aware of the latest global challenges ahead and its responsibility toward the environment and society. This aims to achieve significant success in the defined areas, to inspire other companies on the market, and to connect the Škoda brand with the issue of sustainability even more in the minds of its customers.

The Sustainability Strategy is divided into three pillars - environmental, social, and governance - and consists of a total of eight strategic areas with specific objectives and activities.

In the environmental pillar, the Company plans to become an innovator in re-using resources with sustainable Simply Clever solutions. Strategic areas include decarbonisation, the circular economy, and the protection of local ecosystems.

The social sustainability pillar at Škoda Auto encompasses strategic areas such as people and communities, with areas of key support including education, mobility, well-being, volunteering, diversity, and engagement and support in humanitarian crises and during natural disasters.

Regarding corporate governance, Škoda Auto strives to exemplify ethical conduct and resilience to crises. The strategic areas of this pillar are integrity and compliance, risk management, and building sustainable business relationships.

To monitor the achievement of our objectives, the Company uses a set of eight "TOP KPI" in relation to strategic areas to define specific indicators to the year 2025 or 2030 for each particular area. Several other indicators are monitored at the operative level.



Environment

An innovator in resource reuse with Simply Clever sustainable solutions



Social

Hands-on proactive local community engagement and people empowerment and ad hoc humanitarian aid



Governance

Role model for acting ethically and being resilient against crises

Decarbonization
Circular Economy
Preserving local ecosystems
People and Communities
Diversity
Integrity and Compliance
Risk Management
Sustainable Business
Relations

Sustainable Development Goals

The UN General Assembly adopted the 2030 Agenda for Sustainable Development in the autumn of 2015, setting out 17 sustainable development goals as a global challenge. The aim is to end poverty, protect the planet, and ensure that all people live in peace and prosperity by the year 2030. Whereas sustainable development goals are primarily intended for countries and their governments, Škoda Auto, as part of the Group, endeavours to contribute at least in part to achieving certain goals within its sustainability strategy. Individual goals were selected at the sub-goal level, drawing on 17 main SDGs. The Company chose the 14 most significant SDGs, which it reflects in its current activities. The remaining three SDGs (1. No poverty, 2. Zero hunger, and 14. Life below water) were not selected because of the limited impact the Company has here.

TOP KPI Sustainability Targets for 2025 and 2030

Environment

40 kg

Share of Recycled Plastics

Share of recycled plastics in new models manufactured from the year 2025.

Decarbonisation Index

Expresses the reduction of CO₂e emissions throughout the value chain per each manufactured car in comparison with the year 2018 (41.24 t CO₂e)

by **40%**

i.e. 24.7 t CO₂e per car in comparison with 2018

Reduction of the Environmental Impact of Production

This indicator monitors the reduction in energy consumption, the production of CO₂ emissions, the consumption of water, and the production of volatile organic compounds and waste per each manufactured car in comparison with the year 2010.

by **52.5%**

Social

Activity Success Index

The index reflects how successful the projects are in terms of credibility, value, uniqueness, whether they “fit the brand”, and have further potential. The Company started tracking this Index in 2023.

High
≥ **120%**

Diversity (women in management)

The index monitors the Company's target to increase the number of women in Škoda Auto management and is shown in percentage. From 2024, it replaces the original Diversity Index, which, in addition to the number of women in management, also tracked internationalisation in management.

25%

Governance

6.5–6.7

Good Corporate Citizenship Index

External marketing study evaluating the Company based on customer surveys in selected EU5, India and China markets. Customers are asked twice a year about Škoda Auto's ethical and socially responsible behaviour through an external MPM (Marketing Performance Monitoring) study. The final score varies on a scale from 1 to 10.

Starting in 2025, customer inquiries in China ended as a result of the Company's reduced activities in that market. As a result, the target for 2030 was adjusted.

90%

Reported Risks

This indicator focuses on early and proper reporting of significant operative risks. It is a ratio of detected risks reported and subsequently actually occurring.

S-rating

The proportion of turnover achieved with suppliers having the highest sustainability rating (A-rating) in total turnover for the past 12 months.

90%

Dialogue with stakeholders and material topics

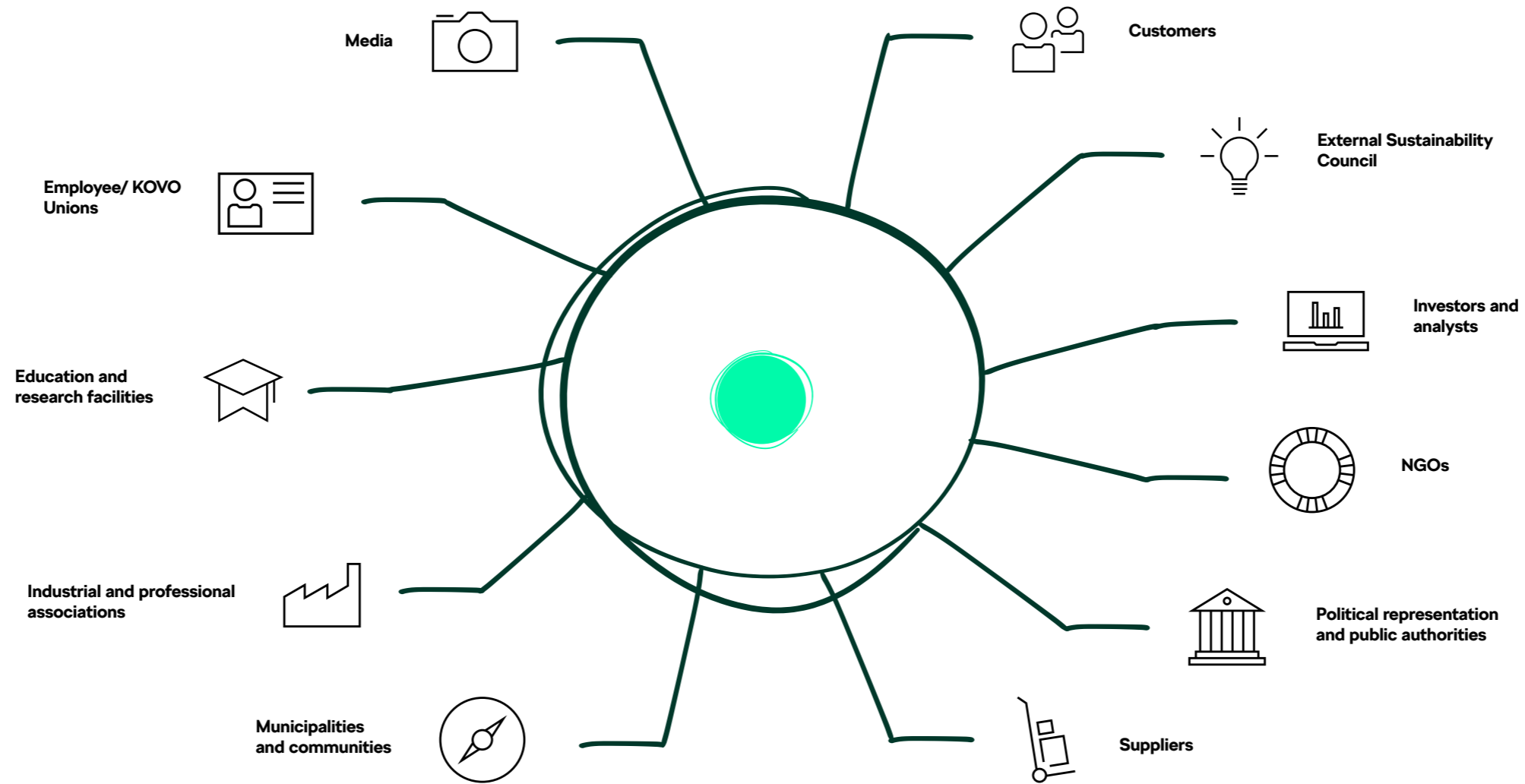
The Company mapped out its current activities and objectives in the sphere of sustainability in 2023 based on interviews with key internal departments and issues that emerged from dialogue with stakeholders. The outcomes were considered and discussed with the External Sustainability Council. Based on the above input, Škoda Auto Management then approved the updated sustainability strategy, also valid for 2024.

In the future, the Company plans to work with the Group to evaluate material issues in line with the principles of double materiality, meeting the requirements of the new Corporate Sustainability Reporting Directive (CSRD). The outcomes will be projected in an updated overview of material issues in non-financial reporting, showing the areas that have the greatest impact on Company activities.



Stakeholder Engagement

Regular communication with stakeholders is a key activity at Škoda Auto, giving it a better idea of the needs and expectations of its partners and enabling it to better set the sustainability strategy and its priorities.



Overview of stakeholders and communication of Company issues

Stakeholder	Topics	Method of communication	Frequency
Employees/KOVO Unions	employee relations and satisfaction working- employment relationships work conditions pay and collective pay agreements vocational and professional education personal development and social commitments diversity and inclusion healthcare, ergonomics, well-being	collective bargaining employee representation in the Supervisory Board internal meetings ŠKODA Mobil magazine intranet weekly newsletter GreenWeek SocialWeek	annually 3 times per year on an ongoing basis annually monthly on an ongoing basis weekly
Investors, analysts	performance and strategies	annual reports Sustainability Report meetings in-person	annual, as required
Media	activities in sustainability, statements on regulatory and political events	interviews events press releases social media	regularly, as required
Political representation and public authorities	legislation, national and international strategies in relevant areas, see Promoting the Company's Interests developmental and regional strategies Cooperation and sharing know-how	meetings, telephone calls, emails, committee meetings, etc. membership of governmental, ministerial, and expert-group advisory bodies Joint committees	on an ongoing basis
Suppliers	business and supply relationships	communication and dealings between Procurement and individual suppliers e-learning, questionnaires, audits, Group ombudsman	on an ongoing basis and at the beginning of the business relationship
Customers	information about products and terms of sale (for dealers and private customers) Company plans and strategies for the future sustainable development	conferences, meetings, media - social networks, the press, TV Ipsos CSR & Reputation Research	on an ongoing basis Ipsos once a year
Education and research facilities	support, programmes, etc. social engagement	meetings telephone calls, emails, committee meetings, etc	as required
Public-benefit organisations	various projects social engagement	meetings telephone calls, emails, committee meetings, etc	as required
Industrial and professional associations	regional framework, financial/employee policy, collective bargaining	meetings in-person, emails membership of governing bodies and expert teams	as required
External Sustainability Council	circular economy, biodiversity, diversity, community and communication with stakeholders	regular meetings, working groups	regularly, as required

Impacts, Risks, and Opportunities

During the reporting period, Škoda Auto has been tracking sustainability-related impacts by engaging with stakeholders. Risks and opportunities are evaluated through a well-established risk management system, which supports the effective strategy and management of the business model and value chain.

The Company's operations and partnerships depend on environmental, social, and corporate governance factors. Škoda Auto keeps an eye on evolving requirements for assessing the impacts of its activities, aligning with the Group's approach. The Company intends to fully comply with any upcoming legislative requirements.

The risk management system

Škoda Auto has an Internal Control System and a comprehensive Risk Management System that follows the COSO II methodology. Škoda Auto conducts regular quarterly assessments to evaluate and monitor operational risks, focusing on the financial impact of a predefined list of risk activities identified at the Group level.

Risk assessments are scored based on the severity and likelihood of the risks. Risks valued over EUR 5 million are considered significant. Amongst those, the Board of Management reviews the top 10 significant risks from a list of around 80–100 items. These risks include sustainability-related compliance and legislative risks, such as CO₂ emissions from the vehicle fleets, pollutant emissions, other environmental hazards, and employee health and safety. These risks are assessed at the Group level using the ESRS (European Sustainability Reporting Standards) method.

Data collection is supported by annual consultations and employee training, allowing employees to discuss newly identified risks with their managers. Škoda Auto also has an immediate risk reporting system that involves direct communication with the Board of Management without delay. Immediate reporting is required if a financial impact of EUR 50 million is expected within the next 24 months, with a likelihood of more than 50%.



Corporate Governance of Sustainability

The Company set its governance of sustainability in line with localised Group guidelines, which describe the key sustainability processes at Škoda Auto.

The Company put in place a model of governance, with defined roles and responsibilities to ensure the effective and consistent governance of sustainability.

The Board of Management at the Company meets at least once per year to discuss the status of the sustainability strategy, define specific goals and evaluate the most important of them, check implementation (including impacts and risks), and evaluate its fulfilment. Selected topics are also discussed at other sub-meetings, at which the Board of Management decides on the implementation of related projects and measures in the area of sustainability.

Environmental issues are discussed and managed by the **Strategic Committee for the Environment and Sustainability**, chaired by a member of the Board of Management for Production and Logistics. The Committee met twice in 2024 to discuss the current state of achievement of the sustainability strategy, the use of sustainable materials in vehicles, and the evaluation of the communication of sustainability issues. It also evaluated cooperation with the Škoda Auto Endowment Fund on environmental projects and familiarised itself with regular reporting of the achievement of environmental targets.

Social matters are discussed and managed by the **Social Sustainability Board**, headed by a member of the Board of Management for People and Culture. The Board also met twice in 2024, dealing with the level of achievement of the sustainability strategy and external evaluations in the social area. A regular part of the meeting is a report on key activities such as education, mobility, volunteering, well-being, and diversity. The Social Sustainability Board also monitors the

activities of the Škoda Auto Endowment Fund and assesses communication activities in the area of social sustainability.

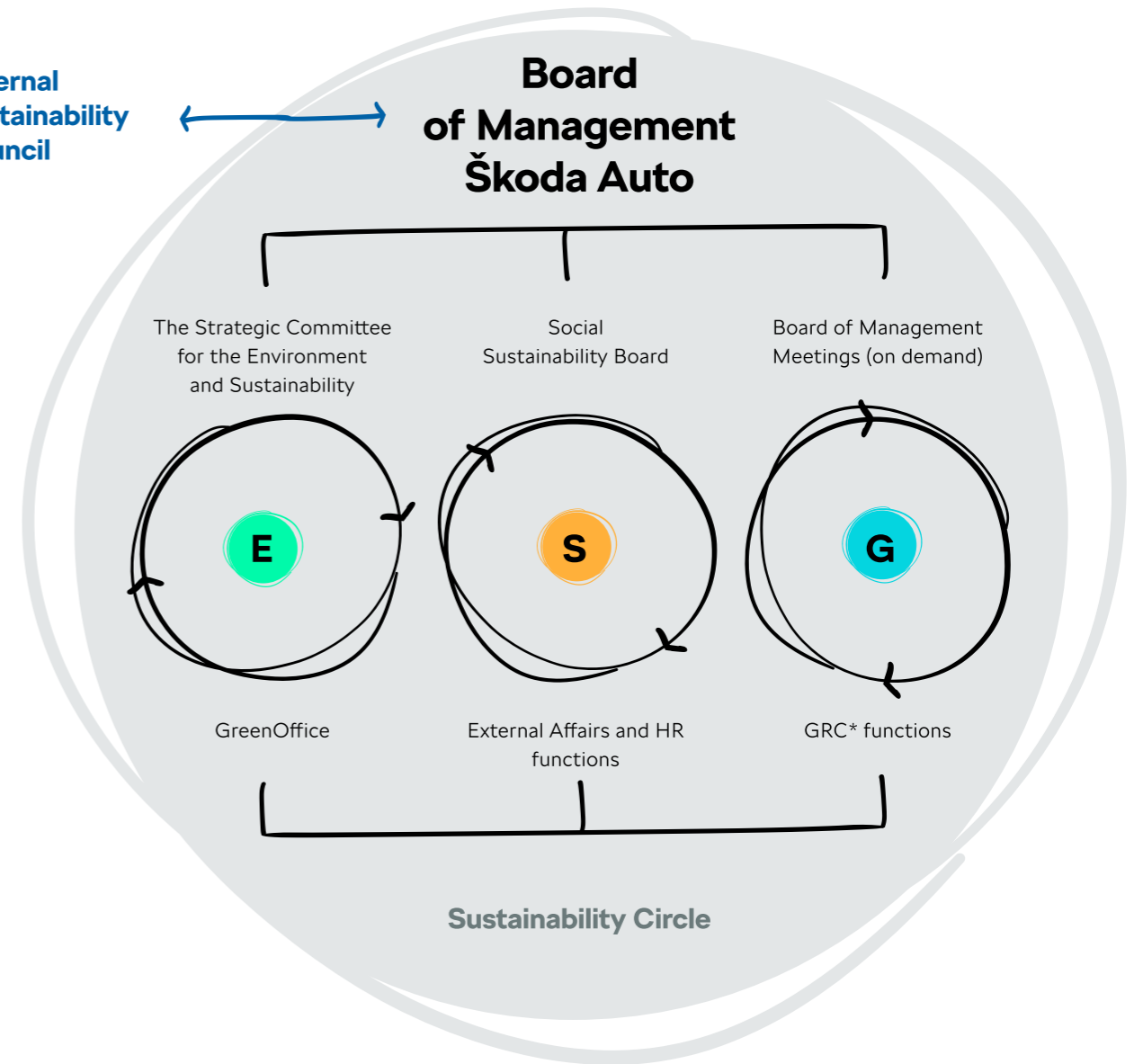
Corporate governance does not have a separate committee; issues are discussed with the Board of Management at the level of individual divisions.

At lower levels, the specialised **GreenOffice Department** is responsible for carrying out the general GreenFuture environmental strategy and coordinates the aforementioned Strategic Committee for the Environment and Sustainability.

The External Affairs Department works together with other departments from People and Culture to coordinate the action of the Social Sustainability Board and issues associated with social sustainability.

The Sustainability Circle is a cross-sectional team that represents all three pillars and other relevant departments under the leadership of Corporate and Regional Strategy. Acting as a hub for all issues of sustainability, the team is responsible for carrying out the Company-wide sustainability programme and preparing the status of sustainability for the Board of Management. The head of the department, the Brand Sustainability Manager, acts as the contact for the Group and represents the Company in the area of sustainability, both internally and externally. The Sustainability Circle meets roughly once every two months – or more often, as required. The Sustainability Circle was expanded in 2024 to include departments that reflect key current topics, such as product sustainability, technical development, education, communication, diversity, procurement, and the customer experience. By expanding the Sustainability Circle and meeting frequently, this cross-sectional team can flexibly respond to changes and new sustainability issues and find solutions for them within the Company.

External Sustainability Council



* Governance, Risk & Compliance

The External Sustainability Council

The External Sustainability Council, founded in 2021, consists of independent outside sustainability experts with international experience in the spheres of business, environment, transformation, strategy, and communication. The External Sustainability Council advises the Company's Board of Management on the strategic direction of sustainability projects and related activities. The Council provides feedback and offers a unique view from outside, as well as new perspectives on sustainability.

The External Sustainability Council met once in 2024, as part of a regular meeting with the Board of Management. The meeting discussed the circular economy, biodiversity, and the

development of macroeconomic indicators and risks which impact on the Company. In addition to these regular meetings, the Council attended a number of other meetings with individual departments and worked together on these issues within the framework of individual projects.

The External Sustainability Council paid a visit to Vrchlabí, where it was able to actually come into contact with the specific environmental measures taken at the Vrchlabí plant for the production of components, and with the activities of the Endowment Fund in support of Vrchlabí grammar school and the Krkonoše Mountains National Park Administration.

Jana Matesová was elected as a new member of the Council in September 2024.

The members of the Advisory Committee as of 31 December 2024 were Sandra Feltham, Jan Bureš, Soňa Klepek Jonášová, Ladislav Miko, and Jana Matesová.



Sandra Feltham
Founder and CEO of Flagship Impact and President of the Business Leaders Forum



Jan Bureš
Senior Economist at Patria Finance, member of the Committee for Budget Forecasts



Soňa Klepek Jonášová
Founder of the Institute of Circular Economy, co-founder and member of the advisory board of Změna k lepšímu (Change for the Better)



Ladislav Miko
Environmental Advisor to the President of the Czech Republic, Advisor to the Minister of the Environment, and Government Plenipotentiary for international negotiation on Biodiversity and Ecosystem Services



Jana Matesová
Economist, former Czech Envoy to the World Bank

The Supervisory Board

Supervises the exercising of powers by the Board of Management and all of the Company's activities. The single shareholder appoints and removes 2/3 of members, employees appoint and remove 1/3 of members [in accordance with the provisions of Section 448(2) of Act No. 90/2012 Sb. on business corporations and cooperatives].

The Board of Management

Decides on issues relating to the Company's business management, including issues of sustainability. The specific structure and competences of the Board of Management are presented in the Škoda Auto Annual Report.

2
22.2%  **1**
14.3%

7
77.8%  **6**
85.7%

0%
independent
appointed and removed by the single shareholder

100%
executive

The specific composition and powers of the Board of Management are outlined in the [Škoda Auto Annual Report](#).

The Board of Management's expertise and experience in sustainability

The board members bring diverse expertise in environmental, social, and governance (ESG) initiatives, essential for effective decisions and reporting on ESG matters. Their practical experience from previous technical and leadership roles in various international companies and projects enriches the Board's sustainability efforts.

With access to internal and Group experts, the Board has sufficient information for ESG steering and decision-making. This includes understanding environmental impacts,

community engagement, diversity and inclusion, and corporate governance principles. Additionally, they possess strategic and financial acumen, risk management skills combined with knowledge in innovation and technology.

Furthermore, the Board regularly consults ESG topics with an independent External Sustainability Council to enhance their decision-making process. These competencies ensure the board can effectively oversee and guide the company's ESG strategy, align it with business goals, and communicate progress to stakeholders regularly.

The integration of sustainability-related performance into incentive schemes.

The fulfilment of strategic issues and key performance indicators (KPIs) at the Company is projected into the evaluation of management. As far as sustainability is concerned, KPIs reflect the issues of decarbonisation, diversity, and how clientele view sustainability. A uniform ESG factor was also introduced throughout the Group in 2023 to take into account the fulfilment of set objectives in the sphere of decarbonisation, diversity, and compliance and integrity, both at the level of the Group and at that of individual brands.

Risks to the Reporting Process

Škoda Auto monitors risks to the reporting process and defines internal controls for the reporting of data. The lack of a double materiality analysis presents a certain, albeit small, risk that issues which could be material for the Company are not covered. Evaluation of the material issues at the level of the Group were performed in 2024, and indeed is also planned within the Company.

Examples of the risks identified in 2024:

- The relevant basic data are incomplete, incorrect, or unverified.
- The relevant data are delivered late or not at all, and therefore are not available in time.
- Data processing is incorrect and/or incomplete.
- Calculations or analyses are incorrect.



Environment

Business activity at Škoda Auto is directly tied to and influenced by the environment, which it simultaneously influences significantly. Aware of this reciprocal dependence, environmental sustainability and environmental protection are one of the main pillars of Škoda Auto's environmental strategy. The main issues in terms of the environment are, for example, the improvement of energy performance, the circular economy, decarbonisation, sustainable water management, and the still-neglected biodiversity.

The environmental approach taken by Škoda Auto is declared in its Environmental Policy. This is based on the efficient management of natural resources and energy, and the use of environmentally friendly and energy-saving technologies, as well as recyclable and recycled materials.

The Company strives to prevent pollution and carbon dioxide emissions and to eliminate these throughout the product life cycle, improving key indicators of its environmental impact as a result. Škoda Auto is a driving force of positive change in society as a whole and in the communities in which it works.



Two Group awards for production

Škoda Auto has been monitoring and measuring progress in specific energy consumption, measuring CO₂ emissions and the production of waste, measuring emissions of volatile and organic substances and, last but not least, keeping an eye on its water consumption for more than a decade now as part of its GreenFuture environmental strategy.

The year 2024 brought another round of the internal Group Production Awards, an annual competition which recognises the most efficient production plants of all brands in the Volkswagen Group. Awards are presented in six different categories, with the Škoda Auto production plant in Mladá Boleslav occupying leading positions in two of them in the face of fierce competition.

Škoda Auto finished second in the **“Transformer of the Year”** category. This award focuses on activities relating to transformation in the sphere of production over the course of a year, and the plant in Mladá Boleslav won its award for increasing qualification criteria in the field of production.

Measures aimed at improving the quality of the environment, again part of the GreenFuture Strategy, saw Škoda Auto come fifth in the **“Zero Impact Factory”** category in the Group Production Awards. The measures in question prevent the formation of liquid waste substances, the Company introducing them in painting shop B at the Mladá Boleslav plant. The award-winning measures brought plenty of positive environmental impacts. As a result of their introduction, the Company was able to reduce the waste produced by 230 t, and at the same time reduce CO₂ emissions. The most important benefit of these measures, however, lies in the complete closure of the water cycle, since the water used need not be transported to the waste incinerator for energy recovery along with other waste, but after a thorough treatment can return to countryside, in this case the River Jizera. More information about the measures is available [here](#).

goTOzero Environmental Mission

The Group's goTOzero environmental mission sets the direction for Škoda Auto's environmental strategy across all Company processes, focusing on four key areas.

Škoda Auto aims to become a leading provider of sustainable mobility and the benchmark of environmental protection. To achieve this, the Company systematically and demonstrably reduces environmental impacts throughout the life cycle of the products and services it provides.

Complying with environmental regulations and standards and sticking to voluntary commitments are fundamental prerequisites of Company activity.

Key Actions



Protect
Climate

Škoda Auto is committed to helping achieve the Group's commitment to the Paris Agreement, which aims to ensure that the average global temperature does not rise by more than 1.5°C. The Company consequently focuses on the electrification of its products, the decarbonisation of the entire value chain, and the expansion of renewable energy generation to supply its production plants and other clientele. The Company aims to be a net CO₂-neutral company by 2050 latest.

The following are among the key environmental indicators at Škoda Auto within the areas in question: climate change and decarbonisation (Decarbonisation index DCI – see **Climate Change**), reduction of the environmental impact of production (UEP – Umweltentlastung Produktion – see **GreenFuture Strategy/GreenFactory**), preserving the ecosystem (see **Pollution** and **Biodiversity**), and development of the Environmental Compliance Management System (ECMS).

emission and emission-free vehicles (Battery Electric Vehicles – BEV and Plug-In Hybrid Electric Vehicles – PHEV). See **Climate Change**.

Škoda Auto holds several important certificates that demonstrate its commitment to environmental protection, both in production and at the product level – for example, ISO 14001 certification for environmental management and ISO 50001 certification for energy management.



Conserve
Resources

By using recycled materials and renewable resources, the Company reduces its consumption of primary raw materials. The Company also improves its energy and resource efficiency and establishes cycles for materials and water. Together with its business partners, Škoda Auto reduces the use of natural resources all the way along the supply chain.

It is important for the Company to not only comply with increasingly stringent legal requirements on emissions, but to also significantly increase the share of low-



Preserve
Ecosystems

Škoda Auto reduces harmful emissions into air, soil, and water. The Company also reduces the negative impact of its activities on biodiversity and ecosystem services and promotes projects that preserve them.



Ensure
Environmental Compliance

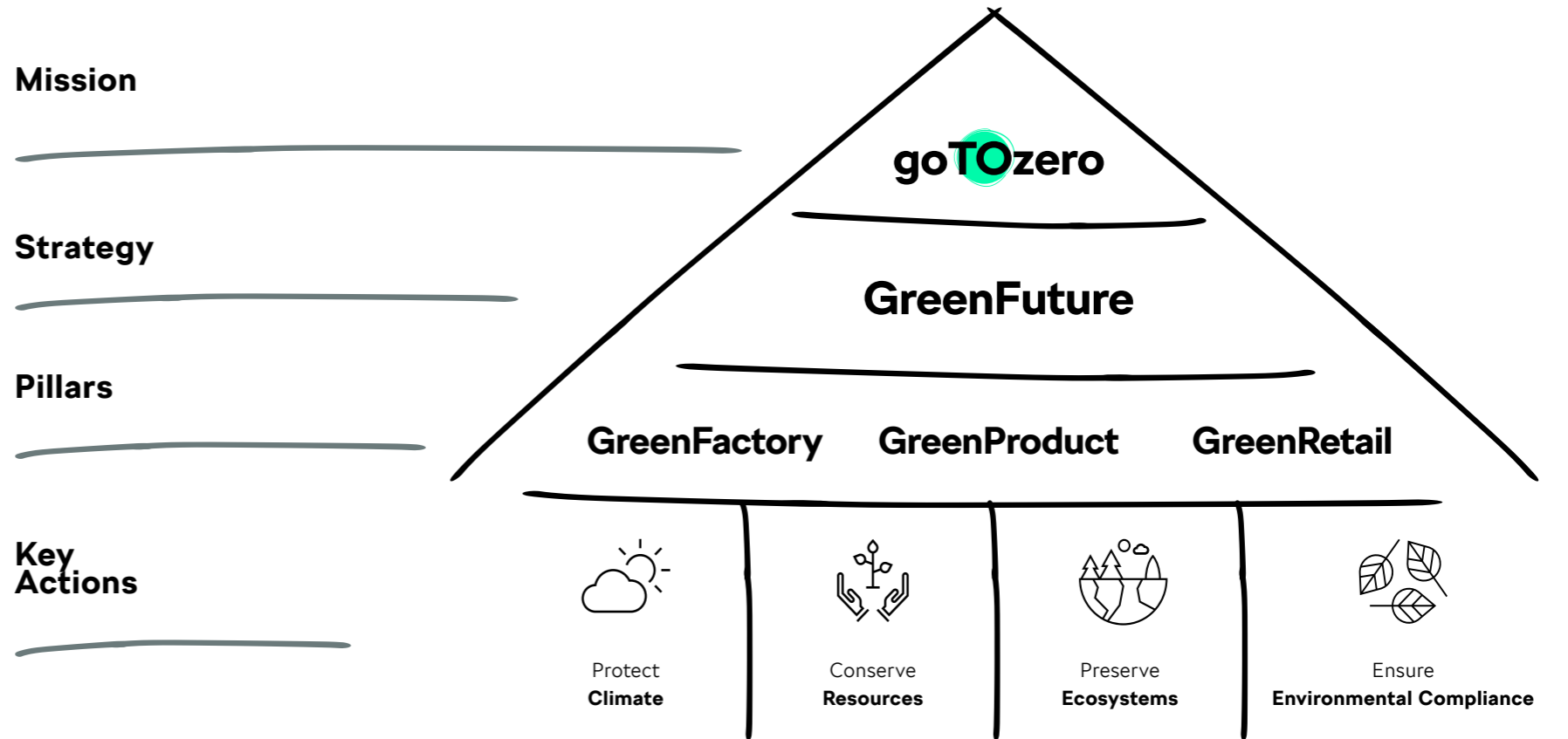
Škoda Auto strives to be a role model for a modern, transparent, and successful company when it comes to integrity and compliance. The Company employs an environmental compliance management system to identify and manage environmental risks and opportunities throughout the life cycle of its mobility products and services. The Company engages in open dialogue with stakeholders and takes account of their expectations when making decisions.

GreenFuture strategy

The GreenFuture corporate strategy has been covering environmental issues for more than 11 years now. It ensures the effective management and control of all activities related to environmental protection, making it possible to set out individual measures at the production, product, and retail levels.

GreenFuture aims to minimise the environmental impact of all mobility products and services throughout their life cycle, from extracting raw materials to the end of their life.

The GreenFuture strategy covers three areas: **GreenProduct**, **GreenFactory** and **GreenRetail**.





GreenProduct

The Company's priority is to develop low- and zero-emission vehicles and energy-efficient vehicles throughout the entire life cycle of the product, starting with production (both in-house at Škoda Auto and at the Company's suppliers), continuing with energy consumption, and ending with ecological scrapping after the end of life.

As part of the Company's Next Level Škoda Strategy, Škoda Auto plans to expand its portfolio with new fully electric models in the coming years.

However, the way in which demand for electric cars is currently progressing in Europe shows that achieving a higher share will be extremely demanding, despite expanding the portfolio.

Each new generation of Škoda cars is developed with an emphasis on principles of continual improvement and innovation, with a view to achieving low energy consumption, minimising CO₂e emissions, optimising the weight of our vehicles, and improving their aerodynamics.

The Company intends to use these steps to achieve maximum effectiveness and sustainability in the automotive industry.

As far as the circular economy and saving resources are concerned, new models are developed with an emphasis on using sustainable and, above all, recycled and recyclable materials.

This approach supports our transition to a "closed loop of material flows" system.

The environmental responsibility of a product does not end when the car rolls off the production line. Škoda Auto aims to promote the circular economy and actively engages in research projects with a view to creating components with zero CO₂ emissions and putting them into use. These activities are all part of a strategy that strives for a circular economy and the sustainable use of resources.







See **Circular Economy and Resources**.



GreenFactory

GreenFactory encompasses all activities that facilitate production in a way that respects natural resources. To monitor the environmental impact of its production, Škoda Auto uses what are known as key indicators (UEP) and is committed to reducing the negative impacts of production: energy consumption, CO₂ emissions, landfill waste from production, water consumption, and Volatile Organic Compound (VOC) emissions.

Škoda Auto CZ * (2024 results)

	2010		2022		2023		2024	
	Base	Result	Reduction	Result	Reduction	Result	Reduction	
 Energy consumption [MWh / car]	2.26	1.68	25.7%	1.38	38.8%	1.33	41.1%	
 CO ₂ emissions [kg / car]	1,101	547	50.4%	397	63.9%	378	65.7%	
 Waste [kg / car]	28.69	0	100.0%	0	100%	0	100%	
 Water consumption [m ³ / car]	2.76	1.95	29.3%	1.72	37.7%	1.66	39.9%	
 VOC emissions [kg / car]	2.86	1.49	47.8%	1.31	54.1%	1.24	56.7%	
UEP*			46.4%		56.4%		58.2%	
 Production [car]	514,612	680,397		864,889		897,160		

* Škoda Auto CZ = Mladá Boleslav, Kvasiny, Vrchlabí

** UEP = Umweltentlastung Produktion = Reduction of the Environmental Impact of Production



GreenRetail

GreenRetail is the strategy that Škoda Auto employs to promote and support the sustainable development of its authorised dealerships and throughout its service network. It encompasses a broad range of measures aimed at reducing Škoda Auto's carbon footprint, effectively using resources, and improving environmental and social standards. One key instrument here is the goTOzero Retail certification, which helps define and evaluate sustainable approaches throughout the network. One significant pillar of the GreenRetail strategy are activities that aim to transform waste into resources and re-use input materials in production.

The concept of a sustainable dealership is another important framework within which these principles meet – it integrates technological solutions, energy management, and responsible design, making it possible for all parts of GreenRetail to work in harmony. The strategy does not merely optimise operating efficiency; it also reinforces our commitment to be a "good neighbour" and have a positive impact in the micro-regions in which we operate.

Škoda Auto's Environmental Commitments

Ambitious goals have been set for the coming years to help Škoda Auto achieve its environmental protection objectives. All of these goals are dependent on market development and legislative framework.

by **52.5%**

Reduction of the Environmental Impact of Production (UEP) by 52.5% compared to 2010.

2025

40 kg

Share of recycled plastics in new models manufactured from the year 2025.

2025

by **40%**

Reduction of the Decarbonisation Index (DCI) by 40% compared to 2018.

2030

**Net-Zero
CO₂**

Contribution to the Group's commitment to reduce Scope 1 and 2 GHG emissions to align with the 1.5°C commitment (Paris Agreement) at Czech production plants.

2030

by **50%**

Reduction of fleet CO₂e exhaust emissions by at least 50% compared to 2020.

2030

Climate change

Climate change, brought on by the intensification of the natural greenhouse effect of the atmosphere as a result of human activity, has far-reaching negative impacts on society and the environment. Škoda Auto recognises its responsibility to mitigate the impacts of its activity on the climate. It has committed itself to meeting the ambitious targets set by the Group for reducing greenhouse gas emissions and is implementing a range of measures to achieve them.

These efforts are part of the Company's commitment to contribute toward sustainable development and to meeting the changing needs of its customers, stakeholders, and society.

Policy and Ambitions

The Group aims to become a carbon-neutral company by 2050. Škoda Auto has aligned its business strategy and the development and support of innovation with this target. The Company's focus is therefore on low- and zero-emission passenger transport so as to address the environmental transformation of the industry, the need for which has been accelerated by climate change. The whole transformation process brings challenges and risks, which the Company is addressing through the Next Level Škoda Strategy 2030. See [Sustainability Strategy](#).

At the same time, the Company envisions turning the Czech Republic into a hub for the development of electromobility and low-emission passenger transport and supports the construction of related infrastructure, securing existing jobs and creating new ones, while simultaneously succeeding in foreign markets.

The planned carbon neutrality will be achieved primarily by decarbonisation. Škoda Auto monitors the level of decarbonisation using an internal Group Decarbonisation Index (DCI). The index accounts for direct and indirect emissions from production plants and other CO₂ emissions released into the air during the life cycle of a car, from the sourcing of raw materials to the recycling phase at the end of its lifetime.

Škoda Auto aims to reduce the DCI of its products by at least 40% by the year 2030 compared to the year 2018. Transitional risks are perceived as being major strategic and business risks for both Škoda Auto and the Group. Škoda Auto is accelerating its transition to fully electric cars and will introduce further electric models in the coming years. The Company deals not only with emissions produced when using a car, but also with the emissions produced during their production. Škoda Auto is aware of the fundamental role that its suppliers play in the transition to minimal emissions, and for this reason it has modified its procurement processes within the "New procurement" programme. An increasing number of sustainability criteria have an important role to play in procuring materials. Transitional risks are managed and addressed predominantly through established processes within Business Partners Due Diligence. Škoda Auto's internal evaluation of all suppliers, known as the S-rating, is based on a set of ESG criteria. The S-rating is more than just an evaluation tool; it is a means of initiating a dialogue with the Company's suppliers with a view to improving their carbon footprint and energy efficiency. In doing so, the Company can reduce its suppliers' and the Company's own environmental impact and mitigate the risks associated with climate change. For more on the S-rating, see [Business Conduct](#).



Transition Plan

Škoda Auto has adapted to the Group’s goal of becoming carbon neutral by 2050, all of which aligns with the outcomes of the 2015 United Nations Paris Conference. The Group has set a milestone on the road to achieving this – to limit the increase in temperature compared with the pre-Industrial Age to 1.5°C for Scope 1 (i.e. own production) and for Scope 2 (i.e. energy supplies).

Strategic decisions are based on the Company’s long-standing efforts to reduce greenhouse gas emissions. The principle of using the Best Available Techniques (BAT) is applied to all types of decarbonisation measures. Neither is Škoda Auto excluded from the values of the EU Paris-aligned Benchmark according to the EU Climate Transition Benchmarks Regulation.

The target was verified by the Science-Based Targets Initiative (SBTi). As part of its efforts, the Group has committed to reducing Group-wide greenhouse gas emissions from production by 50.4% by 2030 compared to 2018 in Scopes 1 and 2, which translates to a reduction of emissions from Škoda Auto production in the Czech Republic and India of more than 79.8%. Škoda Auto this year set itself an even more ambitious target of 95%. The reduction of emissions in Scope 3 is incorporated within the targets pursued by the DCI.

2050 Group Carbon Neutrality Commitment

Targets	2025	2030	2050
Volkswagen Group		Group reduction of GHG emissions by 30% (absolute) compared to 2018. Volkswagen AG reduction in Scope 3 GHG emissions from the use of sold products of light-duty vehicles by 30% per vehicle km.	Group CO ₂ e net-zero company.
Škoda GreenProduct	At least 3 new Škoda Auto electric vehicle models by 2026.	Decrease fleet exhaust CO ₂ e emissions by at least 50% compared to 2020. Decrease fleet internal Decarbonisation Index DCI by at least 40% compared to 2018.	
Škoda GreenFactory	Reduction of UEP by 52.5% by 2025 compared to 2010.	CZ net-zero in production. CZ contribution to Group SBTi trajectory – 1.5°C Škoda by reducing Scope 1+2 GHG emissions by 90% compared to 2018.	

Product decarbonisation

The Company recognises the impact of tailpipe emissions on the overall carbon footprint of a vehicle, as calculated by the DCI. By increasing the share of electric vehicles, Škoda Auto can significantly reduce the DCI, thus abiding by its carbon neutrality commitment. This is part of its strategy aimed at sustainable development in the automotive industry.

As part of its commitment to sustainability and to reducing its environmental impact, the Company pro-actively monitors the carbon footprint and the share of recyclates in each new model. This is all part of a broader strategy encompassing both production and the entire supply chain. When choosing its suppliers, the Company takes account of the environmental impacts of their products and processes. Suppliers are therefore motivated to make products having a clearly defined origin, carbon footprint, and share of recyclates.

The diagram shows the principal composition of a vehicle's carbon footprint over its lifetime (calculated for an average distance covered of 200,000 km), from production to final ecological disposal. In conventional cars, the lion's share of CO₂ emissions comes at the usage stage, in Battery Electric Vehicles at the supply-chain stage.

Electric cars have zero exhaust emissions when in use, but the Company needs to consider the higher production of CO₂e when generating the electricity needed for charging. The overall carbon footprint of a BEV within the context of the

European Energy Mix is far lower than that of conventional cars, despite a larger carbon footprint of the supply chain, caused specifically by battery production. This is why increasing the share of BEV in the product portfolio plays a significant role in decarbonisation plans.

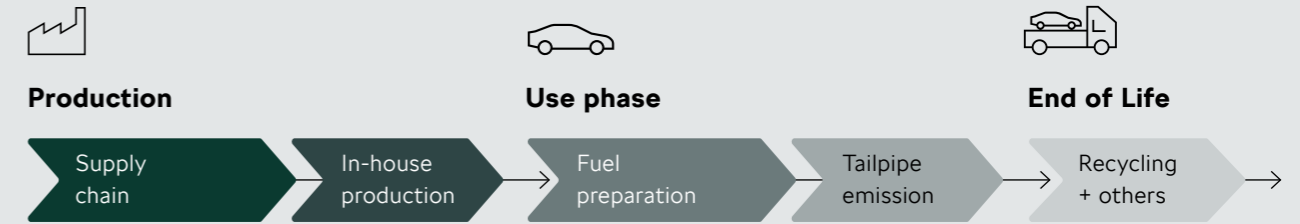
Other fundamental ways of achieving decarbonisation include increasing energy efficiency in the production phase and in the vehicle-use phase, and the use of renewable energy in all these phases.

Škoda Auto develops long-term measures to improve vehicle energy performance, both in operation and in production, by ensuring that the Company itself and its suppliers both use appropriate technologies. The Company is increasing the use of renewable energies and the proportion of recycled materials in its products to further reduce the overall product carbon footprint (DCI).

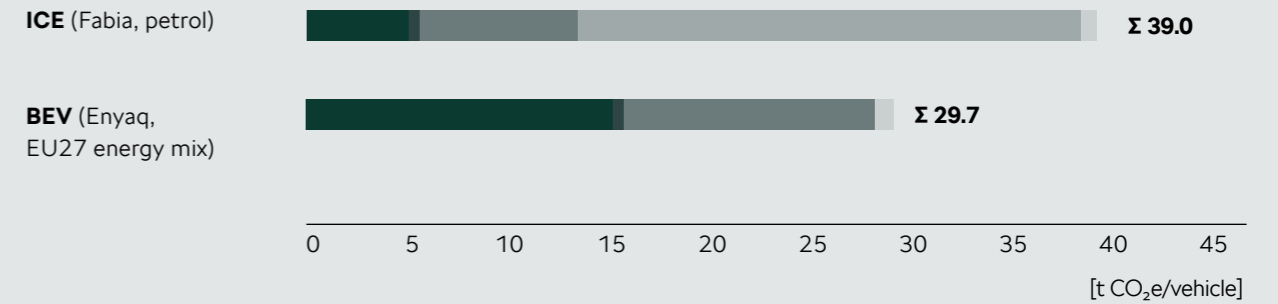
In 2024, the average DCI of the Škoda Auto model portfolio was 39,44 tons CO₂e per vehicle (without compensation of the production phase). DCI values are continually being refined, even retrospectively. E.g. update of the emission factors on group level caused the DCI increase in 2024 compared to previous year despite the higher share of the low emission models. The Company expects positive developments in coming years, although this will be influenced by general market developments.

DCI phases and achieved values in 2024

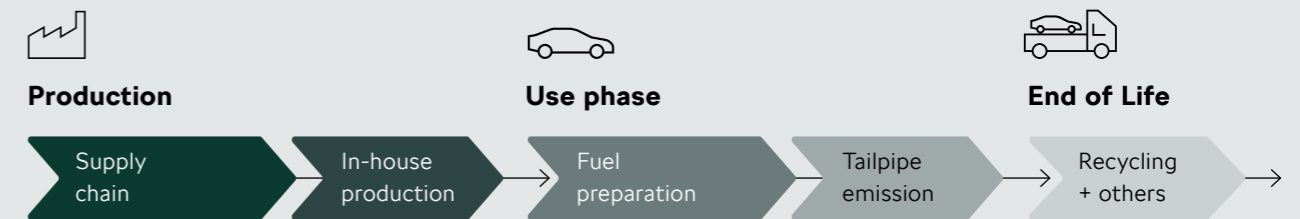
DCI structure



Real proportion of DCI phases at representative vehicle types (tCO₂e/vehicle)



Achieved values in the reported period (tCO₂e/vehicle)



	Supply chain	In-house production	Fuel preparation	Tailpipe emission	Recycling + others	Total
Baseline 2018						41.24
2022						38.92
2023						38.01
2024	7.63	0.39	7.04	21.82	2.56	39.44
Goal 2030						(40%) compared with 2018



The carbon compensation of a product at the usage stage

Electric vehicles do not produce direct emissions, but fuel preparation is dependent on the share of renewable energy sources. For this reason, the Company supports the development of new renewable energy sources to eliminate the carbon footprint when running all its electric models. For example, Škoda Auto is involved in the construction of new wind and solar power plants in Europe. The carbon footprint values of specific models of Škoda vehicles are certified by TÜV Nord in line with DIN EN ISO 14040 and DIN EN ISO14044. The way in which the DCI is determined,

including verification of the resulting values within the Group, is certified by Ernst and Young. Data for Škoda Auto are a component part in the verification of Group-wide values.

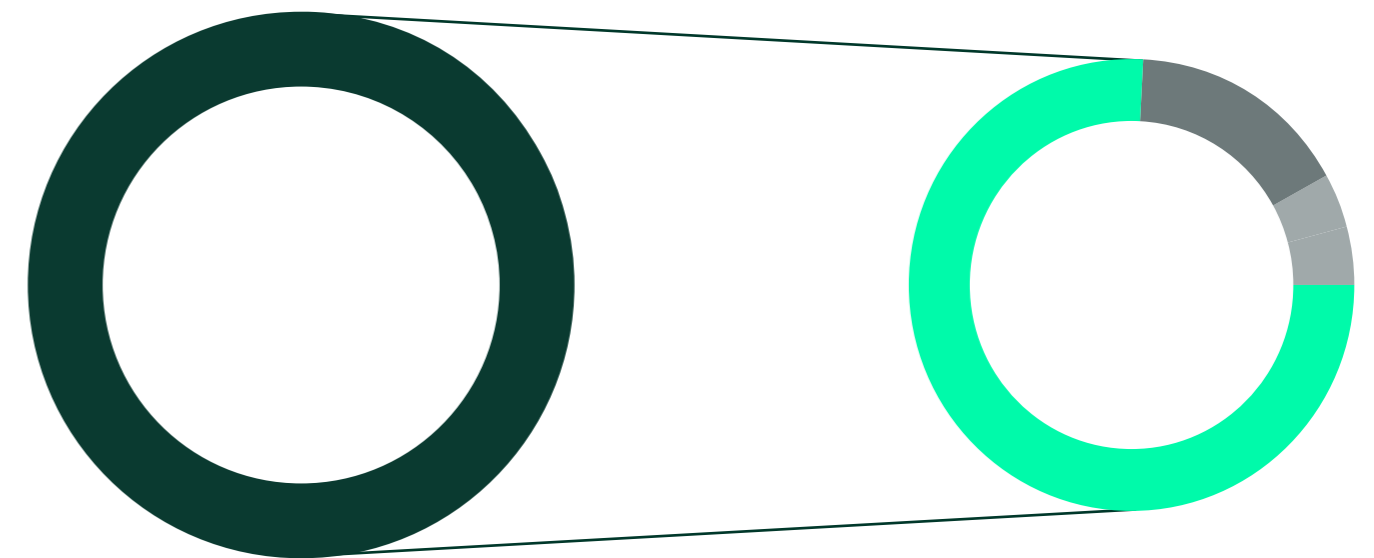
Production plant decarbonisation in the Czech Republic

Škoda Auto aims to achieve carbon neutrality in the energy used during manufacturing by 2030. To achieve this goal, the Company put together a decarbonisation plan outlining the roadmap and the resources allocated to carrying out specific measures. Škoda Auto focuses on savings, conversion, and offsetting measures for residual emissions. Regarding

savings, Škoda Auto will invest in energy efficiency and in the use of low-emission and high-efficiency technologies in its production processes.

As for conversion, the Company will transform the energy sources used during production. Škoda Auto plans to shift to renewable energy sources such as biogas at its plants in Mladá Boleslav and Kvasiny by the year 2030. Moreover, Škoda Auto is modernising its main source of heat in Mladá Boleslav – the ŠKO-ENERGO heat-production plant. After reconstruction, brown coal will be replaced in its boilers by 100% biomass.

Prioritization of decarbonisation measures



● CO₂ Scope 1 + 2 2018*: 100%

● Switch to renewable energy sources: 76%
● Energy efficiency: 17%
● Others: 7%

* In 2018, the baseline for the decarbonization roadmap was preset.

Carbon production offsetting in the Czech Republic

To achieve carbon neutrality by 2050 and align with the SBTi scenario of 1.5°C, Škoda Auto has committed to minimising emissions produced during vehicle manufacture. Škoda Auto offsets residual emissions that cannot be reduced or avoided by purchasing carbon credits; i.e. by investing in projects that reduce the amount of carbon in the atmosphere. These projects are supervised by a subsidiary of the Group Kraftwerk GmbH. Emissions whose production is unavoidable (Scope1 and Scope2) can be offset by complying with the following preliminary requirements:

- A:** Increase energy efficiency according to ISO 50001.
- B:** Assessment of potential for effective emission reduction (measures considered and sorted according to the costs of reducing emissions).
- C:** The supply of energy from renewable sources or high-efficiency (at least 65%) combined heat and power generation.
- D:** Continuous investment in decarbonisation and energy-efficiency measures must equal at least double the annual offsetting costs.

Only unavoidable emissions were offset at the Vrchlabí plant in 2023, by purchasing 269 credits. The number of credits for 2024 was unavailable on the date of publication of the report and will be published in the 2025 report.

Activities

Climate change mitigation measures

Škoda Auto actively worked on reducing or avoiding the production of greenhouse-gas emissions in 2024, thus mitigating climate change.

Reducing the carbon footprint and car emissions

Green energy in the use phase

Škoda Auto endeavours to mitigate climate change by taking a variety of measures within its decarbonisation programme. Indirect measures aimed at reducing emissions include minimising the carbon footprint produced when charging electric vehicles. For the quantity of charging energy required in the use phase (200,000 km) that is not yet renewable according to the European energy grid mix (around 40%), there is support for the corresponding expansion of further renewable-source capacities for the European energy grid.

This measure is carried out by jointly financing newly deployed renewable energy projects. Projects such as generating electricity from solar or wind sources increase the share of renewable energy on the market. For customers seeking absolute certainty that their home charging comes from guaranteed renewable energy sources, Škoda Auto offers to install their own wall box.

Low-emission vehicles

The production launch of low-and zero-emission cars positively contributes to mitigating climate change, advancing decarbonisation, and significantly improving air quality. All Škoda models comply with all the legislative criteria relating to tailpipe-emission purity.

Škoda Auto is accelerating decarbonisation and responding to stricter emission targets for newly manufactured cars. In doing so, the Company achieved an average CO₂ emissions value of 116.09 g per km in 2024, which is around -2.51 g per km below the EU limit.

Product electrification

Share of Battery Electric Vehicles (BEV) and Plug-In Hybrid Electric Vehicles (PHEV) worldwide / EU27 + Great Britain + Norway + Iceland.

	2022	2023	2024
BEV	7.7% / 9.3%	9.7% / 11.1%	8.8% / 10.1%
PHEV	2.4% / 3.0%	2.2% / 2.8%	2.3% / 2.7%

(excluding China)

Batteries for the MEB platform (Modular Electric Drive Matrix)

The Company launched the production of batteries for MEB-platform vehicles in Mladá Boleslav in May 2022 and achieved a production capacity of 1,539 systems per day in 2024. Škoda Auto's capacity plan is set at the same amount (1,539) for 2025. This modular construction-kit system makes it possible to construct cars of various sizes and categories on the same chassis, with the same or similar electric-battery construction.

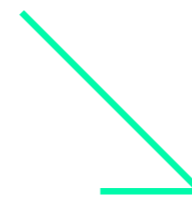
Powerpass card for easy charging

As Škoda Auto wants to make it easier for its customers to charge their electric cars, it began providing Powerpass services in 2021. With a Powerpass card, there are over 500 thousand charging points available for use all across Europe. This allows Company customers to charge their cars using a single card at most major charging providers, in one of the strongest charging networks in the EU. For fleet customers in the Czech Republic, Škoda Auto offers an external charging solution called Chargee.

The Company's fundamental aim is to maximise the effective and considerate use of resources. This aim also applies to energy management, which is projected in the GreenFuture strategy (see **GreenFuture**) and in the **Group-wide goTOzero Environmental Mission**. Specific energy consumption per manufactured car is one of the five indicators that make up the Reduction of the Environmental Impact of Production Indicator (UEP).

2023

1.38 MWh per vehicle



2024

1.33 MWh per vehicle

Reduction in energy consumption (MWh per vehicle)

The Company set itself the target of reducing the value of the overall Reduction of the Environmental Impact of Production Indicator (UEP) by 52.5% by 2025 compared with 2010. The plan to reduce specific energy consumption per manufactured car by 32% compared with 2010 was accomplished in 2024.

All five environmental indicators that make up the Reduction of the Environmental Impact of Production Indicator (UEP) are monitored on a monthly basis in the "Management

Cockpit", where actual energy consumption (for past months) and expected energy consumption (for future months) are continuously compared with the annual energy consumption plan (target consumption). Consumption at individual plants is also monitored in this way in the Management Cockpit.

Škoda Auto improved considerably in this area as a result of programmes designed to increase energy efficiency and make energy savings, and by planning production shutdowns in the best way possible.

Activities in Czech production plants - Energy in Production

2024	Savings MWh	Savings t CO ₂ /year
Electric Current		
Replacement of LED lighting in halls H2, H3 in Mladá Boleslav	2,680	1,321
Addition of frequency converters and adjustment of the air handling system in hall M6A in Mladá Boleslav	1,019	502
Heating		
Reduction of heating temperature by 2°C	12,398	3,248
Addition of frequency converters and adjustment of the air handling system in Hall M6A in Mladá Boleslav	1,184	310
Natural Gas		
Application of paint at reduced temperature and humidity in Kvasiny	7,243	1,302
Heat recovery from dryers in the paint shop in Kvasiny	5,000	899

2023	Savings MWh	Savings t CO ₂ /year
Electric Current		
Replacement of LED lighting in hall M15 in Mladá Boleslav	887	514
Heating		
Regulation of skylights and entrances at the M2 hall in Mladá Boleslav	675	205
Natural Gas		
Adjustment of painting parameters in the paint shop in Kvasiny	887	159
Modification of ventilation technology in the paint shop in Kvasiny	847	152

2022	Savings MWh	Savings t CO ₂ /year
Electric Current		
Complete reconstruction of the M1 lighting system	6,048	2,792
Replacement of Thermobiehl heating/cooling equipment with ONI heating/cooling equipment	2,723	1,257
Replacement of central electric heating of washing machines by heat from compressors after modification of 9bar station and blasters	991	Vrchlabí CO ₂ neutral
Heating		
Utilisation of waste heat from 2 annealing furnaces at the foundry	691	189
M17 introduction of reduced air flow cabinet controls	637	262
Paint shop A – Introduction of servo valve + throttling bypass for VRC	342	104
Natural Gas		
M2 standard for use of production equipment at lower production capacity (endogenerators) – hardening plant	4,356	783



Thanks to FreePaper application, Škoda Auto saves in logistics 11.6 million A4 sheets of paper per year.

GreenLogistics

Logistics at Škoda Auto is committed to boosting sustainability and reducing the environmental footprint. It concentrates on five key areas that effectively modernise logistics and reduce the environmental impact of transportation.

Alternative fuels

Within its complex, the Company runs three electric trucks for in-house transport and is actively testing electric vehicles designed for transportation over medium distances. In 2024, 14 trucks that provide internal transport at the Mladá Boleslav plant began using HVO fuel. Made from waste vegetable oils or fats, this type of fuel is more sustainable than traditional diesel. The introduction of HVO resulted in savings of around 300 tons of CO₂ a year.

While there are other alternative fuels at the screening phase, their availability and cost mean that deploying them has not been found to be meaningful at this time.

Škoda Auto continued with its electrification of handling technology in 2024. The aim here is to gradually replace all diesel industrial trucks with electric-drive technology.

Intermodal transport

Škoda Auto minimises greenhouse-gas emissions by deploying a suitable combination of different types of transport. It uses Intermodal transport, for example, to transport containers to European ports. The Company regularly examines further opportunities for intermodal transport in collaboration with Group Logistics.

Rail transport

The Company has been transporting battery modules from Germany for batch production and dispatching ready-made batteries to customers using 100% rail transport since 2023. Škoda Auto maximises the use of rail transport for freight transport and is working on expanding the number of destinations to which finished vehicles are transported in this way. It is currently assessing the economy of transporting finished cars to Lithuania, Latvia, and Estonia.

New projects

In 2024, Škoda Auto carried out two major digitisation projects that make significant savings on paper and improve data availability.

ECMR

The e-CMR electronic transport document was introduced in 2024 to minimise the use of paper documents in transport. This digital version of the traditional physical bill of lading significantly reduces paper consumption, improves logistical processes, and allows for real-time shipment tracking. The measure helps to save approximately 320,000 sheets of A4 papers per year when shipping ready cars.

FreePaper

The FreePaper application was also put into full operation in 2024. Instead of sequential labelling containing up to 4 sheets of A4, a substantially smaller strip of paper is printed with a bar code on it. The application replaces paper sequential labelling and has other features which improve internal processes. As a result of this measure, Škoda Auto will save printing 11.6 million sheets of paper per year.

Training logistics employees

For sustainability in logistics, it is important for employees to understand the issues at hand (i.e. what they actually mean and why to deal with them) and be familiar with examples

from practice. Basic training explains the situation regarding the climate crisis, describes EU and Group targets, and introduces specific measures, with examples of good use.

For a deeper understanding of the issue of CO₂ emissions, the Company's logistics team can embark on e-learning training.

The training of future logistics employees proceeds in cooperation with the Škoda Auto Secondary Vocational School of Engineering and universities. In 2024, Škoda Auto organised lectures on Green Logistics for two universities in the Czech Republic and two for students of logistics at the Škoda Auto Secondary Vocational School of Engineering.



Cooperation with the multibrand goTOzero RETAIL Group project

The Company has been working with other Group brands to decarbonise the sales and service network as part of the goTOzero RETAIL project since 2021, one achievement in this field having been to set up a common decarbonisation process. Based on the initial scenario from 2020, Škoda Auto plans to reduce the total carbon footprint of the authorised sales and service network by at least 30% by 2030. The Company will achieve these targets only by taking appropriate measures to reduce emissions, and only in the absence of further economically and technically feasible measures will the Company offset the unavoidable CO₂ emissions.

A system of "goTOzero" certification, which is based on established standards such as ISO 14001 and ISO 50001 and other evaluation systems, has also been developed and is gradually being put into practice. An independent audit

assesses 70 indicators in several areas – from the energy consumption of a building, through water management and employee training, to activities that contribute to the biodiversity of the surrounding area. GoTOzero RETAIL certification was piloted on eleven markets in 2023, and more than 37 dealers from throughout the entire global trading network had earned a Sustainable Dealer certificate by the end of 2024.

The first certified dealership on the Czech market was Laureta Auto, which, for example, supplemented a photovoltaic power plant with battery storage, thus reducing the dependence of its operations on electricity from the grid. As a result, it was awarded a silver goTOzero RETAIL certificate.

Sustainability in sales and service networks

Environmental sustainability and effective energy management in the authorised sales and service networks have been inseparable elements of the GreenFuture strategy since the very outset in 2012, the cornerstones of the strategy being education activities via e-learning and webinars. Other important aspects are direct individual consultancy services (e.g. in the field of sustainable architectural elements, technologies, and settings for internal processes) and practical tools to help identify areas where there is potential to reduce the overall carbon footprint. A system for the online monitoring of energy and water consumption that should contribute toward the greater efficiency of resource management was also tested at certain sales and service partners until November 2024.

Škoda Auto defines unique pro-customer approaches and programmes for any sort of interaction with customers. In this respect, it relies on a personal approach, professionalism, a friendly attitude, and moments and experiences that surprise the customer in a positive way. In addition to environmental sustainability, this programme also supports surrounding communities, activities focused on company social

responsibility, Škoda partners, and efforts to foster diversity and inclusion.

A narrower pilot group of European markets for the consultation and implementation of the GreenRetail Sustainability Strategy in the Škoda Auto authorised sales and service network was established in May 2023. The aim of this collaboration was to create and offer further practical tools to the Company's business partners to help them reduce their carbon footprint effectively and reduce energy costs, optimise the use of primary resources, and promote open communication with customers about sustainable activities.

In 2024, this cooperation led to the development of Škoda Auto's first sustainable showroom concept and the launch of a web-based environmental savings calculator. This tool enables Škoda Auto dealers to evaluate the potential for implementing sustainable measures in energy management, water management, and biodiversity, using data from their own operations.

At the end of 2024, Škoda Auto also concluded plans for implementing the GreenRetail strategy in selected European markets and in India. These projects were linked to the

Company's annual key performance indicators for GreenRetail, which, among other things, succeeded in ensuring binding cooperation between the Company and Škoda Auto importers on common goals in the area of the sustainable development of the sales and service network in the coming years.

We help develop sustainable dealerships

The first design of the new concept for a sustainable showroom was created in cooperation with architects from selected markets, such as Belgium, the Netherlands, and Austria. The concept fully respects the diversity and age of the buildings and draws on principles that are functional and accessible to all Škoda Auto business partners. These include, for example, designing the building with a cubic shape preserving the multi-purpose functionality of the premises, reducing glass surfaces to enhance thermal insulation, integrating vegetation elements, and utilising local recyclable materials. At the same time, this architectural concept is tied to the mandatory minimum of sustainable measures and technologies that must be in place before implementation.

The first dealership to apply Škoda Auto's sustainable approach in its showroom was Škoda Skandi Motors in Riga, Latvia. It

opened its doors in May 2024 after thorough modernisation, a process which brought a number of innovative elements for monitoring energy and automatic energy control, photovoltaic panels, and smart LED lighting. New greenery was planted during reconstruction, and a public bicycle repair stand was installed by the adjacent cycle path.

New Norwegian dealer Møller Bil Jessheim, also the holder of a BREEAM Very Good certificate, was another example of good practice in 2024. This Škoda showroom boasts a very low carbon footprint, and in addition to the certified wood from which the entire building is constructed, materials were used in its construction with long-term durability and the ability to bind and store carbon dioxide from the atmosphere.



Energy savings programme

Since 2013, Škoda Auto has been running an energy-saving programme as an integral part of the GreenFuture strategy. In addition to the range of measures taken, this has also brought an invaluable exchange of experience between individual plants. The resulting savings have a significant impact on energy costs. Škoda Auto also monitors these savings in accordance with legislative requirements and during audits of its energy management system (EnMS in line with ISO 50 001). Throughout the existence of the programme, the Company has been able to come up with and implement measures at pressing shops, welding shops, and painting shops, on assembly lines, in production halls, and in servicing and technical development.

The following steps were taken in the Company's efforts to achieve carbon neutrality. The first was the launch of a project to modernise the ŠKO-ENERGO heat-production plant, which supplies the Company and the town of Mladá Boleslav with energy and heat. The plant will now use only biomass as its fuel in order to reduce the carbon footprint. More information about the project can be found [here](#).

Photovoltaics

The carbon neutrality will also be smoothed by three new rooftop photovoltaic systems at the plant in Mladá Boleslav and at the Škoda Parts Center logistics centre, which the automotive company has opened.

Reducing energy consumption

Škoda Auto has also progressively introduced a number of measures aimed at reducing the consumption of electricity, natural gas, heat, and compressed air. In 2023, Škoda Auto

mainly concentrated on replacing old lighting technology (lighting in production halls and technological lighting) with LED as part of its efforts to reduce electricity consumption. The Company lowered the heating temperature by up to 2°C in all areas where the technology allowed. The heating temperature was also lowered in office space. One way to save energy is to recover the heat produced in technological processes, both for additional heating of spaces and to heat other technology. In terms of energy savings, another major plus came from reevaluating the settings of certain parameters in technological processes. Škoda Auto made significant savings in this area, particularly in the consumption of natural gas. The Company also continues to motivate its employees to find other ways of making savings – for example, by providing training in energy management and general awareness-raising on the issues of energy and water.

Climate change mitigation inspired by nature

The Company plants new and maintains existing greenery (trees, shrubs, and grassland) to help mitigate climate change and adapt to its impacts. This greenery offers several essential ecosystem benefits, such as carbon emissions capture and storage (climate change mitigation), soil erosion mitigation, water and organic matter retention, shading, and air cooling (adaptation to climate change).

One other environmental activity includes a project known as Krakonos Gardens intended for non-profit organisations in the target regions. See [Biodiversity](#).

Risks and impacts assessment

Decarbonisation was ranked among the top three most important topics in dialogue with stakeholders.

See [Sustainability Strategy](#).

To fulfil the climate commitment of becoming a carbon-neutral business by 2050, Škoda Auto must pro-actively identify, anticipate, and effectively manage climate policy risks and opportunities. Being ready for the transition to a low-carbon economy means being ready to transform the product towards electrification by taking steps to use energy from renewable sources and emphasising energy efficiency. To this end, the Company's risk management system monitors climate risks associated with adhering to fleet CO₂ emissions and non-vehicle CO₂ emissions.

See [Risk Management System](#).

Škoda Auto must also be prepared for the physical risks relating to climate change. For instance, risks associated with

water, which is a crucial resource for the Company's production activity. Škoda Auto plans and implements measures to reduce water consumption and closely monitors water availability and quality, which may be influenced by the effects of climate change. One significant risk which the Company faces is a potential lack of water during extended periods of drought. Škoda Auto therefore applies sustainable solutions to reducing water consumption or ensuring alternative sources of water. Another climate-related risk that the Company addresses is the risk of flooding after heavy rains. To mitigate this risk, Škoda Auto has constructed large retention tanks that holds and releases excess water in a controlled way. See [Water](#).



Data and Specific Disclosures

Energy consumption and the energy mix

Škoda Auto prioritizes reducing the amount of energy consumed and switching energy sources from fossil fuels to renewables. The Company has implemented several measures to reduce the consumption of electricity, natural gas, heat, and compressed air. Such measures lead to a reduction in natural gas consumption in production processes, savings of thermal energy, accelerating the transition to LED technology, using alternative sources, and generally targeting energy waste in production and administrative activities.

Further energy savings are made in selected processes with the recovery of thermal energy or electricity, and where appropriate the re-use of waste heat from technology (e.g. air-treatment equipment, technology in smelting plants and painting shops, the Engine Centre, etc.).

In 2024, the share of renewable sources in overall energy consumption increased to a total of 43%.

	2022	2023	2024
Total energy consumption CZ (MWh)	1,162,666	1,193,208	1,192,098
Total non-renewable energy consumption (MWh)	754,362	702,992	680,401
Fuel consumption from coal and coal products (MWh)	543,750	483,769	457,149
Fuel consumption from crude oil and petroleum products	-	-	-
Fuel consumption from natural gas (MWh)	210,612	219,223	223,270
Fuel consumption from other non-renewable sources	-	-	-
Consumption from nuclear products	-	-	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from non-renewable sources	-	-	-
Share of energy consumption from non-renewable sources in total energy consumption (%)	65%	59%	57%
Total energy consumption from renewable sources (MWh)	408,304	490,216	511,697
Renewable fuel consumption (including biomass, biogas, non-fossil fuel waste, renewable hydrogen, etc.) (MWh)	136,327	203,889	213,910
Consumption of purchased or generated electricity, heat, steam, and cooling from renewable sources (MWh)	271,977	286,307	297,608
Consumption of self-generated non-fuel renewable energy	-	-	-
Share of renewable sources in total energy consumption (%)	35%	41%	43%



In 2024, Škoda Auto has increased the share of renewable sources in total energy consumption by 2% compared to 2023.

Scope 1, 2, and 3 emissions and total GHG emissions

According to the Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (GHG Protocol), greenhouse gas (GHG) emissions are reported in three main Scopes as the total carbon footprint per year or as an average value per vehicle. Moreover, the carbon footprint per average vehicle is divided into five phases of life. The combination of these two monitored areas is shown [here](#).

Scopes 1 and 2

The Scope 1 and Scope 2 carbon footprint at Škoda Auto is calculated according to the VW98000 standard, which is in line with the GHG Protocol. Certification concerning the carbon footprint and the environment is generally awarded by a certification authority (e.g. TÜV NORD). Calculations begin with the data collected in the Group's environmental data management system. In this sustainability report, emissions from the Company's Czech plants (Mladá Boleslav, Kvasiny, and Vrchlabí) are included in Scope 1 and 2, together with the production of Seat vehicles and components for other Group brands.

A zero-carbon footprint is reported in Scope 2, because all purchased energy that Škoda Auto takes comes from sources with a guarantee of origin – 100% carbon-neutral energy

sources only. Škoda Auto guarantees that all energy used is purchased with a guarantee of origin. The carbon footprint is evaluated in tons of CO₂ equivalent (CO₂e).

This means that there are other greenhouse gas emissions, such as CH₄, NO₂, HFCs, PFCs, or SF₆ counted in the presented values.

Scope 3

Scope 3 concerns other indirect GHG emissions which are caused by activities at Škoda Auto. A calculation and regular reports are prepared altogether for all companies in the Group in line with the Scope 3 standards published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). The Group and its individual brands report CO₂ emissions for 14 of a total of 15 Scope 3 categories, whereby two of them are included in other positions. According to these calculations, around 20% of all Scope 3 emissions are part of the "Purchased goods and services" emissions category, while approximately 73% are part of the "Use phase" emissions category ("well-to-wheel" method). Average values for the fleet are used without the inclusion of any legal relief when calculating the carbon footprint in the use phase for the DCI and for Scope 3 emissions according to the GHG Protocol. The calculation of CO₂ emissions in the use phase when determining Scope 3 is based on the average consumption of Škoda models in the relevant regions (EU27, Great Britain, Norway, and Iceland) according to homologation documentation, and on the numbers of cars sold. The relevant quantity corresponds to the same car registration data which is used to calculate the carbon footprint for the entire fleet according to Regulation EU 2019/631. For the Company to provide as complete a picture as possible, the category of use phase is extended to include emissions produced during the production and transportation of fuels ("well-to-tank").





For this report to align with ESRS standards, Škoda Auto reports the overall carbon footprint for the year at individual production plants. As mentioned, the carbon footprint is usually reported as the value per average vehicle (DCI). The overview below shows both values.

CO₂ footprint in the reported period for Czech plants and Ø vehicle (t CO₂e/%)

	2022		2023		2024	
Σ per annum in Czech plants						
Scope 1	400,360	1.90%	364,974	1.43%	363,565	1.24%
Scope 2	0		0		0	
Scope 3	20,220,323	98.1%	25,228,518	98.57%	28,961,410	98.76%
Total	20,617,546	100.00%	25,593,491	100.00%	29,324,975	100.00%
values per Ø Škoda vehicle						
Scope 1	0.53	1.40%	0.40	1.06%	0.39	1.00%
Scope 2	0		0		0	
Scope 3	38.39	98.6%	37.61	98.94%	39.05	99.00%
Total	38.92	100.00%	38.01	100.00%	39.44	100.00%

Remarks:

Scope 1 for the year: all vehicles and components produced at Škoda Auto’s Czech plants (including Seat vehicles and components for other brands; 2024: 897,160 cars).

Scope 1 per Škoda vehicle: value calculated (by the Group) as an average of the vehicles produced at Škoda plants in the Czech Republic and India.

Scope 2: neutral (all energy purchased by Škoda Auto in the Czech Republic is bought with a guarantee of origin – 100% carbon-neutral sources).

Scope 3 per vehicle: average value per vehicle according to customer registration on markets (EU27, Great Britain, Norway, and Iceland).

Scope 3 per year: values per vehicle are multiplied by the number of Škoda vehicles registered by customers in individual regions in the reported period (EU27, Great Britain, Norway, and Iceland) (2024: 741 684 cars).

In 2024, the average DCI of the Škoda Auto model portfolio was 39,44 tons CO₂e per vehicle (without compensation of the production phase). DCI values are continually being refined, even retrospectively. E.g. update of the emission factors on group level caused the DCI increase in 2024 compared to previous year despite the higher share of the low emission models. The Company expects positive developments in coming years, although this will be influenced by general market developments. A detailed overview of the carbon footprint per vehicle (DCI) for the year 2024 can be found on the next page.

A detailed overview of carbon footprint values per vehicle (DCI) in Scope 1, 2, 3, and other subcategories (t CO₂e/%). The carbon footprint is sorted by the vehicle's life cycle phase.

Scope	Categories of scopes		2022				2023				2024				Phases of product lifespan				
			Category	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024				
Scope 1	1	Company facilities	0.53	0.40	0.39	1%													
	2	Company vehicles				0%													
Scope 2	1	Purchased electricity, steam, heating & cooling for own use	0.00	0.00	0.00														
Scope 3	10	Processing of sold products	0.00	0.00	0.0	0%													
	1	Purchased goods and services	7.32	7.46	7.64	19%													
	11	Use phase	28.06	27.52	28.86	73%													
	2	Capital goods	0.79	0.64	1.12	2%													
	3	Fuel-and energy-related emissions (not included in Scope 1 or 2)	0.04	0.03	0.0	0%													
	4	Upstream transportation and distribution	0.43	0.41	0.45	1%													
	5	Waste	0.06	0.06	0.06	0%													
	6	Business travel	0.01	0.03	0.03	0%													
	7	Employee commuting	0.13	0.12	0.04	0%													
	8	Upstream leased assets	0.05	0.03	0.02	0%													
	9	Downstream transportation and distribution	0.00	0.00	0.0	0%													
	12	End-of-life treatment	0.05	0.06	0.0	0%													
	13	Downstream leased assets	1.09	0.96	0.49	3%													
	14	Franchises	0.36	0.29	0.25	1%													
Scope 3 subtotal			38.39	37.61	39.05	100%													
Total per vehicle			38.92	38.01	39.44							38.92	100.0%	38.01	100.0%	39.44	100.0%		
Registrations in EU27, UK, Norway, Iceland			526,708	670,882	741,684														
ΣScope 3 p.a.			20,220,323	25,228,518	28,961,410														

Explanation of the categories in Scope 3

Category of Scope 3	Description
1 Purchased goods and services	Emissions caused in supply chains include emissions caused outside the Škoda/Group production plants.
2 Capital goods	Emissions from categories 2 (Capital goods), 8 (Upstream leased assets), and 13 (Downstream leased assets) are calculated based on monetary values from internal systems and emission factors from the Economic Input-Output (EIO)-LCA online tool (http://www.eiolca.net/). The EIO-LCA method calculates demand for materials and energy as well as environmental emissions caused by certain economic activities. The resulting emission factors are calculated as the ratio of annual environmental input and output flows specific to the industry and the annual production of the industry measured by its economic inputs and outputs.
3 Fuel-and energy-related emissions (not included in Scope 1 or 2)	Includes emissions that arise during the acquisition, production, and transportation of fuel and energy purchased during the reporting year and not included in Scope 1–2.
4 Upstream transportation and distribution	Categories 4 and 9 include both initial and subsequent emissions that arise during logistical activities. Starting from upstream Tier 1 (direct suppliers) - transportation of vehicle parts, etc. to production plants and ending with the movement of vehicles (parts) following their production to target markets. Emission data come from the LUIS logistics system.
5 Waste	Emissions that arise during the processing and disposal of waste.
6 Business travel	For categories 6 (business travel) and 7 (employee commuting), annual emission factors per employee in t CO ₂ are used based on two studies or estimates (category 6: Study/estimate by Sphera Solutions GmbH, category 7: Study by IG Metall Wolfsburg). Reported absolute emissions depend on the average number of employees in the Group. Therefore, the same value is assigned to all Group brands and joint ventures in DCI for these two categories.
7 Employee commuting	See the description of category 6.
8 Upstream leased assets	See the description of category 2.
9 Downstream transportation and distribution	See the description of category 4.
10 Processing of sold products	Since production (internal) includes emissions from both Scope 1–2 and Scope 3 cat. 10 emissions, category 10 is not reported separately.
11 Use phase	This category is divided into two separate phases in the DCI: Well-to-Tank (WTT) and Tank-to-Wheel (TTW) emissions. The combination of these two categories is also referred to as Well-to-Wheel (WTW) emissions. WTT emissions include fuel production, i.e. oil and gasoline refineries, and electricity production. These emissions are calculated time- and market-specifically because they are dependent on (a) the CO ₂ efficiencies of the refineries, (b) the fuel type, (c) average fuel and electricity consumption of the vehicle. TTW (exhaust emissions) are emissions that occur directly during vehicle operation and therefore depend on the average emissions of the vehicle fleet, i.e. the consumption of the vehicle fleet.
12 End-of-life treatment	These are emissions that arise during the crushing and sorting of material fractions. Recycling is sometimes listed separately in the DCI and sometimes included in "other categories". Except for Category 15 Scope 3 (which is not listed), all remaining Scope 3 categories are included in the DCI "other categories".
13 Downstream leased assets	See the description of category 2.
14 Franchises	Category 14 includes Scope 1–2 emissions of retailers which are not part of the Group's Scope 1–2 emissions. Therefore, data collected on the basis of the annual data collection from franchises within the goTOzero Retail Project is used.

Pollution

Škoda Auto's goal is to preclude possible risks associated with environmental damage and environmental pollution, and risks to health. One way of achieving this is to keep thorough records of the chemicals used by the Company.

Policy and Ambitions

Škoda Auto places a strong emphasis on safely handling substances that could endanger soil or groundwater if allowed to leak. Whenever technologically possible, substances are chosen that have a lesser impact on the environment and on health.

The Company regularly evaluates environmental impacts using its environmental management system, which is certified in line with the ISO 14001 standard. Chemicals are also assessed in terms of preventing serious accidents. Updated documents – Safety Programme, Physical Protection Plan, and Risk Analysis – were submitted to the regional authority for assessment in September 2024.

Škoda Auto is committed to reducing the environmental impact of production (UEP) indicator. This indicator includes specific water and energy consumption, specific production of volatile organic compounds (VOC), CO₂ emissions (kg per car), and the specific production of manufacturing waste intended for landfilling. The aim is to reduce the UEP Indicator by 52.5% by the year 2025 compared to 2010 levels. See [GreenFuture](#).

Activities

Thanks to the change in the integrated permit from 2023, the Company was able to increase the maximum production capacity at the modern Paint Shop B in Mladá Boleslav by 84,000 vehicle bodies per year. The integrated permit incorporates limits and conditions for all environmental components (air, water, waste, noise, etc.). The so-called Best Available Techniques (BAT) from the environmental perspective are strictly required to be able to minimise the impact that the functioning of these facilities has on the environment.

As a result of employing the Best Available Techniques, this paint shop has a significantly lower environmental impact than Paint Shop A. Increasing the permitted capacity will make it possible to produce bodywork in a more environmentally friendly way to a far greater extent. For example, the specific production emission of volatile organic compounds (VOC) at Paint Shop B is many times lower than at Paint Shop A. Emissions of particulate pollutants from the spraying process are also an order of magnitude lower.

Alongside the production painting shops, which are the decisive source of VOC, the Company also pays attention to lesser sources.

Risks and impacts assessment

Regular monitoring and evaluation of pollution is an integral part of the work done at Škoda Auto. The environmental impact of pollution is regularly at least of once a year within the ECMS and is subject to audits in line with the ISO 14 001 standard. Based on this assessment, each organisational unit at the Company has an overview of its own environmental impact and takes appropriate measures to mitigate the impacts of its activities.

Moreover, Škoda Auto also has a system in place for the management of extraordinary incidents. The Company manages the risk of contamination of surface water, groundwater, and soil by the harmful substances used on Company premises or caused by an accident. During a fire, for example, there is a risk of extraordinary emissions leaking into the air, while groundwater or surface water could be contaminated by fire-fighting water combined with combustion products. Emergency plans, rules of operation, and internal organisational standards have been put in place to minimise the impact of such extraordinary incidents. The Emergency Plan for the Mladá Boleslav plant was updated in 2024 in line with the requirements of the amended Water Act.

When handling substances that are harmful to water, the Company consistently applies the principles of multi-barrier protection. Places in which there is a higher occurrence of harmful substances are taken into consideration in emergency plans, which are subject to regular review.

The risk of a possible leakage of harmful substances through the sewage system is minimised by a device that captures and detects such substances in outlets from production plants. The permanent presence of the Company’s fire rescue service, equipped to take action if harmful substances should leak, also helps minimise risks at all production plants.

The Company also has an established system of assessing and approving the chemicals it uses. Regular equipment maintenance and leakage checks play an important role in preventing extraordinary incidents.



There were no significant leakages of hazardous substances in 2024.

Data and Specific Disclosures

Overview of emissions (tons per year)*

	SO ₂			NO _x			VOC*			NH ₃			HM**		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Škoda Auto Mladá Boleslav	0.003	0.003	0.001	86.291	92.626	85.273	668.516	743.237	701.117	0	0	0	0.021	0.022	0.021
Škoda Auto Kvasiny	0	0	0	12.635	13.631	12.025	351.566	372.740	388.84	0	0	0	0	0	0
Škoda Auto Vrchlabí	0	0	0	0	0	0	15.14	21.259	21.453	0	0	0	0	0	0
Total Škoda Auto	0.003	0.003	0.001	98.926	106.257	97.298	1,035.222	1,137.236	1,111.41	0	0	0	0.021	0.022	0.021

SO₂: Decrease in annual emissions due to testing of engines with lower emissions.

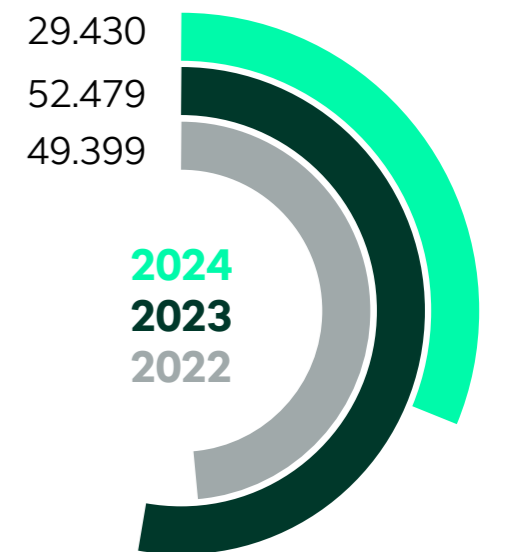
NO_x: Decrease in emissions due to modernisation of refuelling equipment and optimisation of wax heating.

VOC: Lower share of production in paint shop A in Mladá Boleslav, smaller average painted area, use of filler with lower VOC content, optimization of cleaning.

Release of controlled substances and fluorinated greenhouse gases from refrigeration equipment for technology needs in 2022-2024*

Type of refrigerant	Amount (t/year)			CO ₂ (t/year)		
	2022	2023	2024	2022	2023	2024
Regulated refrigerant (CFC/HCFC):	0	0	0	0	0	0
Fluorinated greenhouse gases (HFC)	0.4856	0.5910	0.6917	979.1573	993.81	1,269.3800

Airborne solid particles - PM (tons per year)*



PM2.5: Decrease in particulate matter emissions due to optimisation of air handling unit performance at welding plants, higher share of spot welding compared to fusion welding.

Water

Vehicle and automotive component production would be unthinkable without a sufficient amount of high-quality water. This is why Škoda Auto regularly monitors and continually strives to minimise its water consumption. Since 2010, it has taken a number of positive measures, reducing the water consumption per manufactured car by 39.9%. Its specific water consumption per manufactured vehicle is therefore among the lowest in the Group.



Policy and Ambitions

The Company's fundamental aim is to maximise the effective and considerate use of resources. This aim also applies to water management, as projected in the GreenFuture strategy (see **GreenFuture**) and in the Group-wide goTOzero Environmental Mission. Specific water consumption per manufactured vehicle is one of the five indicators that make up the Reduction of the Environmental Impact of Production (UEP). The Company set itself the target of reducing UEP by 52.5% by 2025 compared to 2010. The plan to reduce specific water consumption per vehicle manufactured by 31% compared to 2010 was accomplished in 2024.

All five environmental indicators that make up UEP are monitored on a monthly basis in the "Management Cockpit", a reporting tool in which actual water consumption (for past months) and expected water consumption (for future months) are continuously compared with the annual water

consumption plan (target consumption). Consumption at individual plants is also monitored in the Management Cockpit in this way.

The objectives of the sustainable use of natural water resources within the GreenFactory strategy are promoted by applying modern production technologies, enabling water to be reused again and again. Given the geographical location of its plants and the fact that wastewater no longer negatively impacts the quality of water in flows and reservoirs, the Company has not adopted any specific principles or procedures regarding ocean and marine sustainability. Considering the nature of its activities, Škoda Auto does not currently view this issue as relevant.

A 39.9% reduction in specific water consumption per manufactured car was achieved in 2024.

Activities

Paint shops are the biggest consumers of water at Škoda Auto plants. For this reason, advanced technologies are used there to ensure multiple reuse (recycling) of water, such as membrane technologies and cascade backwashing between individual painting stages. In 2024, the quantity of recycled water in the paint shops reached 601,785 m³, marking an increase of 2.6% compared to 586,539 m³ in 2023.

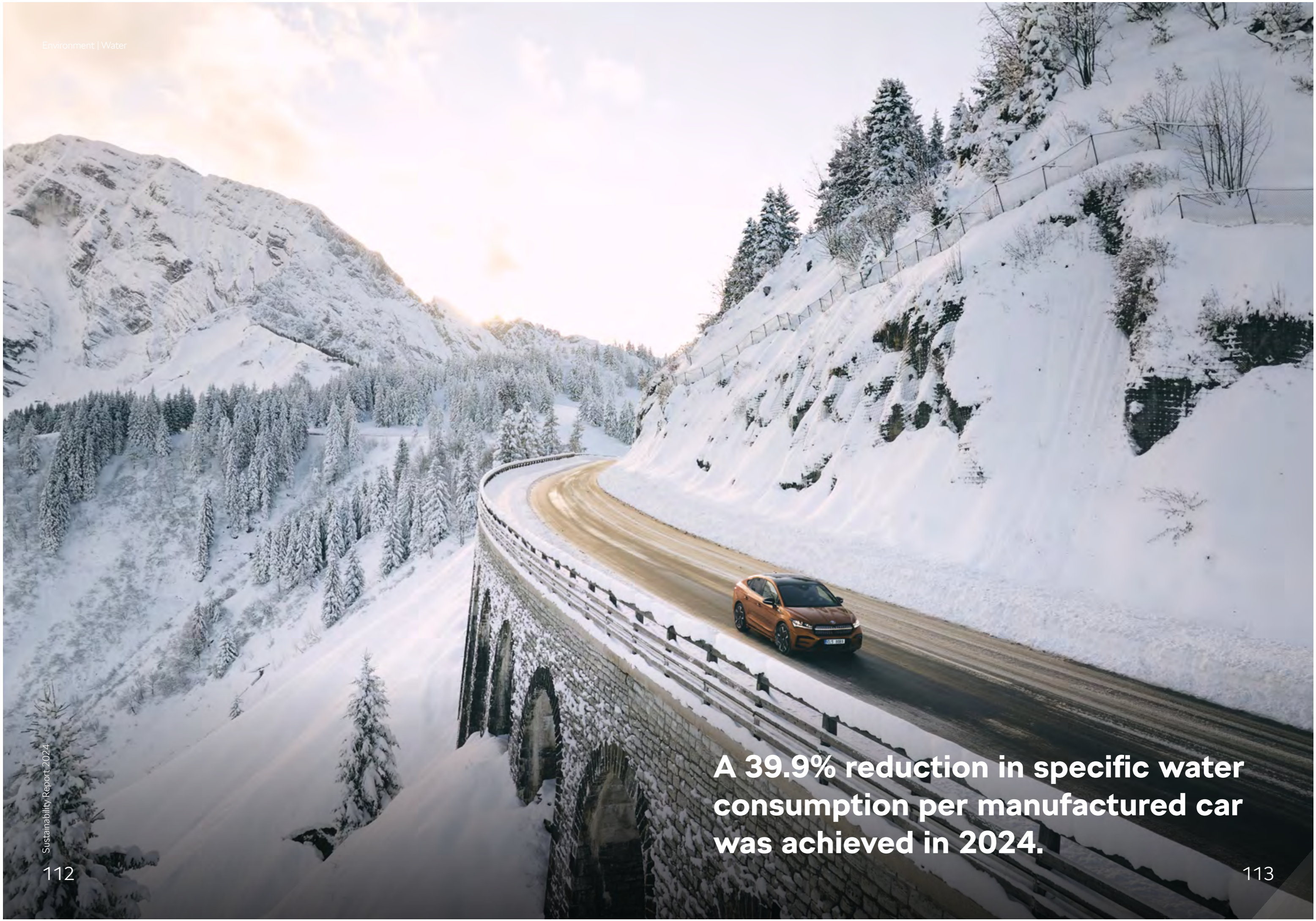
An advanced method of dry separation is used at Paint Shop B in Mladá Boleslav, where paint particles that do not stick to the bodywork are trapped in fine limestone dust. This process replaces the traditional use of water and significantly reduces the amount of waste sludge generated when trapping excess overspray.

In 2024, 601,785 m³ of recycled water was used in the paint shops.

Measures were put in place in the Water Test technology (Assembly Hall) in 2024 to build technology which releases purified water into the vehicle showering tank. This measure is expected to save approximately 12,000 m³ of industrial water.

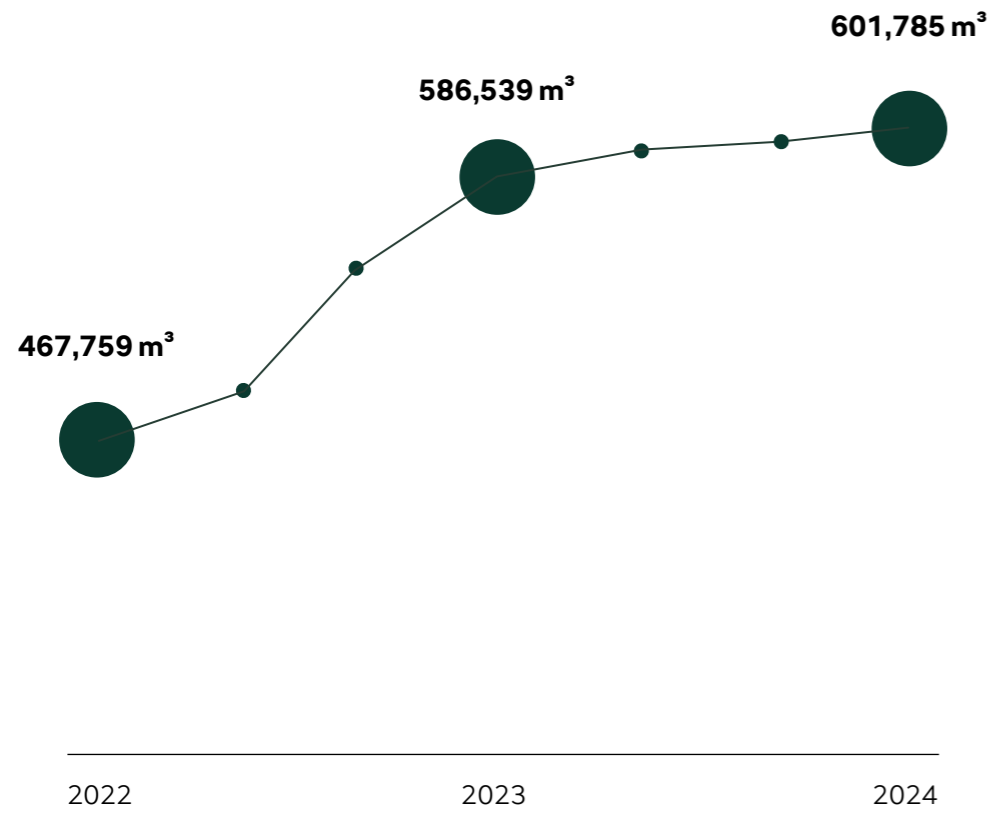
The Company has also built a system of retention tanks to hold and regulate the release of rainwater, supporting the objective of managing water efficiently. Some of the water captured in Mladá Boleslav is used to water greenery and to clean roads and pathways. This water is also available for watering municipal greenery.

In 2024, 2,761 m³ of rainwater was used. The water captured in retention tanks in 2024 fully covered this use.



A 39.9% reduction in specific water consumption per manufactured car was achieved in 2024.

Quantity of recycled water in paint shops*



Risks and impacts assessment

Having enough quality water is a crucial aspect in vehicle production, and one to which the Company pays considerable attention. Dialogue with stakeholders revealed that the issue of water is considered important.

The main source of water for production is surface water from the Jizera, Bělá, and Labe rivers. Škoda Auto continually monitors water consumption, wastewater production and quality, and the quantity of reused (recycled) water, all with a view to finding ways of saving water. Risks and appropriate measures are then determined based on these data.

Škoda Auto monitors and assesses the current water-availability situation in all regions in which it carries out its production.

It primarily looks for suitable measures to reduce water consumption and endeavours to find alternative sources.

At the Kvasiny plant, the risk of a potential lack of water from the river was assessed as being the highest of all the Company's production plants. For this reason Škoda Auto had a hydrogeological survey as well as long-term well testing conducted. Based on the results of these activities, the water authority granted an increase in the taking of groundwater to supply the plant to 250,000 m³ a year in the event that it is not possible to take water from the river. Taking this quantity is safe and under no circumstances jeopardises stocks of groundwater in the area.

* Data 2024: 11 months actual + 1 month qualified estimate

Data and Specific Disclosures

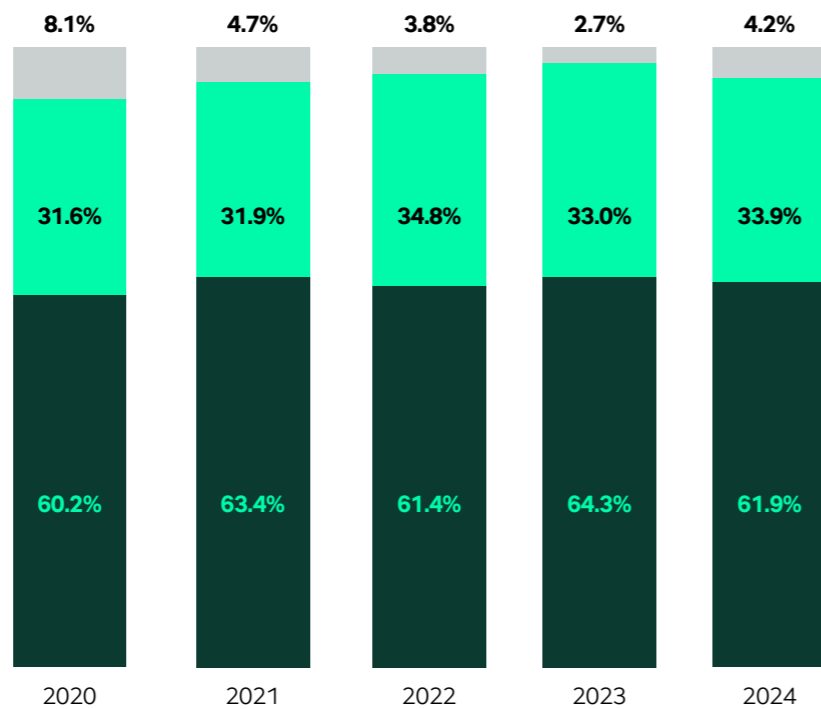
Water consumption (m³)

	Unit	2022	2023	2024
Water taken	m³/year	1,350,084	1,485,184	1,487,412
Wastewater *	m³/year	1,083,963	1,148,008	1,188,322
Recycled water **	m³/year	595,043	744,911	785,769

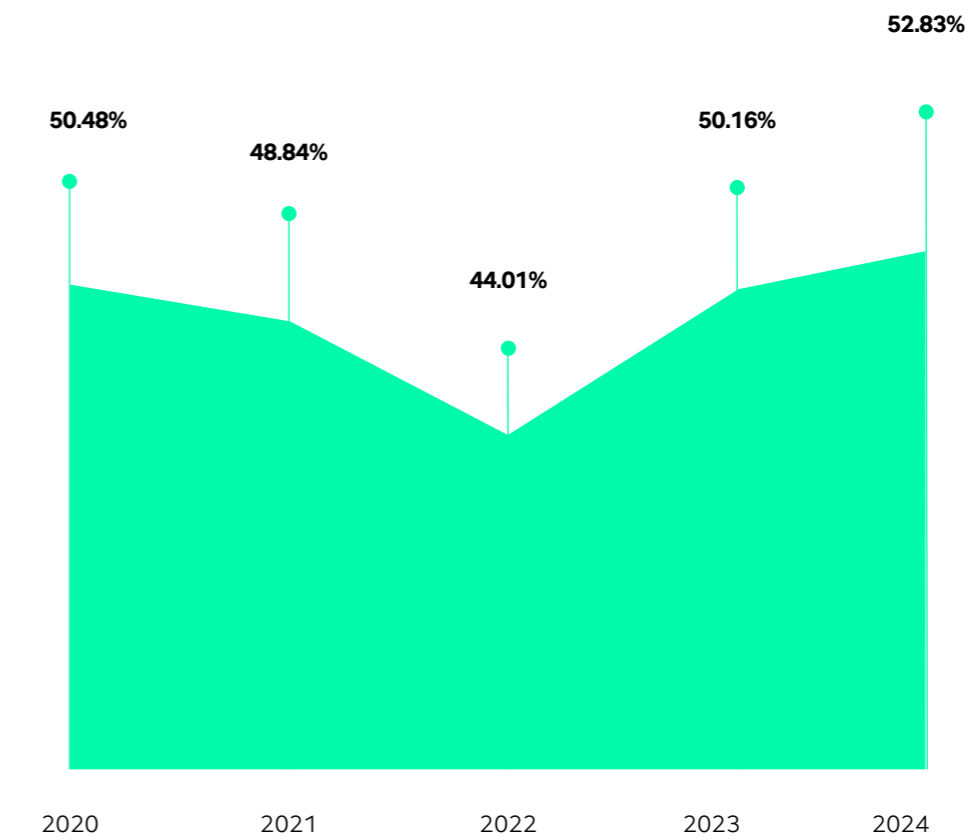
* Wastewater – wastewater after physical and chemical pre-treatment discharged to the municipal wastewater treatment plant (Mladá Boleslav, Vrchlabí) or the wastewater treatment plant in the Kvasiny factory.
 ** Recycled water – definition for the purposes of this report – water that has been used more than once. Multiple use of water in cooling circuits is not included.

Water consumption - water taken (%)

■ Drinking ■ Surface ■ Underground



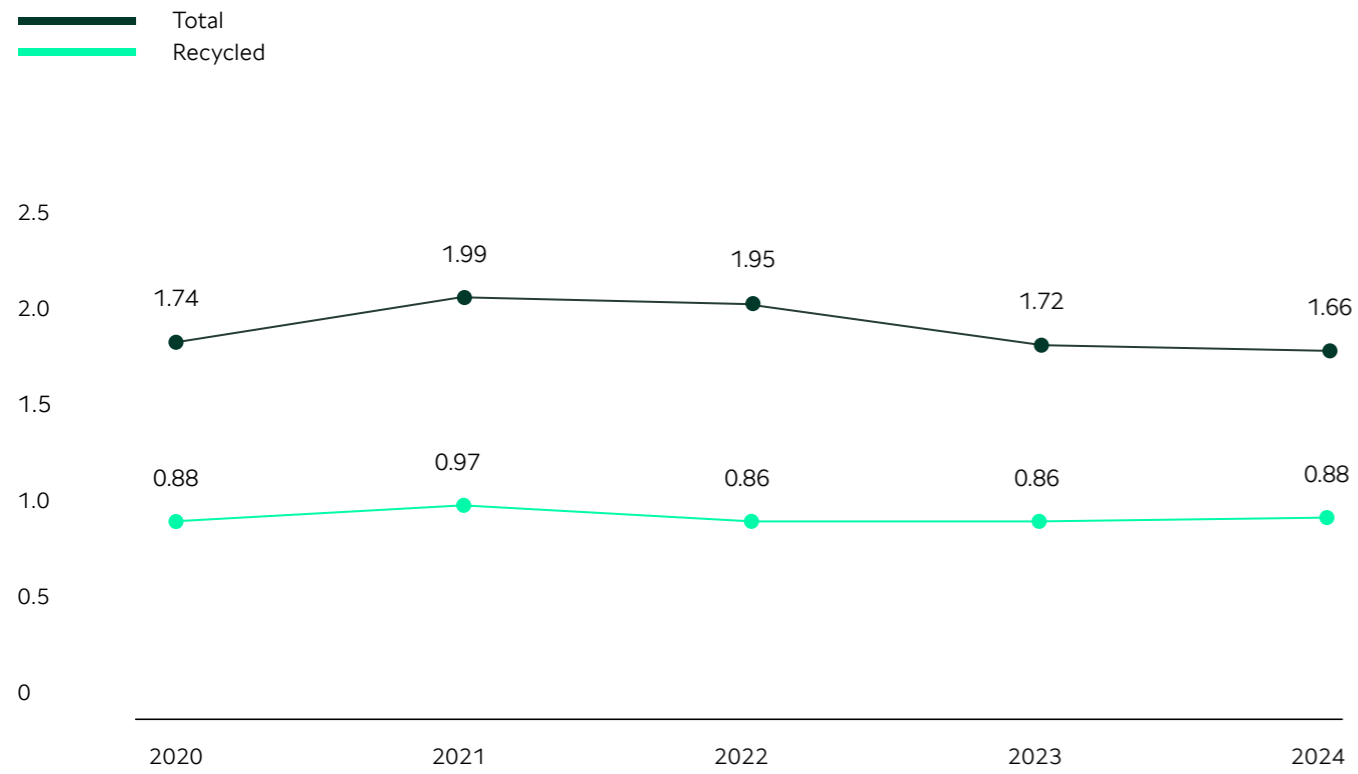
Water consumption - recycled water (%)



Wastewater - indirect discharge (nitrogen, phosphorus)

	Unit	2022	2023	2024
Total nitrogen – indirect discharge	kg/year	40,778	43,619	41,892
Total phosphorus – indirect discharge	kg/year	4,761	4,750	4,853

Water consumption per vehicle (m³)*



Overall water consumption per manufactured car was reduced in 2024.

The specific water consumption per manufactured vehicle was lower in 2024 as a result of the stabilisation of the production programme.

At the same time, there was a percentage increase in the share of recycled water per vehicle in overall consumption, stemming from the stabilisation of the production programme and from the higher proportion of manufactured vehicle bodies in the new Paint Shop B at the Mladá Boleslav plant.

* Data 2024: 11 months actual + 1 month qualified estimate



Biodiversity

In light of global policy developments, the EU's accession to the Convention on Biological Diversity (CBD), the EU's own Biodiversity Strategy 2030, and related market initiatives, Škoda Auto recognises biodiversity as a key sustainability issue. Biodiversity and ecosystems are also taken into consideration in legally binding environmental impact assessments. Škoda Auto develops its own initiatives to protect and support biodiversity and ecosystems.

Policy and Ambitions

The protection and preservation of biodiversity and ecosystems are integral to Škoda Auto's goTOzero Environmental Mission and have long been key elements of the Company's environmental management. The aim is to reduce negative impacts on biodiversity and ecosystems and to promote projects that help preserve them. Similarly, in its 2025 Environmental Policy, Škoda Auto has committed itself to exerting maximum effort to mitigate any negative ecological impacts, including planting and caring for greenery. The effective use of resources is monitored across the Company's value chain.

To measure success in the sphere of sustainability, the Company develops dedicated indicators and targets aimed to enable plant and animal communities on the premises of the plants to achieve development achieving near-natural development and reducing land and resource use. Projects undertaken in collaboration with partners and involving

employees also contribute towards this. Moreover, Škoda Auto is committed to specific targets in other areas that directly impact biodiversity and ecosystems. These include reducing emissions, minimising waste and pollution, and recycling materials.

In line with Group-wide objectives, Škoda Auto endeavours to more actively integrate biodiversity and ecosystems into its strategy, just as it identifies and assesses the relevant impacts, risks, and opportunities within its value chain.

To this end, the Company closely monitors the development of policies, standards, and tools at the global and European level.



Activities

Škoda Auto creates education projects, organizes specialised communication events like Green Week and H₂O Manager, and finances outside projects to fulfil its commitment to protecting and supporting biodiversity and ecosystems.

The Company maintains and plants biologically diverse greenery, such as trees, shrubs, and grassland. It manages 208.5 hectares of biologically diverse forest on a test track site, employing the services of external specialists to do so. As part of this care, the monocultural forest cover has been gradually enriched with a diverse variety of new trees, including species that are better able to withstand changing climatic conditions and to protect forest land from erosion. On top of mitigating and adapting to climate change, these initiatives also help the Company protect individual species of greenery, and in turn support the biodiversity and ecosystems dependent on that greenery, including vulnerable pollinators. Relevant projects have been supported by the Škoda Auto Endowment Fund's grant programmes. A grant programme entitled Krakonos Gardens is also in place to target biodiversity and ecosystems, with the aim of increasing biodiversity in the Mladá Boleslav, Kvasiny, and Vrchlabí regions. Towns, local governments, and other organisations can obtain a grant of up to CZK 250,000 with which to finance their projects. Eleven projects were provided with support.

For example, Škoda Auto provided a grant to a project designed to return the critically endangered Apollo butterfly to the wild in the Krkonoše Mountains. See [Endangered species](#).

The immediate surroundings of all three of Škoda Auto's Czech production plants provide the environment for a wide variety of plants and animals. Around 400,000 flowers, 1,299 trees, and some 510 bushes grow there over a total area of approximately 23,000 m². In 2024, the Company

continued planting bushes and flowering plants and installed more insect houses on its grounds, all helping maintain the diversity of life, even in an industrial plant. It also took care of the listed trees on its land. The Company also enriched the Czech landscape with new trees, doing so for the eighteenth year in a row. As has become the tradition, it planted one tree for each car sold in the Czech Republic as part of the Škoda Trees grant programme. Some 1,331,864 trees were planted as part of the project by the end of 2024, something akin to more than 277 hectares of new forest.

On top of these activities, the Company also supports the active involvement of its employees in specific projects. Škoda Auto and its people helped clean up the surroundings of the Company's plants in Mladá Boleslav, Kvasiny, and Vrchlabí for the tenth time in 2024 as part of the Ukliďme Česko (Let's Clean Up Czechia) project. This year, in early April, they ventured into Martinovice Forest, which belongs to the village of Březno not far from Mladá Boleslav. They were able to remove some illegal dumps and a huge amount of collected waste, almost 5 tons in fact, in the area where the Klenice River springs up.

Employees from the production plant in Vrchlabí again worked with the Krkonoše Mountains National Park Administration to clear the downhill slopes on Medvědí in mid-May, relieving the countryside of around 3 tons of waste.

As part of GreenWeek, an event organised by the Company for the fourth time in a row, employees were given the opportunity to discuss issues with experts from different areas of the Company and experts from outside. Discussing current projects helped the Company uncover as-yet-untapped opportunities in the sphere of sustainability and raise awareness of how to better treat the environment and more effectively use resources within the Company and in everyday life.

Risks and impacts assessment

The Group evaluates the state of biodiversity and how this is influenced by the activities of individual production plants with the help of tools that evaluate biological diversity, specifically its Biodiversity Site Assessment Tool. The identification and assessment of potential negative impacts on biodiversity is governed by the mandatory Environmental Impact Assessment (EIA) process. This process is carried out before any significant development project, such as constructing new buildings, increasing production capacity, or making fundamental technological changes. The results of EIAs have repeatedly confirmed that the Company's development projects have no or negligible impact on biodiversity. The most recent assessment was carried out in 2023.

The Group has developed three of its own indicators for monitoring biodiversity: Biodiversity Land Use Indicator (BLI), Biodiversity Site Indicator (BSI), and Biodiversity Finance Indicator (BFI), which help monitor and assess the impact of its activities on biodiversity and take environmental protection measures. In this way, the Group is playing an active role in protecting biodiversity and sustainable development. If any negative impacts on biodiversity or ecosystems were to be identified, those impacts would be assessed and the appropriate measures to mitigate them taken.

In order to monitor risks and impacts, Škoda Auto maintains a list of protected areas less than 10 km away from its production plants. This list holds crucial data about the level of their protection (see [the table in this chapter below](#)).



In the surroundings of all Czech plants grow around 400,000 flowers, 1,299 trees and about 510 bushes.



Endangered species

One integral part of assessing the Company's environmental effects is the potential impact on endangered species of plants, fungi, and animals. All projects assessed to date have been evaluated as having no or no significant negative impact on endangered species.

The Krakonos Gardens grant programme helps return critically endangered species to the wild.

One example of this is the Apollo, a rare and visually attractive butterfly that is seen throughout Europe as a symbol of conservation in the mountains. This species died out in what is now the Czech Republic more than 100 years ago.

Deforestation

When choosing sites for its development projects, Škoda Auto avoids forest land and prefers to invest in its existing premises or use brownfield sites. Reusable packaging is favoured in packaging management planning, minimising the production of wood waste. Wood and paper waste from production are passed on for material recycling.

Soil

The use of soil is crucial for Škoda Auto production plants, which is why the Company endeavours to handle it in a responsible manner.

The potential impact on soil is also assessed as part of the EIA. All projects assessed to date have been evaluated as having no or no significant negative impact on soil.

The Company is involved in the remediation of old environmental burdens from before its privatisation at the plant in Mladá Boleslav and the Kosmonosy servicing centre. The level of pollution is regularly monitored, and groundwater regularly undergoes remediation. Contaminated building structures and soil also undergo remediation during reconstruction and conversion work. Škoda Auto is gradually removing old environmental burdens, which obviously has a positive impact on the quality of groundwater and the ground. The Company has not adopted any principles or procedures when it comes to sustainable agriculture, as, in light of its activities, this area is irrelevant. However, it does make efforts to use ingredients from local farms in its canteens, through an external service supplier.

Mladá Boleslav plant

Category	Name	Distance (km)	Direction	Area (hectares)	Object of protection and remarks
Protected Landscape Area	Český ráj (Bohemian Paradise)	10.0	NE	18,170.5	The protection and restoration of the natural environment, in particular the ecosystems of wild animal and plant species, and the maintenance of the typical character of the landscape, while developing the environmentally optimal use of the land and its natural resources.
Nature reserve	Vrch Baba u Kosmonos (Baba Hill at Kosmonosy)	2.1	S	249.6	Complex forest and non-forest natural ecosystems (forest ecotones and grassland) with a high concentration of major habitats, diverse plant and animal species, significant geological and geomorphological phenomena in the form of hollowed-out volcanic chimneys lined with basalt breccias containing crack-seal veins.
European area of conservation National natural landmark	Radouč	1.8	W	31.0	Protection of significant calcicole and thermophilic communities of argillaceous rocks with the unique occurrence of needle sunrose (<i>Fumana procumbens</i>).
European area of conservation National natural landmark	Bezděčín	2.9	SW	81.2	Protection of critically endangered species, such as the European ground squirrel (<i>Spermophilus citellus</i>), whose population lives in the grasslands of this natural landmark.
Natural landmark	Podhradská tůň (Podhradí Pool)	3.4	N	3.1	Landscape with significant natural and aesthetic value, particularly the oxbow lake on the Jizera River, which is a remnant of a meandering waterway with characteristic water surface and floodplain forest ecosystems, including riparian vegetation and aquatic plants. Semi-intensive fish farming and angling take place in the area, with an emphasis on maintaining the equilibrium necessary to achieve full restoration of this ecosystem.
Natural landmark	Lom u Chrástu (Quarry at Chrást)	4.3	SW	1.5	Significant palaeontological deposits of Cretaceous fauna of the middle Turonian Stage, which is one of the baseline supporting profiles for the stratigraphy of the Bohemian Cretaceous Basin.
European area of conservation National landmark	Chlum u Nepřevázky	2.4	S	223.3	Mainly oak and hornbeam forests, in places with acidophilic oak woods or herb-rich beech forests. The herbaceous layer contains rare or protected species of plants, such as the white helleborine (<i>Cephalanthera damasonium</i>), common hepatica (<i>Anemone hepatica</i>), Lily of the valley (<i>Convallaria majalis</i>), hazelwort (<i>Corylus avellana</i>), hairy sedge (<i>Carex hirta</i>), wood sedge (<i>Carex sylvatica</i>), Chinese lantern (<i>Alkekengi officinarum</i>), sweet woodruff (<i>Galium odoratum</i>), Turk's cap lily (<i>Lilium martagon</i>), wood anemone (<i>Anemone nemorosa</i>), Solomon's seal (<i>Polygonum multiflorum</i>), salisbury (<i>Dryopteris pulchella</i>), baneberry (<i>Actaea</i>), and others. The area also harbours many insect species, such as the mallow skipper (<i>Carcharodus alceae</i>), purple emperor (<i>Apatura iris</i>), large poplar longhorn beetle (<i>Saperda carcharias</i>), several species of longhorn beetles, and jewel beetles. Birdlife: the European robin (<i>Erithacus rubecula</i>), great spotted woodpecker (<i>Dendrocopos major</i>), Eurasian nuthatch (<i>Sitta europaea</i>), Eurasian collared dove (<i>Streptopelia decaocto</i>), Eurasian jay (<i>Garrulus glandarius</i>), common buzzard (<i>Buteo buteo</i>), willow warbler (<i>Phylloscopus trochilus</i>), European green woodpecker (<i>Picus viridis</i>). Other animals include amphibians, such as the common water frog, European water frog (<i>Pelophylax esculentu</i>), European tree frog (<i>Hyla arborea</i>), and the common toad (<i>Bufo bufo</i>).

Kvasiny plant

Category	Name	Distance (km)	Direction	Area (hectares)	Object of protection and remarks
Protected Landscape Area	Orlické hory (Eagle Mountains)	5.5	NE	23,322.9	Protection of the appearance and typical character of the landscape. Its distinctive features 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 area, urban structure of settlements, local vernacular architecture, and construction works of a monumental or dominant character.
Nature reserve	Skalecký háj	8.0	N	3.1	Forest vegetation with a natural composition of tree species and rich herbaceous layer – common cowslip (<i>Primula veris</i>), wild arum (<i>Arum maculatum</i>), and rue-leaved isopyrum (<i>Isopyrum thalictroides</i>). The most important plant species is a rare Czech endemic orchid species – <i>Epipactis albensis</i> .
European area of conservation Natural landmark	Uhřínov – Benátky	5.0	NE	5.8	Populations of highly endangered species, such as dusky large blue (<i>Phengaris nausithous</i>). 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.

Vrchlabí plant

Category	Name	Distance (km)	Direction	Area (hectares)	Object of protection and remarks
National park	Krkonoše Mountains National Park	1.1	N	36,352.1	Protection and restoration of the self-control functions of natural systems, strict protection of wild fauna and flora, and preservation of the typical appearance of the landscape.

Circular Economy and Resources

Resources and waste management are among the key sustainability issues at Škoda Auto. The Company's long-term aim is to transition to a circular economy by applying circular principles throughout the value chain. The principles of the circular economy in question are defined by the EU Circular Economy Action Plan.

The Company achieved a significant milestone in waste management when it reached zero landfilled waste from production in the Czech Republic. This was first accomplished in 2020, and the established trend was successfully maintained in 2024. Škoda Auto sees the application of circular approaches as a way to reduce environmental impacts and manage resources responsibly and ensure material security.

Zero landfill waste from production even in 2024.

Policy and Ambitions

A sustainable approach to using resources and materials is anchored in Company Policy and Environmental Objectives 2025, as approved by the Board of Management at the Company. Among the environmental objectives for 2025 is the ambition to reduce the quantity of material used and reduce waste products. A sustainable approach is also seen in the GreenFuture strategy, and in its three pillars: GreenFactory for production, GreenProduct for product, and GreenRetail for the servicing and dealership network. As defined in its Policies and Targets, Škoda Auto systematically endeavours to effectively use resources and innovate its approaches in line with the principles of the circular economy.

All car models currently manufactured by Škoda Auto are homologated in compliance with the requirements for recyclability outlined in Directive 2005/64/EC and Directive 2009/1/EC.

The Company uses the labelling of plastic vehicle parts to provide information about the materials used. This helps identify the composition of each part and simplifies the

subsequent sorting and processing of waste according to different material groups. This approach reduces the overall environmental impact of the product and increases the share of recycled materials that can replace primary raw materials.

To fulfil the set goals of minimising the environmental impact, Škoda Auto uses recycled and bio-based materials that have the same qualities as primary materials. The Company also prioritises the use of local raw materials with a lower carbon footprint.

The Company is working intensively on preparing for the stringent requirements of the forthcoming European ELV (End of Life Vehicle) legislation, which, among other things, significantly increases the mandatory share of "post-consumer" plastic recycles.

100%

The new lock carrier part utilizes 100% recycled material, which exhibits a lower carbon footprint compared to entirely new material.

Examples of recycled materials used in current Škoda models

The Lock carrier support used in the Elroq is made from 100% "post-consumer" plastic recyclate (applicable to the polymer part of the material), derived from components at the end-of-life cycle. The material is sourced from old 12V battery covers, which are first collected and then undergo the recycling process. The covers are crushed and cleaned. The resulting granulate is then used to produce new components.



The new lock carrier part utilizes 100% recycled material, which exhibits a lower carbon footprint compared to entirely new material. By using recyclates, Škoda Auto reduces the consumption of fossil resources and applies the principle of circular economy – turning the old into the new.

Ten years ago, the Company began working with textile suppliers on the development of the new RecyTitan material for the interior of the new Elroq - Loft. The challenge was to produce purely mechanically recycled blended yarn from used textiles that meets Škoda Auto's strict technical specifications. The yarn now consists of a percentage of recycled clothing fibres, a colossal source of waste that is available in almost unlimited quantities worldwide. The fibres obtained in this way are blended with recycled polyester to create a stable yarn.

At the next stage, the Company even managed to create a closed material loop, where clothes are collected locally and processed into stable yarn using the same process.

The share of recycled materials will continue to rise in new future models. In the first phase, the content of recycled

plastics in new models will double by 2025 compared to current products, reaching approximately 40 kg net material weight.

This target for the share of recycled plastics will be continuously revised and extended to other materials, such as metals, glass, etc., in line with market research and anticipated legislation.

Škoda Auto endeavours to prevent the creation of waste in production and to use sources of raw materials in a considerate way. When waste is created during the production process, a hierarchy of waste management is consistently applied. Material and energy use are favoured over landfilling. For example, the Company is looking for new ways to use metal cuttings for onward processing in industry, thereby further reducing the overall carbon footprint.





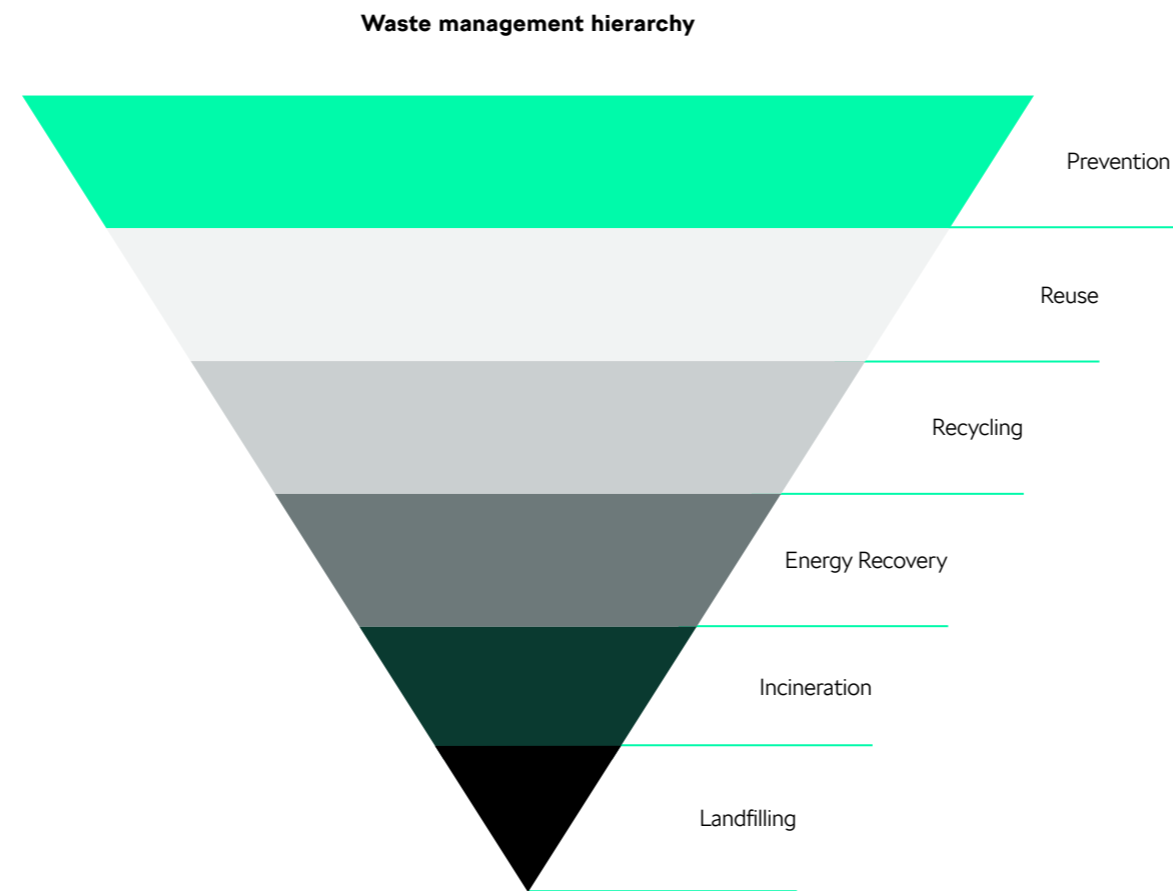
The share of recycled plastics in new models will be at least 40 kg net weight of material from 2025.

The Company invariably applies the following principles when it comes to waste management:

All produced waste is passed on to waste management facility operators or business partners in accordance with the Waste Act, without exception.

All waste generated by the Company is weighed and recorded in accordance with legislation.

When selecting waste collectors, Škoda Auto favours solutions which ensure a higher level of waste management according to the waste management hierarchy.



The GreenFuture strategy sets out goals for the circular economy; for example, reducing the landfill waste generated per manufactured vehicle to zero. This parameter is also part of the goal to reduce UEP by 52.2% by 2025. For more see [GreenFuture Strategy](#).

The GreenRetail strategy also focuses on waste management and handling end-of-life products. The primary objective is to transform waste into resources that can be used in the manufacture of new vehicles and their components. When, in light of qualitative requirements, it is not possible to use recycled waste material in the automotive industry itself, the Company favours partners that can make products with maximum added value.

The primary objective is to transform waste into resources.

Activities

GreenProduct

The emphasis on ecology in the new Elroq is underscored by its upholstery and distinctive Simply Clever features – such as an umbrella and an ice scraper – now made from recycled plastics.

GreenFactory

Škoda Auto checks the management of waste created during vehicle production to ensure the highest possible level of utilization in line with the waste management hierarchy. In 2024, for example, cleaning agents used to clean the Mladá Boleslav paint shop were modified, enabling the water from washing carts to be processed at the plant's WWTP (Wastewater treatment plant). This measure prevents the production of 230 tons of liquid waste per year. At the same time, savings were made on the emissions of CO₂ generated during the incineration of waste and during the transportation of waste to the incinerator.

Another example is a project that reuses selected plastic barrels and canisters that were previously sent for energy recovery. The Company now delivers them a facility that cleans them and readies them for reuse. Barrels and canisters that are made once can therefore serve their original purpose repeatedly. This change leads to savings on resources and energy. In seeking out new possibilities in waste management, Škoda Auto became a member of the Czech Circular Hotspot, a platform for implementing circular economy principles and exchanging information in this area.

GreenRetail

Second life of batteries

Škoda Auto uses durable, long-lasting batteries in its electric cars. As far as Battery Electric Vehicles – fully electric vehicles – are concerned, Škoda Auto provides an 8-year or 160,000 km warranty (whichever comes first) and guarantees that the battery will have at least 70% capacity. For Plug-

In Hybrid Electric Vehicles, the Company provides the same warranty, but without the guarantee of at least 70% capacity.

As with internal combustion vehicles, many test and prototype vehicles are not sold as used cars but scrapped after testing. The batteries from these vehicles would be expensive to recycle. Instead, they are given a “second life” and repurposed for years to come. Given that the batteries used in typical stationary energy storage consume only a fraction of the energy of a vehicle, even older used batteries have enough power to enjoy a second life. Stationary energy accumulation systems are used as boosters for DC fast-charging stations and backup power sources (replacing diesel generators) and accumulate green energy from photovoltaics. Second-life batteries can therefore contribute to reducing CO₂ in the energy sector after their life in transportation.

Between 2021 and 2024, Škoda Auto obtained the following quantities of second-life batteries and battery modules, 99.9% of which came from internal sources. In total, more than 320 tons of batteries were collected between 2021 and 2024.

Overview of the second life of batteries project

	2022	2023	2024
Amount	1,726	2,674	661
Weight [kg]	40,092	149,764	48,016
Capacity [kWh]	8,686	26,507	8,718

2,400 tons

More than 2,400 tons of tyres were collected and recycled there in 2024.

Take-back system – tyres, batteries, and end-of-life vehicles

In the Czech Republic, there are more than 800 places where tyres and lead-acid batteries can be disposed of without charge within the take-back system. More than 2400 tons of tyres were collected and recycled there in 2024. The vast majority of the materials obtained from recycling these used products were utilised to create new products, including new lead-acid batteries, shock-absorbing and anti-vibration elements, noise barriers, children's playground equipment, and other rubber granulate-based products. Old vehicles and end-of-life vehicles can be returned without charge (if complete) at more than 20 partner locations in the Czech Republic. This guarantees that the vehicle will be processed and the resulting materials are used to the greatest extent possible.

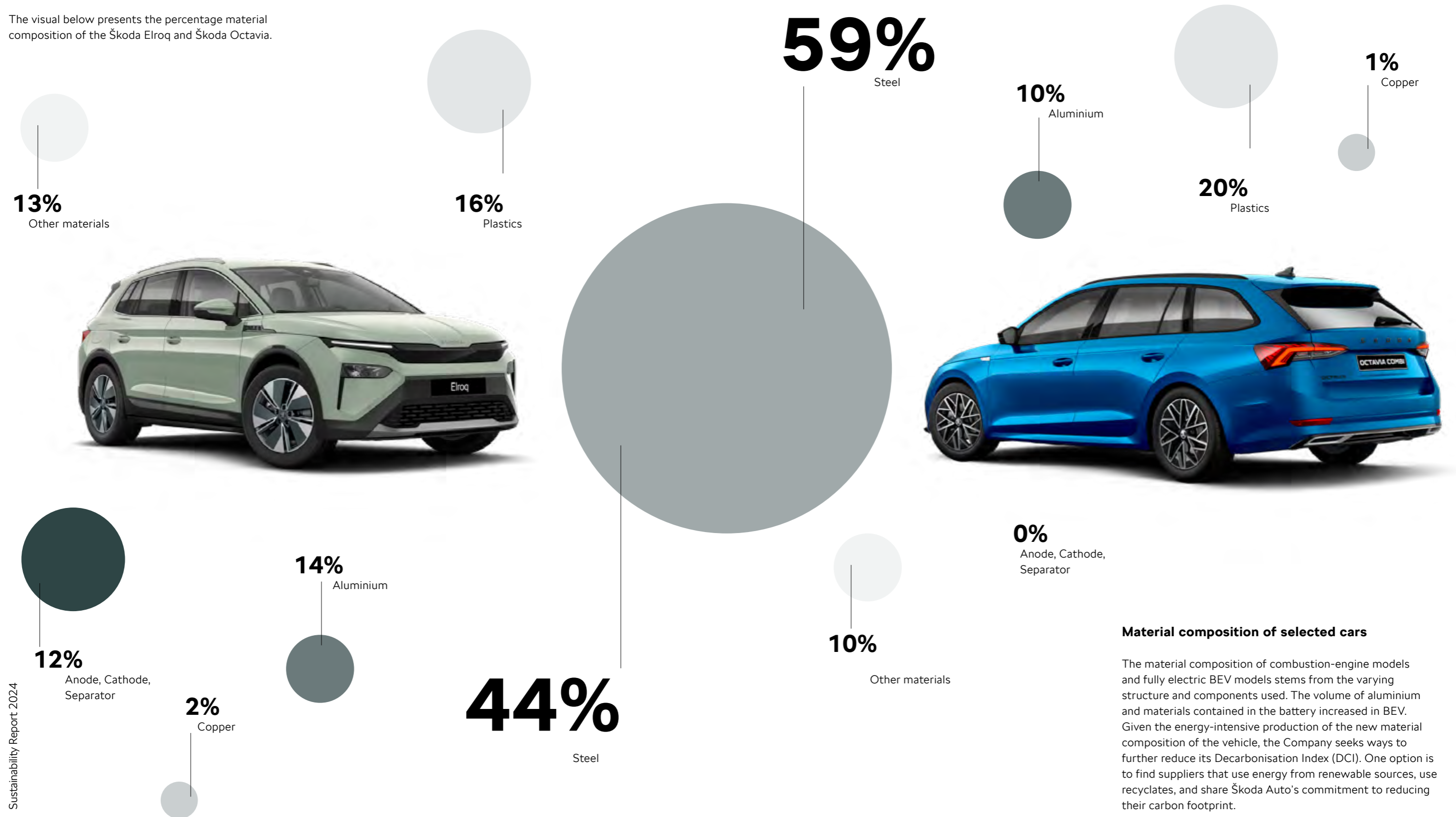


Risks and impacts assessment

Dialogue among stakeholders revealed that the use of resources and the circular economy are considered important and are thought to be one of the top priorities for Škoda Auto and its stakeholders alike. See [Sustainability Strategy](#).

Data and Specific Disclosures

The visual below presents the percentage material composition of the Škoda Elroq and Škoda Octavia.



Material composition of selected cars

The material composition of combustion-engine models and fully electric BEV models stems from the varying structure and components used. The volume of aluminium and materials contained in the battery increased in BEV. Given the energy-intensive production of the new material composition of the vehicle, the Company seeks ways to further reduce its Decarbonisation Index (DCI). One option is to find suppliers that use energy from renewable sources, use recycles, and share Škoda Auto's commitment to reducing their carbon footprint.

The graphs below present data on the total quantity of waste generated by Škoda Auto operations in tons.

Total waste by type (thousand tons)*

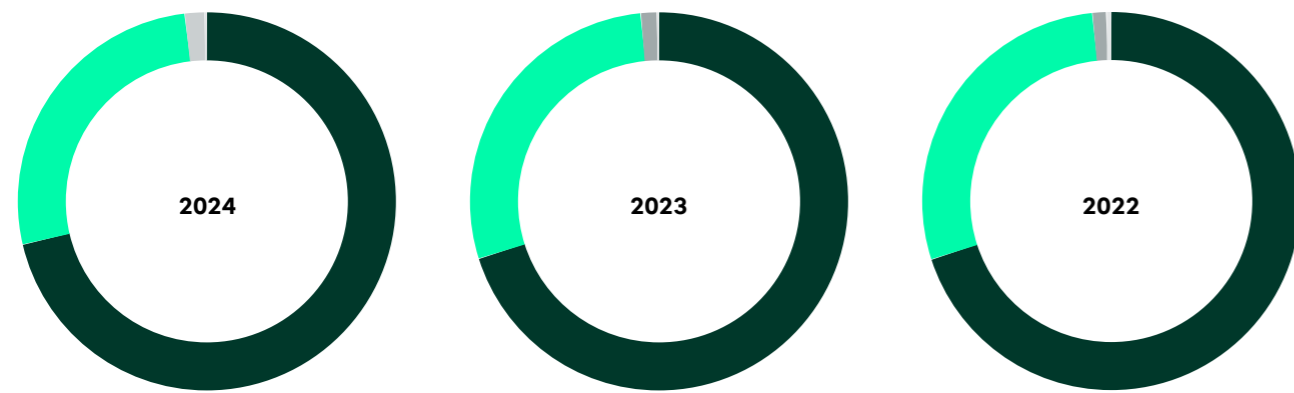
- Non-hazardous waste
- Hazardous waste



The increase in 2024 correlates with the increase in production activity.

Type of operation	Hazardous waste - materials examples	Non-hazardous waste - materials examples
Preparation for reuse	Dirty packaging	
Recycling	Ferrous and non-ferrous metals, car wrecks	Ferrous and non-ferrous metals, blasting material, paper, plastic, glass
Energy recovery	Absorbing agents, paint, and varnish waste	Composite packaging, mixed plastics, mixed municipal waste
Incineration	Medical waste	
Landfilling		Street rubbish, construction waste

Hazardous waste*



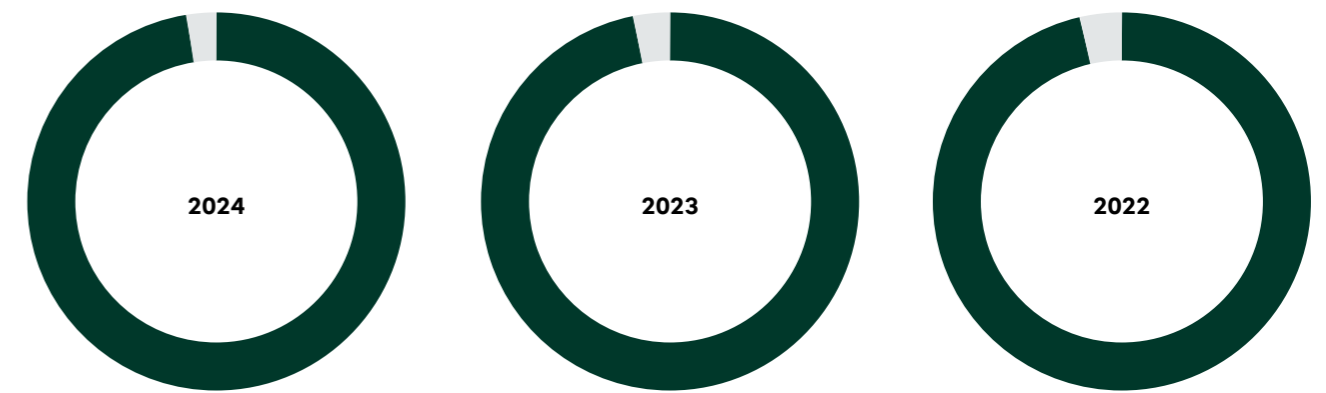
14,125.0 t
5,226.3 t
327.4 t
0.3 t
Incineration: 0.3 t
Landfilling: 0 t

13,392.6 t
5,387.8 t
291.0 t
0.3 t
Incineration: 0.3 t
Landfilling: 0 t

12,072.6 t
4,861.7 t
239.4 t
0.7 t
Incineration: 0.4 t
Landfilling: 0.3 t

■ Recycling
■ Energy recovery
■ Preparation for reuse
■ Other

Non-hazardous waste*



183,358.3 t
4,883.1 t
Energy recovery: 4,733.1 t
Landfilling: 150.0 t

170,935.8 t
5,611.8 t
Energy recovery: 5,433.5 t
Landfilling: 178.2 t

137,380.4 t
5,104.0 t
Energy recovery: 4,956.1 t
Landfilling: 147.9 t

■ Recycling
■ Other

Social

Social Sustainability Strategy

Social sustainability, the main principle of which is respect for human rights and freedoms, is a cornerstone of Škoda Auto's sustainability strategy; see [Human Rights](#).

The Company regularly evaluates its activities in relation to the Strategy, and discusses them with the KOVO Unions. Specific steps designed to achieve the set objectives are derived from the principle of Creating Shared Values - CSV. This principle enables the Company to create added value for itself and for the benefit of its employees and all other stakeholders.



The overall sustainability strategy, with the ambition of being the "Best-in-class in ESG", puts the emphasis on two main social issues. The first is people and communities, and the second is diversity. Within these, Škoda Auto focuses on the following strategic areas, in which the Company can best help its own employees and the people in its vicinity:



Each strategic area comes with an internal and an external dimension; together, these determine the actual steps the Company takes to achieve the set objectives. The dimensions set in this way complement each other and overlap. The internal dimension concentrates primarily on Company employees, the external on sharing the know-how of the Company and its employees with external partners.

All five areas are concentrated primarily in the regions where Škoda Auto has its production plants - the Mladá Boleslav area, the Rychnov area, and the Vrchlabí area. They are not, however, restricted solely to them. Škoda Auto carries out a range of activities throughout the Czech Republic, and some at the international level – for example, providing aid in humanitarian crises, together with a whole range of other programmes.

As far as the individual regions in the vicinity of its plants are concerned, Škoda Auto strongly emphasises increasing the attractiveness of those areas and their sustainable development. For this reason, in 2018, the Company

established and invested the initial capital in the Škoda Auto Endowment Fund, an auxiliary regional development tool which keeps a permanent eye on systematic regional development in areas that go beyond Company know-how, instead reflecting challenges to sustainable development; see **Community Engagement and Development** of Škoda Auto Regions.

To ensure the Company independently verifies the steps it takes in the area of social sustainability, it takes part in Ipsos ESG & Reputation Research each year. Verifying project success using the Activity Success Index continued in 2024, reflecting how the general Czech population evaluates corporate sustainability projects in terms of their credibility, usefulness, difference, suitability to the brand, and their other potential; see **Sustainability Strategy**.

Moreover, the Company also evaluates various metrics of satisfaction and quality of life (Municipalities in Figures, or Behavior – satisfaction survey).



Škoda Auto was awarded SDG prize for the Sheltered/Profile Centre

The overall sustainability strategy emphasises two main categories in its social dimension. The first is people and communities, and the second is diversity. Therein, Škoda Auto focuses on specific strategic areas in which the Company can best help its own employees and the people in its vicinity. It is with an unwavering belief in the importance of its workforce that Škoda Auto consistently strives to improve the work environment and enhance overall comfort at work. Škoda Auto's social policy often goes beyond legal requirements, and indeed the standard concept, one example of this being the establishment of a "Sheltered/Profile Centre", as one of the fundamental pillars of the Company's social policy. The creation of the centre was prompted by social responsibility and by efforts to systematically address the situation of groups of employees who cannot carry out their current work.

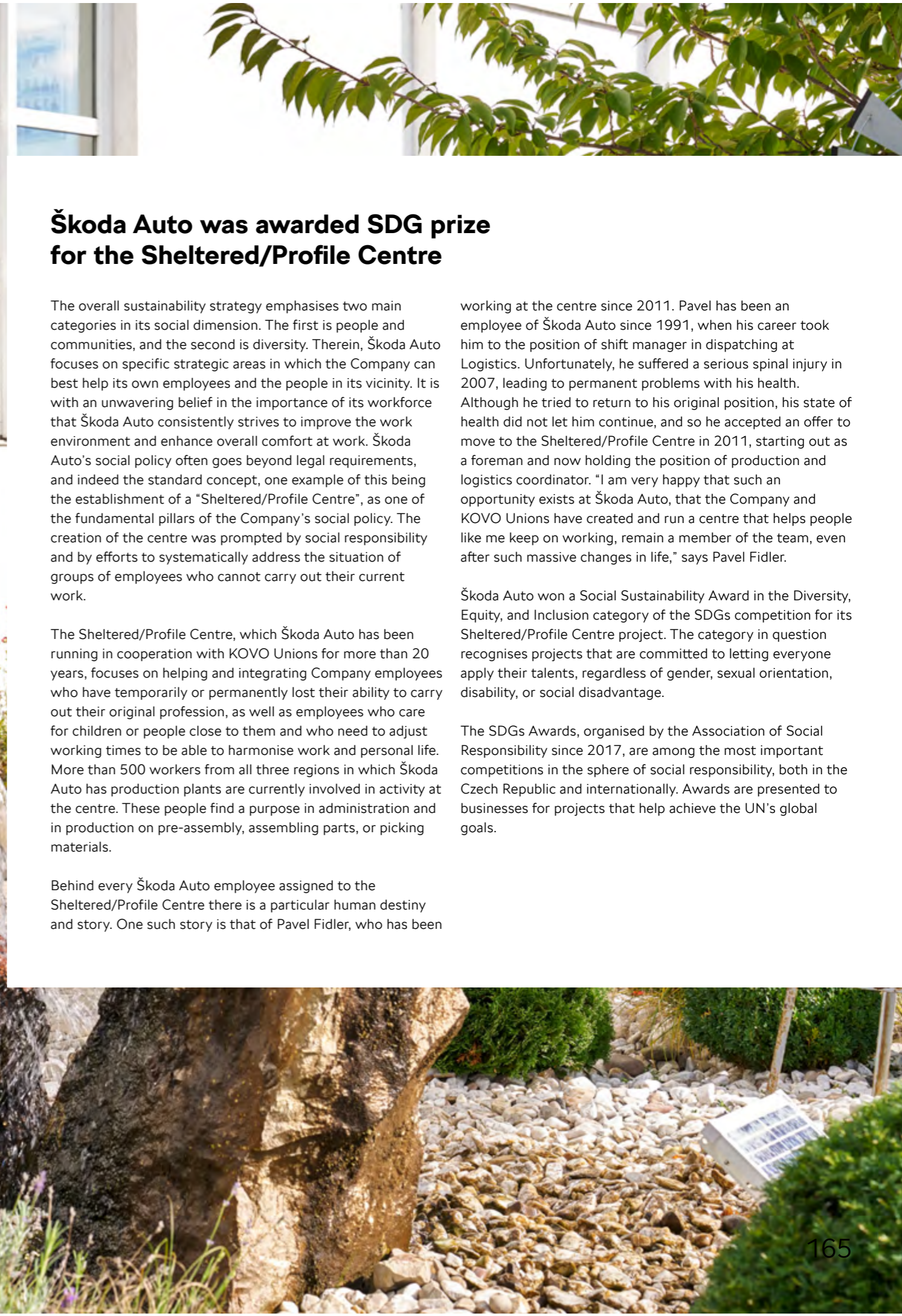
The Sheltered/Profile Centre, which Škoda Auto has been running in cooperation with KOVO Unions for more than 20 years, focuses on helping and integrating Company employees who have temporarily or permanently lost their ability to carry out their original profession, as well as employees who care for children or people close to them and who need to adjust working times to be able to harmonise work and personal life. More than 500 workers from all three regions in which Škoda Auto has production plants are currently involved in activity at the centre. These people find a purpose in administration and in production on pre-assembly, assembling parts, or picking materials.

Behind every Škoda Auto employee assigned to the Sheltered/Profile Centre there is a particular human destiny and story. One such story is that of Pavel Fidler, who has been

working at the centre since 2011. Pavel has been an employee of Škoda Auto since 1991, when his career took him to the position of shift manager in dispatching at Logistics. Unfortunately, he suffered a serious spinal injury in 2007, leading to permanent problems with his health. Although he tried to return to his original position, his state of health did not let him continue, and so he accepted an offer to move to the Sheltered/Profile Centre in 2011, starting out as a foreman and now holding the position of production and logistics coordinator. "I am very happy that such an opportunity exists at Škoda Auto, that the Company and KOVO Unions have created and run a centre that helps people like me keep on working, remain a member of the team, even after such massive changes in life," says Pavel Fidler.

Škoda Auto won a Social Sustainability Award in the Diversity, Equity, and Inclusion category of the SDGs competition for its Sheltered/Profile Centre project. The category in question recognises projects that are committed to letting everyone apply their talents, regardless of gender, sexual orientation, disability, or social disadvantage.

The SDGs Awards, organised by the Association of Social Responsibility since 2017, are among the most important competitions in the sphere of social responsibility, both in the Czech Republic and internationally. Awards are presented to businesses for projects that help achieve the UN's global goals.



Awards in the field of social sustainability

The Company regularly participates in competitions relating to social sustainability issues so as to gain an external view of strategic projects. This helps it move further towards the needs of target groups. Among the biggest awards in 2024 was first place in the prestigious SDGs Awards, organised by the Association of Social Responsibility, in the Diversity, Equality, and Inclusion category, for its Sheltered/Profile Centre project.

In 2024, Škoda Auto continued to intensify important public partnerships, as a result of which it has the opportunity to express its view on key issues. One such partnership is its support of Aspen Institute Central Europe. As part of this partnership, the Company actively attended conferences and important networking events in 2024. For example, the Young Leaders programme, which offers young talent the opportunity to broaden their personal and professional skills and reflect on fundamental values over the course of their careers.

Škoda Auto is also general partner to the Arnošt Lustig Award, which is presented each year to a figure who helps maintain and develop societal values in line with the motto "courage and bravery, humanity and justice". The award was established in 2011 by the Czech-Israeli Joint Chamber of Commerce.

Škoda Auto is also a member of numerous platforms and associations that focus on sustainability values, within which it is able to share its expertise and knowledge in discussions with other partners, and at the same time gain valuable input for its work on sustainability in the future. In 2024 the Company again became a partner to and became actively involved in the Broumov Debates, which are highly intergenerational in nature and which provide space for in-depth debate, with an emphasis on principles of democratic discussion. The Company also continued its active engagement in and advancement of sustainability issues within the Association of Social Responsibility (A-CSR) and the Business Leaders Forum.

Company representatives discuss each of the main pillars of social sustainability with expert partners in their own particular field:

For the field of education, these include organisations that bring innovation to both formal and informal education, foster pedagogical leadership, or provide unique data on key issues in the Czech Republic, thereby contributing to systemic reforms in education and social policy. Such partners include AISIS, the National Pedagogical Institute of the Czech Republic, Society For All, and PAQ Research.

In terms of mobility, it is mainly the Czech Association of Driving Schools aiming at raising the standard of education

in the Czech Republic together, and the Czech Paraplegic Association – CZEPA.

In terms of well-being, important partners include organisations that deal with prevention in mental care and that bring practical and verified information, with a view to engaging in high-quality discussions of mental health. Among them were Nevypušt duši (Don't Let Go of the Soul) and Linka bezpečí (Helpline).

The Company conducts its volunteering activities in collaboration with Nadace Partnerství (Partnership Environmental Foundation), which supports communities with environmental activities throughout the Czech Republic; Nadace Terezy Maxové (Tereza Maxová Foundation), which helps abandoned and disadvantaged children; and Czech unions for nature conservation and Správa Krkonošského národního parku (Krkonoše Mountains National Park Administration).

The Company addresses the issue of diversity, for example, in cooperation with a platform for responsible business in the Czech Republic - Byznys pro společnost (Business for Society) - as part of which the Company signed a "Diversity Charter" back in 2019.

Škoda Social Week 2024

The second year of this important social sustainability initiative focused on connecting different generations at work and in private, with the aim of helping build bridges between generations. A series of five podcasts provided the varying views of the guests – partners to the Škoda Auto Foundation and Škoda Auto, personalities and experts on issues that affect the quality of life of us all. The podcasts were dominated by issues such as digital literacy, heritage and culture, intergenerational coexistence, sustainability, the environment, and having a good place to live.

The platform offered various perspectives and important insights into topics that impact the quality of life both privately and professionally. The event underscored the importance of societal and social sustainability, highlighted burning topics, and offered new inspiration for Company employees and the general public alike. Škoda Social Week podcast series was awarded second place in the Communication Campaign category at the Donors' Forum Awards.



Education

Škoda Auto views education as an essential pillar of the sustainability strategy and of the support for social responsibility. The Company views education and development as fundamentally important, and considers lifelong education and enhancing qualifications among its employees to be one of its highest priorities. In addition to providing employees with support, Škoda Auto is a partner to the development of knowledge, and provides education that is open to all.

Among the main strategic issues are support for the corporate culture and leadership, which is essential to transformation throughout the automotive industry. The Company concentrates primarily on technical education, digital technologies, personal and cultural development, language skills, and support for the physical and mental health of its employees.

Škoda Auto has been investing in education for many years and, in cooperation with KOVO Unions, has successfully continued its support of the Škoda Academy and of the education and development of its employees, helping them successfully manage the transformations that come with digitalisation and the transition to electromobility.

Škoda Auto has a long tradition in education

The Škoda Auto vocational school opened its doors to the first 58 apprentices in Mladá Boleslav back in 1927; since then, more than 25,000 people have graduated from the school. Some 750 budding automotive specialists, including 124 girls, are studying for their future careers in one of 15 disciplines at the specialised vocational school in the 2024–2025 academic year.

In 2013, employee and pupil education merged under Škoda Academy, which was established as part of the education

strategy at the Group and which has since built an exceptional education community, through which it can now quickly and pointedly respond to specific needs.

For eleven years now, the Škoda Academy has been a partner devoted to transformation issues and training sessions, dealing with conceptual and methodical activities, and offering comprehensive education to all of its employees and to the pupils at the Škoda Auto vocational school in Mladá Boleslav.

Examples of education and programmes at Škoda Auto

The Škoda Academy carried out a whole range of significant projects and activities in the year 2024:

The ceremonial opening of the modernised premises of the Škoda Auto Secondary Vocational School of Engineering.

Škoda Auto ceremonially opened a reconstructed space for teaching skills, focusing on electromobility and digitalisation at its Škoda Academy education centre at the end of March. Modernisation took record short time – only 7 months.



Individual coaching and mentoring programmes

Mentoring is an important tool at Škoda Auto for transferring know-how, supporting new employees, and developing talents. Through the Mentoring Match Box programme, which the Company launched in 2023, it is possible to enhance cooperation across the Company, help mentors develop their careers, and support mentors in their work.

Communities

The Company continued its support of Communities in 2024. Communities provide a platform for successfully sharing and transferring information, for meeting across different areas, and for dealing with burning issues fast. The key Communities that the Škoda Academy covers include Language Learning, Community for Experts, Leadership Community, Microsoft 365 – Ambassador Club, Community – My Education, Project Management Community, Masters Community, and Talent Community.

Expert Forum 2024

Events such as Expert Forum aim to thank experts for their work, highlighting their role, and emphasize their contribution to the Company. At this year's meeting, the audience was inspired by stories from the Board of Management and selected experts. Other topics included motivation, a sense of importance within the Company, the appreciation of professional work, knowledge sharing, and succession planning.

Agile thinking

Agility at the Company is the ability to adapt quickly to an ever-changing environment. This issue is part of the Company's Next Level Škoda Strategy. The Company raises awareness of agile thinking and its importance using various activities, including participation in events and corporate

communities. Agility is becoming one of the key factors for the Company that will determine its success in the future.

Corporate culture and cooperation

The year 2024 brought new impulses to the Corporate Culture Workshops for management, with the key point of the programme being the target culture of Škoda Auto, aligned with the Company strategy and the Group context. Connecting to the day-to-day work of each and every manager is fundamentally important, as is the situation in which managers exchange experiences with those in different areas and at different levels.

Key activities in the field of personnel management include the development of employees' career paths. A new requirement profile was introduced in all areas of HR in 2024, including diagnostic tools such as assessment and development centres, which are a key tool in employee selection and development. The progressive digitisation and optimisation of these processes and methodologies is ongoing in connection with the Company-wide strategy.

Top Management Meeting (OMK Fórum)

A new concept for the Top Management Meeting at Škoda Auto was born in 2024. The conference focused on four key issues: strategies, change, agility, and leadership. Company management enticed around 240 participants (170 present and 70 online) with interesting presentations and workshops in response to the strategic importance of agility and in support of the introduction of a new corporate strategy. Other ideas inspired them to take responsibility for their actions and develop their own potential. There was enough time and space at the meeting to get to know each other and share experience with first-class speakers and experts in their fields, and to delve deep into the topics of agility, leadership, and strategy.

Leadership activities

Leadership model

This style of leadership, combined with the Social sustainability strategy, is a necessary pillar of success at Škoda Auto. The new leadership model at Škoda Auto puts leaders at the forefront and is based on three roles: Supportive Partner, Enthusiastic Innovator, and Implementer with a Vision. Practical leadership supports managers, particularly in the early stages of their management careers.

Leader of Change

Since 2022, the Škoda Academy has been offering all those in management the opportunity to take part in a comprehensive programme called Leader of Change, which develops essential managerial competencies – strategic and change management.

Women in leadership

Selected female talent at the Company took part in the prestigious Aurelia mentoring programme in support of women in leadership.





Examples in technical education

Electromobility

Škoda Auto sees employee training as key to maintaining future competitiveness and occupying positions. The advent of new technologies means that Škoda Academy is constantly expanding and updating its portfolio of educational activities. Important issues include modern energy, electromobility and ecology, robotics, automation, and control systems for automated lines. In the future, the Company will focus more on other areas, such as renewable sources.

Reskilling/upskilling – requalification and improving qualifications

Škoda Auto pursues projects and processes that support employees in gaining further education and qualifications. It cooperates with partner secondary schools (its own vocational school included) and universities, where Škoda Auto employees have the opportunity to improve and enhance their qualifications, broaden their level of education, study a variety of MBA programmes, etc.

Digital Upskilling and AI – Artificial Intelligence

In light of the rapid changes in technology and trends, education at the Company focused more on learning the fundamentals of Artificial Intelligence (AI), understanding it, and taking inspiration from it.

Workshops look at the history of AI, its development and use, and at specific examples of how AI is applied in the world around us.

The Meet AI @ Škoda programme

This is one of the most popular courses, with which the Škoda Academy promotes understanding of the tools of Artificial Intelligence and inspires their effective use. Absolute

newcomers, people who are enthusiastic about IT/AI, and employees with advanced or expert knowledge can all find just what they need here. This programme offers a range of interesting webinars and online content on the Degreed platform.

AI Open Day (Artificial Intelligence Day)

A unique event that familiarised people at Škoda Auto with the phenomenon of Artificial Intelligence in a completely new format. The organising team combined a conference focusing on new trends and demo workshops, a marketplace, and an interesting program on the stage. The whole event drew attention to the extraordinary importance of taking responsibility for your own development, doing so in an interactive way. Employees were acquainted with successful stories of using Artificial Intelligence in practice by outside experts. Visitors to the event gained an overview of how Škoda Auto is developing in the area of AI from the Board of Management and other representatives of the Company in attendance. A talk by Filip Dřímalka, an innovator and visionary in the world of Artificial Intelligence, also drew a positive response. In his talk, Dřímalka reiterated one important thing: It is not so much about technology, but mostly about us, about people, and about our approach. AI Open Day brought inspiring talks and discussions, and employees tried a number of practical demonstrations within the "marketplace".

The Digital Upskilling programme, meanwhile, is an important step towards digitisation at Škoda Auto, a starting point for digital transformation. It combines an approach based on data and self-assessment and aims to map out the current level of digital skills among employees, subsequently giving them the opportunity to acquire digital skills or improve those they already have.



Degreed education platform

Degreed is a digital self-learning platform that provides knowledge tailored to all employees at Škoda Auto and at the same time provides the Company with valuable information about their skills at present and their potential. It is the foundation on which to build strategic requalification and upskilling for employees, with a view to developing skills for the future. Degreed provides fast and easy access to the content provided by a whole host of other digital learning platforms. The combination of publicly available

knowledge from those platforms (for example, LinkedIn Learning or Digiskills) and in-house knowledge added by experts at Škoda Auto creates a safe virtual environment for experts and students alike. The Degreed platform allows Company employees to learn independently and pointedly whenever they need it for their work. After correctly setting their profile, they receive regular recommendations from the system on the matters that interest them and that are important for developing their skills.

Cooperation in education

Not only does Škoda Auto support education among its own employees; it also participates in the development of education in the Czech Republic as a whole. The Company has the oldest vocational school in the country, and its own university. Using this experience, it works with all levels of schools, with public institutions, public-benefit purpose organisations, and a whole host of other partners in this area, responsibly passing on its know-how to them and raising the standard of technical education in people entering the labour market. It plays an active role in improving the quality of the education system and makes efforts to promote (in particular) technical and IT specialisations by supporting the relevant organisations and building new partnerships.

In addition to its support for primary schools and kindergartens, Škoda Auto also continues its long-standing cooperation with secondary schools and universities. It prepares a range of unique projects with institutions that develop professional, social, and other skills, both in pedagogical leadership and among the students themselves.

The number of schools the Company worked with in 2024:

Kindergartens	10
Elementary Schools	52
High schools	44
Universities	20

EDU.Lab mobile education laboratory

The Company launched the Škoda EDU.Lab mobile laboratory back in 2021, with the aim of introducing pupils and students to modern technology and inspiring them to study technical specialisations in the future. The laboratory attracted in 2024 more than 11,000 pupils from primary and secondary schools. It also appeared at events designed to popularise technology, such as the ABC magazine festival in Prague, the EDUCA Week secondary school fair, and the Maker Fair festival in Pardubice. By the end of 2025, the mobile laboratory plans to visit all regions in the Czech Republic, addressing between 2023-2025 more than 32,000 pupils at primary and secondary schools. EDU.Lab is one of the largest educational projects of its kind in terms of promoting technology to young people.

Technological Literacy and Technology Olympics

In 2024, Škoda Auto was again actively involved in projects focused on technological literacy.

The Company uses these to provide education in the field of modern technologies and connect the academic environment to practice. Students have the opportunity to look into the world of the modern technologies used at Škoda Auto, while future career opportunities open up before their eyes. The Company provided a team of experts to help in the creation of a talk for schools and financially supported the implementation of the project throughout the Czech

Republic. In 2024, teachers of technological literacy from the Czech Technical University, Brno University of Technology, and VSB – Technical University of Ostrava visited more than 200 schools throughout the Czech Republic. In total, 11–17% of students said in feedback forms that the talk changed their perception of technology and that they were now considering studying a technical discipline.

The project proved very popular with primary and secondary schools in 2024, with a total of 11,000 pupils and students attending the talks. Following on from this project were the Technology Olympics, held in April 2024 with the participation of 1,592 secondary-school students.

Echt Praxe

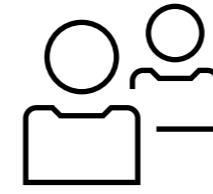
The Škoda Auto Secondary Vocational school of Engineering signed up for a fourth time for Echt Praxe, an open-doors week at German companies working in the Czech Republic. Echt Praxe, which the Škoda Academy organised as an open-doors day, is an opportunity for the Company to show what it has to offer and at the same time a unique way of connecting young enthusiasts with the dynamics of the automotive industry.

Girls Day 2024

The Secondary Vocational School of Engineering is passionately committed to supporting gender equality in technical education. One of the most important steps

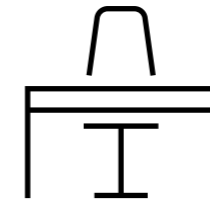
in this area is Girls Day, a regular event which brings the world of technical education together with enthusiastic girls. The event presents the opportunity to study technical specialisations at Škoda Auto.

Girls Day is not merely a one-day event, but rather a reflection of the Company's ongoing commitment to providing high-quality professional education for all, and is dedicated to the development of professional skills and connecting theory to practice. This helps ensure higher numbers of technical workers of excellence in technical fields.



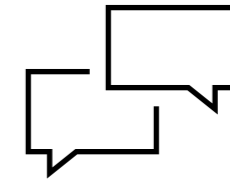
678

Number of attendees



6

Number of webinars



210

Number of institutions involved

EDU WEEK – Three days packed with education

The fourth year of this educational event took place at the end of August 2024 in Škoda Auto's home regions, taking the form of practical workshops and online webinars for the whole Czech Republic. The event is jointly organised by Škoda Academy, Škoda Auto University, and the Škoda Auto Endowment Fund. The programme focuses on self-development in teachers of non-formal education and employees in the private or non-profit sector. The themes and format of the event also arouse considerable interest

among people at Škoda Auto, with this year's event attracting 104 attendees. This year's programme was also held under the auspices of the Ministry of Education, Youth, and Sports of the Czech Republic and supported by partner organisations in Škoda Auto home regions, such as the Krkonoše Mountains National Park Administration.

The annual August event this year attracted almost 700 people from all over the country.

Days of Technology in Kvasiny

Days of Technology have become an inspiring event for pupils studying in the ninth year of primary school in and around Kvasiny. The Company aims to motivate young people to study technical specialisations and to introduce them to the fascinating world of technology.

Škoda Auto University

Back in the year 2000, Škoda Auto University began providing bachelor's and follow-up master's study programmes and specialisations that combine economic and technical education. More than 1,200 students are currently studying in Mladá Boleslav and in Prague.

42 Prague

In the year 2024, the 42 Prague non-profit education institute, founded by the Company in 2021, continued its support of lifelong IT learning and improving social skills. The innovative concept of teaching, a milestone for the IT education sector in the Czech Republic as a whole, consists in reciprocal teaching and learning without teachers and a campus that is open 24/7.

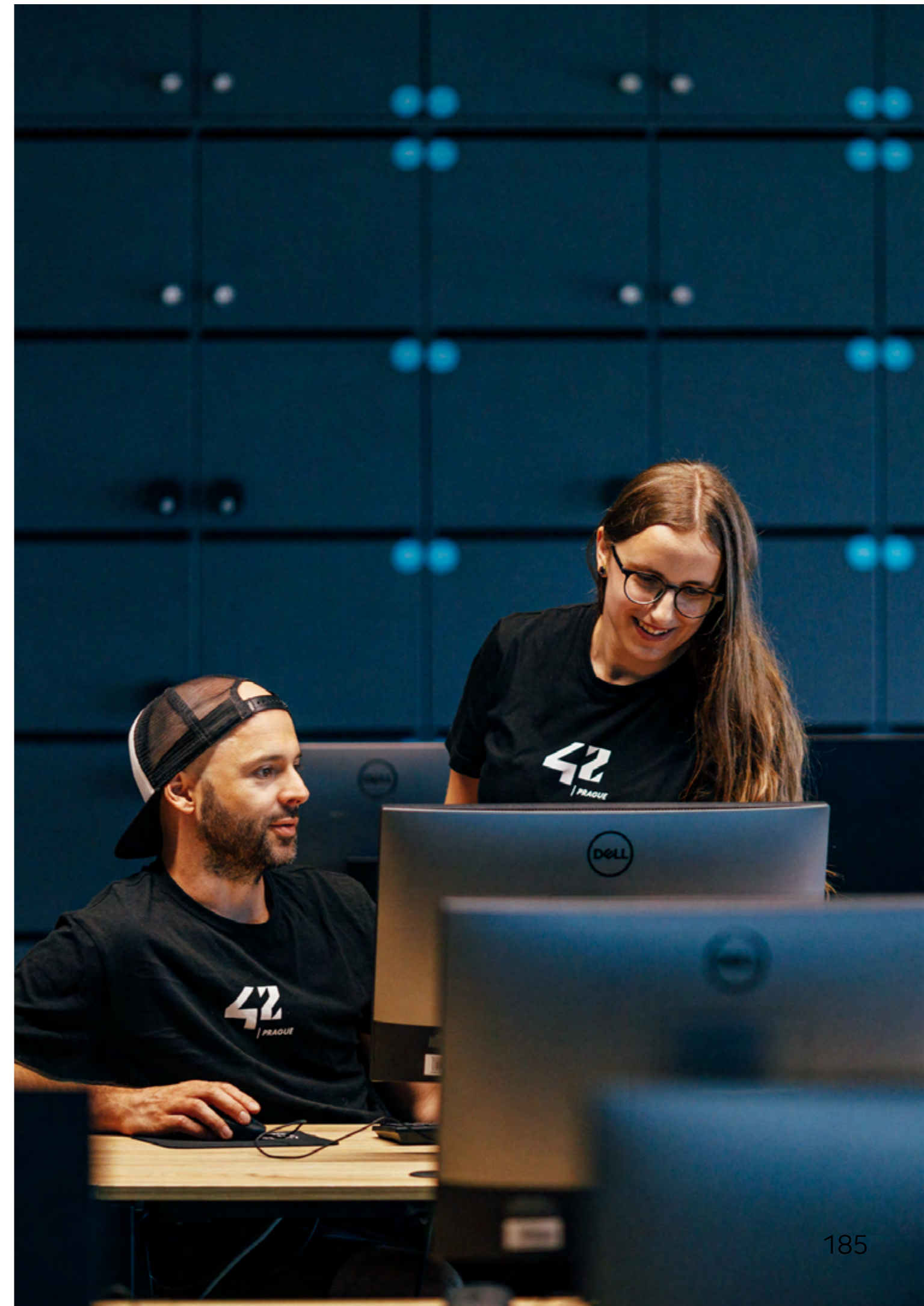
The teaching style is unique in three ways – the progress of all students is measured in gamified levels and studies are undertaken separately and together on practical projects, resulting in use of the peer-to-peer learning system, which also teaches them soft skills.

After two to four years, students earn a certificate in software engineering, a profession that is extremely important to the automotive industry. In 2024, 210 people were accepted to

study. In the autumn of 2024, the institute had the highest number of active students in its history, and next year will reach its maximum capacity of 350 active students. Dozens of them are expected to complete their basic studies and move into paid internships every year, which will help Škoda IT, SAP GCC, technological development and other projects across the Company. The 42 Prague group provides education free of charge and promotes the participation of women and girls in the ICT sector. In total, 35% of students are women, ranking 42 Prague among the top 5 campuses in an international comparison with other campuses in the 42 Network.

Developing schools and non-formal education through the Škoda Auto Endowment Fund

The Škoda Auto Endowment Fund is also very much involved in supporting educational institutions in its regions through several key programmes in the sphere of formal and non-formal education. The Fund aims to contribute to systemic change in the regional education environment and ensure creation in the future through strategic regional sustainability partnerships. Its programmes target schools at all levels of education, as well as the bodies that run schools in individual regions, organisations that arrange leisure-time activities, and school communities. In 2024, the Endowment Fund was again involved in the Gifting After-School Activities to Children project (Darujeme kroužky dětem), which helps families in financial difficulty provide their children with leisure-time activities.



Mobility

Škoda Auto actively works to ensure barrier-free and safe mobility. To this end, it mainly concentrates on providing accessible mobility to people with handicaps or other restrictions and on promoting road safety. Education in traffic safety and prevention are key issues to which the Company has long paid attention. In doing so, it strives to create a safer environment on the roads for pedestrians, drivers, and cyclists alike.

Traffic safety

When it comes to road safety, the Company focuses on prevention, and one of the main ways of doing so is to educate those most at risk. One important initiative in this regard takes the form of courses for L17 Mentors, run by the Association of Driving Schools of the Czech Republic (Asociace autoškol České republiky), in which you can learn everything important about the ideal approach to educating underage drivers. As of January 2024, seventeen-year-olds (L17 drivers) who undergo standard training at a driving school and pass the usual final exams have been able to obtain a class B driving license. They can, however, only drive a car under the supervision of a particular, experienced driver – a so-called mentor, usually a parent. Parents assume the role of advisor and experienced close authority, as a result of which a young driver has a more relaxed relationship to driving a car and becomes accustomed to the routine of movement in traffic and freshly obtained rules from the driving school, all under supervision. In 2024, a total of 104 applicants for the role of L17 Mentor attended these courses in Mladá Boleslav.

On top of that, the Company followed up on the successful Start Driving project and again initiated Start Driving courses for women, focusing on female teams. There was record interest in the courses, with 38 women drivers from Škoda Auto taking part in the first two rounds, alongside women from other organisations.

The Škoda Auto Endowment Fund continued its support of traffic safety in the regions around the Company's production plants with grant calls. These grants are targeted at prevention using a data-based approach, in particular through education and awareness-raising activities. Just as important, however, is the support of infrastructure measures designed to improve traffic safety. In 2024, the Endowment Fund supported a total of 14 projects from all of Škoda Auto's home regions. Most of the projects involved restricting the passing speed in towns and villages. Several municipalities have requested support for new pedestrian crossings or crossing points. Among the most interesting projects to gain support are transport studies aimed at finding a long-term solution for traffic and problems associated with it in the municipality of Deštné v Orlických horách.

The Movitren Project

Since Škoda Auto is well aware of its position on the market, it contributes to the development of society in the areas of safety, transport education, and prevention. For this reason, the Company is involved in the creation of the Movitren

(Mobile Virtual Trainer), which emerged from cooperation between the Association of Driving Schools of the Czech Republic and Digiteq Automotive. This mobile virtual trainer is ideal for training safe driving in regular and long-time drivers, as well as novice drivers. In 2024, Škoda Auto successfully presented the simulator at several events (for example, Prague Bike Fest, Legends, and others).

Barrier-free mobility

Škoda Auto has long shown support for barrier-free mobility in its strategy. The Company actively helps people with disabilities live a full and active life without restrictions. The main objective of the Company's activities in this area is to motivate, inform, and educate people with disabilities in relation to barrier-free mobility, so that they can fully enjoy life and be independent.

The Škoda Handy programme, providing special financing, insurance, and vehicle modification, is a big help to the people with disabilities involved. In 2024, 775 cars were distributed through this programme, an increase of 14% compared to 2023, in particular 384 cars for people with disabilities and 391 for people with reduced mobility. Cooperation with organisations such as the Czech Paraplegic Association, Centrum Paraple, and Journey to a Dream (Cesta za snem) further boosts this support. A workshop for peer mentors took place in 2024 in cooperation with the Czech Paraplegic Association. They were acquainted with the specifics of the Škoda Handy programme and in general with possible Company support for people with disabilities. A series of events took place as part of the Company's partnership with Journey to a Dream (Cesta za snem), such as Lioness 2024 (Lvice 2024), and we continue to shoot educational videos in the series We're in This Together (Jedeme v tom spolu) under the Škoda brand.

Škoda Auto also initiated and, in cooperation with Barrier Account (Konto Bariéry), undertook the Škoda Without Barriers grant programme. The programme, in its third year, helps people with disabilities access better mobility. It provides individual assistance when getting a driving licence and financial support when buying special bicycles for athletes with disabilities. There are two parts to the grant programme: Shame Not to Drive (Škoda Neřídít) grants, which provide a contribution towards getting a driving licence, and Cycling Without Barriers (Cyklistka bez bariér) grants, which make it possible for athletes with disabilities to apply for financial support to buy a handbike, a sports wheelchair, or auxiliary electric propulsion. In 2024, 22 cyclists with disabilities obtained this support.

Increasing the mobility of public-benefit purpose organisations and other partners

The Company provided a total of 11 electric Škoda Enyaq iV and Enyaq Coupé RS cars to partners throughout the Czech Republic for long-term use in 2024, the aim being to improve mobility for the employees at public-benefit organisations. In doing so, Škoda Auto aims to promote sustainable mobility at those organisations, raise the standard of the services provided, and provide users with personal experience of fully electric vehicles.

Throughout 2024, Škoda Auto handed 20 cars to key providers of social and medical care in the regions in which it is active. Among the main partners to the event were care services, social care institutions, homes for senior citizens, and home hospice care providers. The aim of this cooperation is to raise the quality of social care in specified areas and to improve its availability to clients who live in remote or hard-to-reach places.



Employee volunteering and engagement

For many years, employee volunteering and engagement at Škoda Auto has been a stable part of the Company's culture.

There are several organised groups of employees at Škoda Auto (ERGs – Employee Resource Groups), sharing experiences and providing their knowledge and skills to voluntary activities and elsewhere. The platforms in question are Škoda Proud, Internationals@Škoda and beginning in 2024, Women@Work. Another example is the Woman to Woman mentoring programme and ŠKODA Explorers.

Employees at Škoda Auto also regularly take part in organised volunteer events. Individuals and entire departments help public benefit organisations and other regional partners year-round. One example of this is involvement in regular clean-up events as part of the Let's Clear Up Czechia

(Uklidme Česko) platform, planting greenery, restoring native species, and maintaining social service facilities. The Škoda Volunteers employee group was set up with a view to communicating information and bringing together employees and organisations. More than 300 employees used this platform in 2024, spending their free time helping those in need. Moreover, in 2024, the Company introduced a new volunteer platform, where volunteers from Škoda Auto meet directly with regional non-profit organisations that ask for volunteer support during the year.

Support of the Tereza Maxová Foundation for children

In 2024, Škoda Auto planned "Teribear moves Mladá Boleslav powered by Škoda Auto", its traditional tenth charity event staged in cooperation with the Tereza Maxová Foundation for Children. Unfortunately, however, the event did not take place on account of the floods in September 2024. The Company decided to support the Tereza Maxová Foundation nevertheless, by contributing CZK 500,000 to a one-off charity collection aimed at raising funds to help children from children's homes and institutions affected by floods.

Let's Clear Up Czechia on Earth Days with Škoda Auto

Škoda Auto again signed up for Let's Clear Up Czechia (Uklidme Česko) in 2024, with employees from all three plants venturing into the surrounding countryside to help clear it of waste. During the three weekends gathered almost 250 people. The clear-ups were done in cooperation with local environmental conservation societies, and volunteers cleared their surroundings of more than 8 tons of waste in total.

What is more, the Endowment Fund has supported the Earth Day organised by Youth Centre (Dům dětí a mládeže) in the region as general partner several times now.

Tree Day

November 2024 was the time for Tree Day with Škoda Auto. Significant autumn planting events in Škoda Auto regions included one at Krásná louka in Mladá Boleslav.

There, representatives of Škoda Auto, in cooperation with management at Mladá Boleslav, the KOVO Unions, and other partners, planted a new avenue of trees to strengthen the bank along the River Jizera. In total, more than 50 people joined forces to plant over 140 bushes and trees.

Other trees were planted in the autumn. The first 90 native fruit trees (apple trees, pear trees, plum trees, cherry trees) were planted along the field path from Hněvousnice to Káčov. These trees have an important part to play in the lives of certain species of animals and plants and put the finishing touches to the character of the landscape.

The second part of the planting initiative, launched in 2023 at the instigation of the Škoda Auto Endowment Fund in cooperation with the Krkonoše Mountains National Park Administration, continued in 2024. Working with local associations and helped by volunteers from Škoda Auto, old varieties of trees native to the Krkonoše Mountains were planted there, with those trees also acting as a reserve population of the gene pool of old fruit varieties. A total of 100 fruit trees was planted as part of the two-year project, at a total cost of CZK 520,000, and these will be provided with the necessary care in the coming years.

Škoda Auto has also been supportive of European Tree Day since 2021, an event which has been underscoring the importance of trees and connecting communities to environmental issues all over Europe for 13 years now.

Škoda Trees

The Škoda Trees grant programme, carried out in collaboration with Partnership Foundation (Nadace

partnerství), focused even more intensively in 2024 on the impact of the trees planted, on restoring the environmental balance of the landscape, and on boosting its resilience in the face of climate change. The programme aims to plant trees all over the Czech Republic. It also promotes the involvement of employees and of the general public in planting trees, the idea being to increase interest among the public in the surroundings in which they live. All trees were planted the right way, making sure they take root, and are to be provided with subsequent care.

Between 2007 and 2024, the Company planted a total of 1,331,864 trees in more than 300 locations in the Czech Republic as part of this project. Some 87,784 trees were planted in 2024 alone, at a cost of more than CZK 3 million. Information about the Škoda Trees grant programme is available in the interactive application www.hlaslesa.cz/#les, where you will also find a map of plantings that volunteers can sign up for.

Employee collections

Since 2014, employees at Škoda Auto have been providing support to selected organisations of social benefit through what are known as Employee Collections. The fourth round of the campaign got underway in 2024. At the end of 2023, employees voted for the public-benefit organisations to receive support from 2024 to 2028. The help provided is therefore long-term. The organisations gaining the biggest support among Škoda Auto employees and having ties to the regions where the Company operates were selected. One aim was to connect the in-house social sustainability strategy to play a more significant role, thereby ensuring that activities have an even bigger impact. Employees can regularly

contribute to one or more of a total of 10 organisations that focus on different issues and work in different places. In 2024, 1,289 employees contributed in this way, their donations reaching a sum of CZK 4.32 million. The Company then doubled these donations, resulting in a total of CZK 8.64 million. The public-benefit organisations involved in the scheme were provided with 80% of the sum contributed by employees at Škoda Auto twice a year, the remaining 20% being used to support social responsibility in Pune and Chhatrapati Sambhajnagar in India, where Škoda Auto has production plants.

Moreover, employees were able to contribute to a one-off collection that the Company announced to help regions affected by floods in September and October 2024. Škoda Auto subsequently doubled the amount collected from Company employees and members of the KOVO Unions. In total, more than CZK 6.5 million were collected. This financial assistance was channelled to the affected areas through the Škoda Auto Endowment Fund, in particular to help restore educational institutions and communities that support education and leisure activities for children and adolescents. The cooperation between Škoda Auto, the KOVO Unions and the Škoda Auto Endowment Fund on employee collections was awarded 2nd place in the Donors' Forum Awards in 2024.



Škoda Stromky
Dear Škoda,
Love Life!
Miroslav

Škoda Stromky
Be fast, strong and
have a happy and
long life!
Hana J.

Škoda Stromky
Ty co proste
obstane

In 2024, 87,784 trees were planted as part of the Škoda Trees project.

Well-being

News in the field of care for employees' well-being in 2024
Škoda Auto takes care of the well-being of its employees, which is why the Company again this year prepared a number of innovations in the field of mental and physical health promotion.

Škoda Auto has reintroduced the concept of New Work for several years now, one shining example of the concept being the newly opened Laurin & Klement Campus. Together with other departments, OHS and Ergonomics helps employees adapt to this new working concept. Among other things, what are known as community zones were built for employees, spaces in which to relax and offset the workload with relaxation machines and equipment. The Company also organised its first Health Day at the Laurin & Klement campus in support of medical prevention.

A new "Challenges and campaigns" page was created for staff at the Škoda Space employee portal. This site provides tips and tricks to promote health and a balanced lifestyle, its primary purpose being to present campaigns and challenges aimed to inspire an active approach to health and lifestyle. There are currently two well-being campaigns on the go. One is the Health Matters (Na zdraví záleží) campaign, as part of which interested women from the Company or the public were able to take part in Women's Health Day. This event followed Men's Health Week, which took place in 2023. The second ongoing campaign is called Taking the Stairs (Chůze po schodech). Workers and people from the ŠkoFit team could get involved in the first challenge, called Burn Calories, Not Electricity (Spalujte kalorie, ne elektřinu), which was launched together with the start of the campaign in September 2024.

When it comes to preventing medical issues, building resilience against stressful situations and negative external effects is crucial. Resilience is boosted by creating healthy habits such as exercising regularly, eating well, and getting sufficient sleep. It is also important to relax the mind; for example, through meditation or yoga. New videos for Chair

Yoga level 1 and 2 were released on the Škoda Space Tips and Tricks for Health page of the employee portal in 2024. The online videos are no longer than 10 minutes and are used for short but effective relaxation; during a busy working day, for example. The physiotherapist in the videos shows a number of offsetting moves to release the parts of the body most overloaded by sedentary work.

The body and soul are interconnected. So, building resilience to stressful situations is just as important for mental health. Since November 2024, employees at Škoda Auto have been able to listen to the new More Resilient (Odolnější) podcast, which, through inspiring stories, expert advice, and practical tips, provides the knowledge and skills needed to help discover the path to self-resilience and mental well-being.

We might all encounter long-term stress and related mental troubles. As far as burnout is concerned, employees can turn to expert psychological consultations or contact Chatbot IVA. IVA advises staff on how to recognise burnout in themselves, colleagues, and relatives, how to proceed afterward, who to turn to, and what to do to prevent it from happening in the first place.

In 2024, for the fourth time in a row, Škoda Auto won the title of Level III Health Promoting Company Award (the highest level). This competition rewards businesses for which promoting health has become an integral part of their daily working life and, above all, that take care of the health of their staff. The competition is announced annually by the Chief Health Officer of the Czech Republic. The organisation and evaluation of the competition is provided by the National Institute of Public Health (SZÚ), specifically the Centre for Occupational Health (CHPPL).



In 2024, 1,288 employees took part in Health Days, an event focused on prevention.

Care for physical health

One of the fundamental obligations of an employer in the Czech Republic is to create a safe working environment. For this reason, one inherent part of our day-to-day work at Škoda Auto is to systematically find and eliminate risks that could potentially threaten staff or cause them discomfort, and in turn pose a risk to their health, well-being at work, and performance. The Company is continually innovating and modernising its working environment. This promotes the physical and mental health of its employees, and in fact entire communities in the regions in which it operates. To this end, it came up with a range of comprehensive preventive events, campaigns, and programmes for them. At the same time, the Company's activities encourage an active approach to health and promote a safe environment for open communication throughout Škoda Auto.

The National Institute of Public Health carried out an audit at Škoda Auto in 2024, with the Company successfully retaining authorisation for the Laboratory of Ergonomics and Physiology of Work for the next five years.

The Group evaluates the best technical ergonomic measures on an annual basis. This year, Škoda Auto came first with a product which significantly reduces the force when handling a fifth door on an electric strut.

Caring for mental health

Psychosocial factors might be considered relatively new risks. This fact is witnessed in the ever-rising interest shown by employees in the psychological consultation which the

Company provides, with psychologists providing a total of 511 consultations in 2024.

Prevention first

Each and every year, Škoda Auto devises a diverse range of preventive programmes to support health. The emphasis is again on prevention, as preventing health problems is far more effective than addressing their consequences.

To help identify risk factors and prevent illness on time, the Company organises Health Days at its Mladá Boleslav plant, in Kvasiny, in Vrchlabí and at departments based in Prague. Employees have the opportunity to attend Health Days at various Company sites close to their workplace. By undergoing preventive examinations, serious illnesses are detected on time, and the people diagnosed are immediately recommended follow-up care. Health Day brings employees the opportunity to have their blood pressure, BMI, bloodsugar level, and cholesterol measured, to determine the make-up of the body on a special scale, and to then discuss it all with specialists in the given field. The physical therapy team shares ideas for a healthy musculoskeletal system and ergonomic behaviour at the workplace and elsewhere. But it's not just about physical health – there's an emphasis on mental health too. Staff can discuss any issues they might have with a psychologist on individual Health Days, which are adapted to suit the requirements of a particular department. In total, 1,288 employees have taken part in Health Days. Four hundred and eighty people have paid a visit to Skin Matters (Na kůži záleží), a preventive campaign that focuses on the skin, during which a dermatological team examines birthmarks.

The SG Department, working with Klaudián Hospital, The Škoda Employee Health Insurance Company, and Na Homolce Hospital, also prepared a preventive programme for employees to detect cardiovascular diseases in time and to ensure early follow-up care at Klaudián Hospital, or Na Homolce Hospital.

A new „Challenges and Campaigns“ page has been created for employees on the Škoda Space portal. This site provides tips and tricks on promoting health and its primary purpose is to motivate people to take an active approach to health and lifestyle.

One very effective form of prevention is vaccination. As in previous years, the Company offered free vaccination against the flu and Covid-19. In total, 4,376 people were vaccinated.

OHS and Ergonomics worked with the Škoda Academy to broaden the Degreed education platform for Škoda Auto employees to include an expert Health shop, in which they can better themselves in a wide range of health skills.

As part of the digitisation process, the Company updated the online Comprehensive Ergonomics (Komplexní ergonomie) course, which is now more user-friendly and available in audio version.

What is more, it launched a new ergonomic self-assessment application on the Power Platform Microsoft Office 365 aimed at increasing ergonomic literacy and gaining feedback on working conditions.

Some 80,681 examinations were provided by healthcare employees at Polyclinic Škoda, which confirms a strong emphasis on high-quality, accessible healthcare in Mladá Boleslav.

Support for the families of employees and communities in our regions

Škoda Auto also looks after the health of communities in the regions in which it has its plants. This year, working with organisations in the Mladá Boleslav region, among other the District Hospital in Mladá Boleslav, The Škoda Employee Health Insurance Company, and the Statutory Town of Mladá Boleslav, it prepared several preventive and educational health days: in the spring, the traditional Health Day for Women; at the beginning of summer, the Health and Social Services Day; in September, The Škoda Employee Health Insurance Company in the Clouds; and in October, the first year of an event for families called The Heroes Among Us (Hrdinové mezi námi).



ŠkoFit

ŠkoFit, a team of enthusiastic athletes, started its activities in 2017 with the aim of involving as many people from Škoda Auto as possible and promoting a healthy lifestyle. ŠkoFit then opened up to the relatives, friends, and acquaintances of Škoda Auto employees in 2020. It currently has 2,081 members who support selected charity projects in the Mladá Boleslav, Rychnov, and Vrchlabí areas. ŠkoFit and the Škoda Auto Endowment Fund therefore joined forces with the znesnáze21 platform, which specialises in organising charitable public collections for people in difficult life situations. For 2024, ŠkoFit worked with the Škoda Auto Endowment Fund to announce the following challenges for its members in the Strava app: ŠkoFit: Let's Help by Running (Pomáháme během); ŠkoFit: Let's Help on a Bike (Pomáháme na kole), and ŠkoFit: WALK. In the year 2024, the first two listed gathered CZK 414,309 for ŠkoFit with which to support selected projects.

Other ŠkoFit activities include sports classes organised by ŠkoFit. Popular activities in 2024 included Inline Skating,

ŠkoFit Volleyball, Workouts at the Outdoor Gym, and Exercises for Parents with Children. Classes were held once a week under the guidance of experienced coaches.

Otherwise, staff could also get involved in the ŠkoFit Sports Gathering, Stroller Workouts, or Exercise with Children for Dads, which took place on Mother's Day. ŠkoFit also boosted awareness of the Yoga Festival among Škoda Auto employees with two promotional yoga lessons. The festival was successfully organised under the auspices of the Škoda Auto Endowment Fund for a third time.

Alongside the sports activities mentioned, ŠkoFit also organises talks on interesting topics such as Hardening Up and Mindfulness, Healthy Backs in the Workplace, and Chinese Medicine. Talks are given in the lecture halls of Na Karmeli Education Centre.

Diversity

Step by step toward achieving the diversity strategy: Next Level Škoda Diversity Strategy 2030

The Company continued to implement the set strategy for the third year in a row. Its core idea is to meet commitments, fulfil and update set goals, and continually improve the fairness of the surroundings and equal opportunities. Škoda Auto is constantly taking steps to be responsible and inclusive, both inside and outside the Company.

As in previous years, the Company's activities in achieving this goal focused on the following fundamental dimensions: Gender balance, Family-friendly policy, LGBT+, Generation cooperation, Internationalization, Employee Resource Groups, Individual capabilities, Diverse mindset, You.



Gender balance



Family-friendly policy



LGBT+



Generation cooperation



Internationalization



Employee Resource Groups



Individual capabilities



Diverse mindset



You

Vision

Škoda Auto – Place for everyone

Mission

Škoda Auto gives everyone the opportunity to develop and use their potential in a natural and safe environment with respect to their individual qualities.

Values

- Humanity
- Respect
- Openness

Everyday diversity

Škoda Auto fully believes in the potential of everyone, regardless of origin, religion, gender and sexual identity, cultural background, age, and any other possible characteristics that make people different. These values are deep-rooted in the "OUR CODE" code of conduct. The Company constantly strives to help create an environment that facilitates and supports individuality and its potential benefits for everyone. Although work was done in all nine dimensions, the main theme in 2024 was Generation cooperation. At the same time, new themes became live during European Diversity Month.

One interesting project to illustrate the "You" dimension whose aim was not only to raise awareness of activities relating to diversity in society, particularly internally, but above all to give people at Škoda Auto the opportunity to express their own uniqueness, was "Škodian's Uniqueness". An illustrative video that accompanied the Company throughout the year was created using the stories of workers who voluntarily attended the event, together with hundreds of captured moments.

Generation cooperation

As mentioned above, the main emphasis in 2024 was on the issue of age management, meaning intergenerational cooperation. At the beginning of the year, Škoda Auto – working with its partners, Škoda Auto University and Business for Society – organised a workshop for more than 20 companies operating in the Czech Republic, the main focus being on sharing experience in the field of age management, different approaches to the issue, and education.

The second year of Škoda Social Week was held in 2024, this time devoted to the matter of interconnecting different generations at work and in private, with the subtitle of "Intergenerational Dialogue". See [Škoda Social Week 2024](#).

Another important milestone in this issue was the involvement of the youngest generation of Škoda employees, particularly interns and trainees. They prepared an interactive workshop on the issue of cooperation with the growing Generation Z, and in doing so looked at the needs and approaches of the coming generation in an interactive way.

In addition, a working group was set up to address and further elaborate on issues relating to age diversity at the Company.



The second year of the Women's Day was held under the patronage of Board Member Maren Gräf and KOVO Unions chairman Jaroslav Povšik.

Gender balance

The Company aims to increase the number of women in Škoda Auto management. The figure reached 20.4% in 2024, exceeding the target of 18.8% by almost 1.6%, meaning that the set programme in support of gender equity provably delivers results in the long run.

One of the tools used to achieve this objective is the effective and fair distribution of targets within each area. In 2024, the Company set out and approved targets for individual areas to 2030 based on the principle of equality management, the opportunities individual areas have, and benchmarks. At the same time, the Company strives to grow the number of female colleagues in general.

Škoda Auto implemented other tools in support of gender balance:

The third internal employee group WomeN@Work was established in 2024, the aim being to create a better environment for women and for people in general. The group is not only open to women, but to all people interested in the issue and in its onward development through their own contributions and ideas.

The second annual Woman’s Day was sponsored by Member of the Board of Management Maren Gräf and Chair of the KOVO Unions Jaroslav Povšík. The event welcomed a total of 391 guests and brought inspiring talks and a showcase of modern projects.

As part of the event, Maren Gräf and Jaroslav Povšík shared their personal stories and experiences of Škoda Auto’s approach to women. There were 16 stands for those attending, presenting interesting projects from across the Company, including social and healthcare programmes, educational opportunities, and technological innovations.

The third major milestone in gender equality was the Women Management Summit, a conference at which the Company worked with the McKinsey & Company consultancy to jointly create a platform for developing female managers. The main goal was to discuss current trends in the automotive industry, focusing on leadership styles that support an inclusive and fair working environment.

Škoda Auto aims to increase the share of women in management to at least 20% in 2025 and to 25% in 2030. What is more, it promotes a level playing field for all employees regardless of sex, age, or origin and focuses on career development among women by providing mentoring programmes, staging educational events, and working with partner organisations such as Czechitas and Start Driving.

Women in Management - Goals	2024	2025	2030
Share of women in management in the total number of managers	18.8%	20%	25%

LGBT+

Škoda Auto actively supports LGBT+ people and is involved in various activities and events in support of diversity, inclusion, and LGBT+ rights. The Company became involved in Pride Month, which commemorates the Stonewall riots in 1969, and is intended to highlight the importance of human rights issues. Within this context, rainbow flags bearing the Company logo were hung up in Mladá Boleslav, and the design team prepared a short thematic video that expresses support for LGBT+. What is more, Škoda Auto won a Big Step Forward award from the Pride Business Forum platform, of which the Company is a premium member.

Škoda Auto was also a proud partner to the Prague Pride Festival for the third time, the festival this time focusing on Family and celebrating the diversity and openness of the LGBT+ people. Employees at Škoda Auto took an active role in the parade and in other events linked to the festival, and the Company contributed to the musical backdrop with the Company brass ensemble. The aim of the event was to underscore its commitment to diversity and inclusion and to support LGBT+ rights. Škoda Auto's active support and commitment in this area clearly show that diversity is an integral part of the Company's strategy and culture.

In May, the Škoda Proud employee group, which focuses on promoting an inclusive work environment, organised a streaming discussion for partners from the Pride Business

Forum on the importance of Allyship (advancing the interests of marginalised groups at work). This demonstrates the commitment shown by Škoda Auto both to internal initiatives and to cooperation with external partners that support the LGBT+ people.

European Diversity Month

For the fourth time in a row, the Company signed up for European Diversity Month, highlighting the importance of diversity, inclusion, and mutual respect in society and in the workplace, and the merits of international cooperation.

The 2023 Annual Diversity Report was released in May, documenting positive results such as the increase of women in leadership and the internationalisation of management.

Under the motto "Škoda Auto: A Place For Everyone", the Company underscored its openness and its respect for the fact that each one of us is unique. Activities here focused on intergenerational and cross-gender respect, international cooperation, and diversity advancements.

The Company organised nine events as part of European Diversity Month, including internal get-togethers and workshops on different topics. The project had a noticeable internal reach. New topics were discussed during European Diversity Month, such as neurodiversity and domestic violence.



Family-friendly policy

As part of its family-friendly policy, the Company focused primarily on supporting employees in their parenting with several initiatives. The Guide to Maternity and Parental Leave, updated in 2024, provides full information and support for parents at the Company. Meanwhile, regular online meetings for parents acted as a platform for exchanging experiences and support among parents at the workplace. People on maternity and parental leave received regular newsletters, and a special checklist to help them better navigate this important stage of life. Škoda Auto continues its efforts to support the use of flexible forms of work, such as shorter working hours, for the parents in need of better combination of work and family life. Efforts to support parenting are integral to corporate culture and the set strategy.

The Good Dad Conference was staged in Prague in March 2024, this time on "changing the perception of the role of men/fathers in society and on the labour market". Škoda Auto offered its support to the issue with communication and the attendance of several Company representatives. The event took in panel discussions, talks, personal stories related by managers/fathers, and practical examples from business experts. The Good Dad organization helps parents and businesses find ways of supporting parenting and not losing perspective employees from teams.

Important partnerships

Škoda Auto actively engages in partnerships with various bodies and organisations to consolidate its efforts in the field of diversity and inclusion. As a signatory to the Czech Diversity Charter, it doubles down on its commitments in the field of equal opportunities and cultural diversity. Partnership with the Pride Business Forum and participation in Prague Pride both serve to advance LGBT+ rights and create an inclusive working environment. Collaboration with McKinsey, Deloitte, OPIM, and the Škoda Auto University means that the Company acquires expertise and support in the field of diversity and inclusion. Other partnerships include

cooperation with Czechitas, an organisation that supports women in IT and technical specialisation, and with Revenium, which promotes the employment of people with mental and physical health issues. These partnerships strengthen Škoda Auto's commitment to diversity and inclusion and allow it to actively contribute to the promotion of these values in society.

Further information on activities relating to diversity and inclusion can be found in the [Annual Diversity Report 2024](#).

Podporujeme rozvoj regionů



Community Engagement and Development of Škoda Auto Regions

Boosting regional partnerships and developing communities

Aware of its social responsibility, Škoda Auto works particularly hard in support of sustainable growth in the regions of Mladá Boleslav, Kvasiny, and Vrchlabí, where it has its production plants. In order to develop regions, it has had three regional development studies compiled in recent years, and benefited significantly from these when conducting its activities. The studies are also regularly supplemented with surveys of public opinion and other data, all of which help ensure effective and targeted regional development and improve the lives of the people living in those regions (for example, Municipality in Figures – Obce v datech, and BehavioLabs).

Škoda Auto worked with the KOVO Unions in 2024 to further its cooperation with the town of Mladá Boleslav, all in line with a signed Memorandum for the period 2023 to 2026. The main aim of this Memorandum is to strengthen relations and take common steps towards improving the quality of life in the town and its surroundings. Priority areas include support for safety, kindergartens and children's groups, leisure time facilities, and activities for senior citizens and socially disadvantaged residents or alternative cultures. To ensure the successful continuation of cooperation, the town of Mladá

Boleslav set up a Committee for Cooperation with Škoda Auto and a District Chamber of Commerce for the period 2022–2026, during which Škoda Auto, the KOVO Unions Mladá Boleslav, and other partners are all represented. The Company and the Unions contribute a sum of CZK 4 million per year to their funds. Cooperation with regional partners is also ongoing in the Rychnov and Vrchlabí regions, where Škoda Auto contributed the sum of CZK 5.5 mil. to social responsibility projects. After renewing its Memorandum with the key towns of Rychnov nad Kněžnou, Solnice, and Kvasiny, a Memorandum of Cooperation was also signed in 2023 with Kostelec nad Orlicí, Dobruška, and Opočno. Based on these memoranda, cooperation is also ongoing in key areas such as transport safety and social services. The Company also meets its commitments to Memoranda with the Government of the Czech Republic and the Hradec Králové Region, following on from Resolution of the Government of the Czech Republic, by dealing with the task of ensuring quality transport and public infrastructure for the region and its residents.

Successful cooperation with key partners, including the town of Vrchlabí, the town of Jilemnice and the Krkonoše Mountains National Park Administration continued in 2024 in the field of biodiversity and sustainable mobility in the Vrchlabí area and in Jilemnice. The mobility of social services or education also received significant support through the programmes of the Škoda Auto Endowment Fund (see [the chapter on Education](#)) operating in the regions.

Škoda Auto Endowment Fund

The Company founded the Škoda Auto Endowment Fund at the end of 2018 as an additional tool for regional development. In the same year, the Company donated CZK 780 million to support the strategic development of the regions in which Škoda Auto has its production plants. The Company acts as management control in the Endowment Fund through employees who are active in the Fund's Board of Management and Supervisory Board. Between 2018 and 2023, the Endowment Fund received an additional CZK 107.6 million from Škoda Auto and another CZK 6.45 million from fund-raising from outside donors.

In 2024, the Endowment Fund financed projects in support of regional development to the tune of CZK 81 million. Škoda Auto will also be systematically preparing its regions for the transformation of the automotive industry in the coming years, and therefore decided to take advantage of its positive economic results and again provide financial support to the long-term sustainability of the Endowment Fund in 2024, investing CZK 113 million in it. Donors from outside the Company provided nearly another CZK 1.5 million. Škoda Auto also donated funds to the Endowment Fund to support regions affected by the floods (see [Helping after the floods](#)).

Given the Company's long-term intention to invest in the Fund for the next 4 years, it will be possible to move forward with projects and activities in Škoda Auto production regions to a major extent. The Endowment Fund takes a responsible approach to managing the entrusted assets and manages its funds efficiently with the help of a professional partner, the aim being to achieve long-term sustainability.

To begin with, the Endowment Fund focused on systematic support for the development of the Mladá Boleslav region, where it built on the philanthropic activities of the founders of the Company, Václav Klement and Václav Laurin. In 2021, it extended the scope of its activity into the other regions in which Škoda Auto has production plants - the Rychnov area, the Vrchlabí area, and the Jilemnice area. The Endowment Fund is a member of the Donor Forum (Fórum dárců), from which it received a Mark of Quality: Company Endowment Fund award. It also supports the creation of National Expert Council for Foundations (Národní expertní rada pro nadace), and participated in the creation of a new Foundation Code together with Via Clarita. In 2024, it became a member of the Philea Association, which brings together European foundations.

Regional development

The support provided stems from the needs and specifics of each of the regions identified in regional development studies, surveys of public opinion, and other publicly available data. The long-term benefits and impacts of the projects supported are assessed using regular surveys of public opinion. There is also regular discussion with residents and active local organisations, the aim being to obtain feedback and fresh ideas. Important partners to the Fund include the representatives of public administration and towns, with which the Endowment Fund engages in dialogue about accomplishing long-term development projects and which it encourages to adopt transformation strategies.

The Endowment Fund emphasizes the active involvement of professional teams in different fields. When it comes to boosting the professionalisation of public-benefit organisations, it cooperates with organisations such as the Association of Public-benefit Organisations (Asociace veřejně prospěšných organizací), the Civil Society Development Foundation (Nadace pro rozvoj občanské společnosti), and the Association of Social Service Providers (Asociace poskytovatelů sociálních služeb). The Fund works with the Vision 0 Platform (Platforma VIZE 0) in the sphere

of traffic safety and with the Bohemian Heritage Fund in that of culture. The Krkonoše Mountains National Park Administration acts as guarantor in issues of biodiversity, and the Endowment Fund works with the Znesnáze21 platform to help activate public support for difficult life stories. Meanwhile, the KOVO Unions provide important insight into the needs of employees in the regions in which the Fund is active.

The Endowment Fund is also the initiator of and main partner to the New Boleslav (Nové Boleslavsko), New Rychnov (Nové Rychnovsko), and New Vrchlabí (Nové Vrchlabsko) communication platforms, which give space to all interesting initiatives, small-scale organisations, and residents to get involved in happenings in the regions. An online magazine, New Regions ([Nové regiony](#)), is also now published in an effort to involve local residents and strengthen their cohesiveness with the place where they live, boosting a sense of regional pride.



**In 2024, the Endowment Fund
financed projects in support of
regional development to the tune of
CZK 81 million.**

Strategic projects

Working with private and public sector partners, the Endowment Fund advances strategic projects that support the long-term sustainable development of towns, acting positively on the quality of life of residents in the regions, and achieving the main objectives of the regional development strategy. Among the most significant projects carried out during the reporting period are:

Bike-sharing

The Endowment Fund has long supported the establishment and development of shared bikes as an alternative to private or public transport. The successful bike-sharing programme in the Vrchlabí and Kvasiny areas, which the Fund initiated and has supported together with those towns for several seasons now, led by example and inspired the Hradec Králové Region to set up and launch its own grant programme for other towns and municipalities in the region, which the Endowment Fund financially supports in the sum of CZK 1 million a year. The Fund thus broadened its cooperation with the Hradec Králové Region in the area of regional development, in particular sustainable mobility. The signed memorandum is a

prime example of symbiosis between private and public sectors that lets local governments launch or further develop shared bike services through a subsidy programme. The Endowment Fund also continued its long-term support of shared bikes in Mladá Boleslav, where a new tender was announced, for the first time common for 6 towns and municipalities, which selected a joint supplier to mid-2027.

Mladá Boleslav traffic simulation course

The Endowment Fund has long been committed to transport safety, and initiates and supports projects that focus on prevention and raising awareness of how to act safely in public space. It therefore signed a memorandum with the Central Bohemian Region, the Town of Mladá Boleslav, the Association of Driving Schools, the VIZE 0 platform, and Jičínská Secondary School and Vocational School on the basis of which a multifunctional traffic training course will be built, a unique learning space to serve driving schools in training novice drivers. There will also be a new public traffic simulation course, which will mostly be used by children riding bicycles, who are taught the rules of moving on public roads as part of their traffic education. The public will also be able to hire bicycles or push-bicycles at the course.

Hub Mladá Boleslav

The Endowment Fund is the initiator and one of the founders of an emerging co-working and innovation centre that broadens community activity in the historic Klementinka building. In 2024, the town of Mladá Boleslav and Hub Innovation s.r.o. founded HUB Mladá Boleslav, a registered institute whose ambition is to create open space in which generations come together to create ideas that have a positive and sustainable impact on society. Phase one of the reconstruction of the historical Klementinka building began in 2024, as part of which two floors will undergo reconstruction and the local gardens will be revitalised.

The Fund also signed a memorandum with the Central Bohemian Region, the Central Bohemian Innovation Center, and HUB Mladá Boleslav in 2024. This partnership is an important step in the development of innovation and sustainable business, and in the promotion of community-based organisations and the transfer of cross-sectoral knowledge within the region. The memorandum targets the readiness and adaptability of the Mladá Boleslav area to the future challenges brought by the transformation of the region.

Pluhárna

The Endowment Fund initiated the transformation of a historic brownfield site in the heart of Mladá Boleslav into a community centre back in 2019. Reconstruction continued in 2024, focusing on repairing the roof covering and painting the roof. The community programme, in which active local organisations and individuals got involved, ran throughout the season.



Cultural projects

The Endowment Fund has long supported culture through the Green for Culture grant call. In addition to grant projects, it seeks to deepen strategic partnerships that have a long-term impact, and so for 3 years has been general partner to the music cycle A Year for 4 Periods, organised by the 4Art association. In 2024, it furthered its cooperation with Memory of Nations, where it advances the recording of the regional historical memory and educational programmes

for schools. The Schule Culture and Education Centre was established in the Rychnov area, providing facilities for local and foreign artists. In the Mladá Boleslav and Vrchlabí areas, the Czech Centre for Architecture has long supported local prizes for architectural achievements, linked to debates between local authorities and architects on the current issues in regional development.

Grant calls

The Endowment Fund announced six grant programmes during the reporting period, and 10 calls within them. These primarily focused on the development of community activities and public space, traffic safety, support of culture, social services, the conservation of nature and support of biodiversity, and cultural/study residences for secondary-school students abroad.

The Endowment Fund supported total of 153 projects in grant calls in 2024, providing funding of CZK 26 million.

Education

The Škoda Auto Endowment Fund has long supported the development of formal and non-formal education. The target groups of the programmes include schools at all educational levels, school authorities in individual regions, organisations that provide leisure activities, and school communities. See **Cooperation in education**.

The Endowment Fund has long supported the development and professionalisation of public benefit organisations, and is therefore the initiator and one of the founders of Impact Hub in Mladá Boleslav. The Fund regularly organises workshops entitled How to Write a Good Project, and it launched the Academy for Non-profit Organisations and Social Enterprises, the aim of which is to offer a full education, mentoring, and consulting service and to become a platform for the reciprocal sharing of experience. The aim of these activities is to support the professionalisation of non-profit organisations, and their innovation and education, and to raise awareness among the general public of their importance and their specific activities. The Endowment Fund

is also a partner to the Non-Profit of the Year competition, organised by the Civil Society Development Foundation (Nadace rozvoje občanské společnosti), the Innovation Award organised by the Association of Social Service Providers (Asociace poskytovatelů sociálních služeb), and the Josef Vavroušek Environmental Award organised by the Partnership Foundation (Nadace Partnerství), which recognises people who care for the environment.

Philanthropy

Philanthropic projects with a long-term impact include organizing public fundraising campaigns, promoting civic engagement, removing barriers, and lowering thresholds.

The Endowment Fund is a partner to the znesnáze21 platform, through which it supports individuals in difficult life situations in the regions where the Company operates. One integral part of cooperation is the involvement of the sporting community among Company employees. The Endowment Fund converts the kilometres travelled in the ŠkoFit sporting challenge into money, which is then directed to regional collections. Anyone can get involved – by walking, running, or donating money. In 2024, the Endowment Fund was patron of a total of 19 collections, and thanks to the active involvement of Company employees and people from the regions, the total financial support exceeded CZK 4 million.

Significant events

The Endowment Fund regularly organises events intended for the general public and aimed at bringing generations together and developing public space. In 2024, it organised, for a third time, Yoga Fest, an event full of informative talks and workshops focusing on holistic health and various yoga

classes for all – experienced yoga practitioners, parents and children, and senior citizens. The event raised more than CZK 76,000, with the Endowment Fund increasing the amount collected to CZK 96,000, with another CZK 31,000 collected by management at People and Culture. The full amount was spent on supporting athletes with Down syndrome from AC Mladá Boleslav with new spikes, training services, team jerseys, and training kits. All of this will help them become full members of the athletic club, where they can build on a number of national and international successes and achieve their other sporting goals thanks to the newly formed training group.

For a third time, the Endowment Fund brought the City = Gallery Street Art Festival to town. Nine murals (large-scale paintings) were created, one of which was chosen from an open call for female artists. As part of the accompanying programme, primary-school children and senior citizens were given the chance to try out creating art in public places. During this time, the Maker Faire festival of the creative and inventive was again held in all Company regions. For the first time, though, it was accompanied by day camps for young creators at Pluhárna in Mladá Boleslav.

All up-to-date information about the Škoda Auto Endowment Fund, and its annual report, can be found at www.nfsa.cz/eng or www.nfsa-vyrocka.cz/eng.





The Endowment Fund took first place in the 2024 Donors Forum Awards for its 2023 Annual Report

Humanitarian Aid

The Company regularly offers help in the event of unexpected humanitarian crises under the banner of #ŠkodaAutoPomáhá (#ŠkodaAutoHelps). In past years, for example, the Company provided considerable support in the battle against the Covid-19 pandemic, provided humanitarian aid following a destructive tornado in South Moravia, and actively helped during the refugee crisis stemming from the war in Ukraine. In 2024, it was financially involved in reconstruction work after the floods which hit the Czech Republic. These initiatives underscore Škoda Auto's strong focus on social responsibility and the realisation of Company values.

Helping after the floods

In 2024, the Czech Republic was hit by devastating floods that affected hundreds of thousands of people and caused tragic loss of life. Immediately after the events, management at Škoda Auto, together with the KOVO Unions and the Škoda Auto Endowment Fund, decided to jointly organise a one-off employee collection, the aim being to gather funds to provide effective assistance to the worst-hit regions. Everyone at Škoda Auto was able to take part in the collection through the Employee Collections app. The

Company then doubled the amount collected from employees and the KOVO Unions to a total of CZK 6.5 mil. Funds were channelled towards restoring affected areas in North Moravia, in particular to reopening educational institutions and communities that support education and leisure activities for children and adolescents. In addition to financial assistance, the Company also provided vehicles to non-profit organisations offering help in affected areas immediately after the disaster.

Own Workforce

With an unwavering belief in the importance of its workforce, Škoda Auto consistently strives to improve the work environment and to enhance overall comfort at work. Employee engagement is crucial not only for the Company's financial performance, but also for communicating effectively, setting feedback mechanisms throughout the Company, and innovating in all areas. As a result, Škoda Auto takes part in multiple projects in different spheres to boost employee interest and a sense of belonging among employees.

The Company recognises that acquiring and developing talents are key to ensuring its successful growth. It also wants to retain employees over the long-term, and it is therefore essential to address the evolving needs of its own workforce, both domestically and internationally. The Company endeavours to attract prospective new employees from domestic and foreign sources – people who are interested in helping its positive onward development. Emphasising diversity, Škoda Auto upholds the principles of equal opportunities and fair pay and strives to build lasting and close relationships with all its employees.

Policy and Ambitions

Policy and ambitions in relation to the Company's own workforce are aligned with the social sustainability strategy. For more details, see [Social Sustainability Strategy](#).

Promoting employee flexibility

One of the Company's priorities in 2024 was to support work flexibility. Modern forms of work are an inherent part of the Company's Next Level Škoda Strategy, which emphasises increasing the number of shared positions and supporting part-time positions. Above all, these measures help parents and carers better balance their personal and professional lives.

In 2024, Škoda Auto satisfied the requests of more than 250 employees to work part-time and approved jobs to be shared by two people in 40 positions. Almost 10,000 people whose job description made it possible worked remotely, another important way of helping flexibility.

Activities

Activities relating to occupational health and safety play a prominent role in Škoda Auto's efforts to enhance the overall quality of life of its employees. What is more, employee initiatives are designed to extend the positive social impact of Škoda Auto and foster a sense of solidarity among employees.

Specifically, the ZEBRA initiative seeks to engage people in innovation and improvement activities that, among other things, help enhance their working environment, safety, and ergonomics; see [ZEBRA](#).

Health and safety

Health and safety are integral aspects of Škoda Auto's interest in well-being. The Company introduced programmes that support comprehensive healthcare for employees and that place the most emphasis on prevention.

The Company's approach to Occupational Safety and Health (OSH) is set out in the Škoda Auto Company Policy.

Škoda Auto established an Occupational Safety and Health Management System in 2019, expanding on the framework of statutory requirements in the sphere of OSH. After three years, it gained a new Certificate in this area in 2022.

In 2024, the Company successfully passed the second inspection audit as part of a certification process in line with ISO 45001:2018 Occupational Health and Safety Management Systems.

This system encompasses internal employees, agency workers and employees from outside organisations.

The OSH strategy at Škoda Auto is still guided by the motto "Healthy employees in a safe working environment". Procedural and organisational documentation outlines the

process of identifying and assessing risks, establishes a system of regular occupational health and safety inspections, delineates the responsibilities of Company management, and defines procedures for recording, reporting, and investigating accidents at the workplace.

Motivational programmes in the field of OSH include a traditional Best Accident Rate Results Competition. Whoever wins takes home the main prize for one year – the Occupational Safety Trophy.

Furthermore, the collective agreement, which governs individual and collective relationships between individuals and the employer, includes a chapter dedicated to collaboration between the Company and the KOVO Unions in the realm of OSH. Regular employee training in this area is an organisational standard.

The requirements made of suppliers working on Škoda Auto premises from the perspective of OSH are found in "Binding Conditions and Instructions for Business Partners Providing a Service on Škoda Auto Premises from the Perspective of Occupational Safety and Health", a document available on the website for business partners vwgroupsupply.com.

Data about occupational accidents and incapacity for work

	2022	2023	2024
Deaths of internal employees due to occupational accidents or illnesses	0	0	0
Work injuries with hospitalization for more than 5 days	0	0	4
Incapacitating work injuries	35	70	49
The number of incapacitating work injuries per 1 million hours worked	0.7	1.4	0.9
Recorded cases of occupational illnesses	3	1	2
Days missed due to accidents at work	978	2,205	1,342
Days missed due to occupational illness	79	0	0

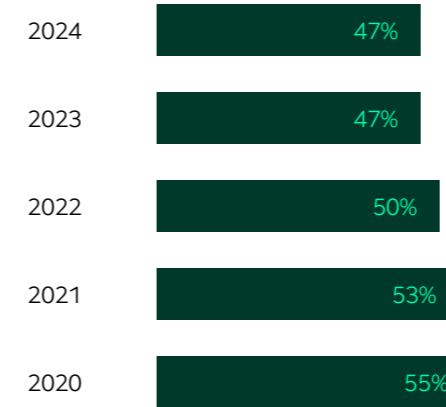
ZEBRA

The ZEBRA programme promotes innovative thinking at the Company. Focusing on the continuous improvement of products, processes, and services beyond the designated professional departments, it aims to fully exploit and support all the innovative employee potential available to the Company. The programme provides a process, a platform, and resources for receiving and processing improvement proposals and facilitating their implementation, registration, and reward. Above all, the programme directly supports employees' motivation and pro-activity. Different experiences or unbiased views are often the catalyst for change. As the oldest innovation programme at Škoda Auto, it is run by the Idea Management Department, which works closely with the KOVO Unions. Ideas for improvement are capable of actively influencing all processes and activities at the Company. The programme regularly helps save millions of Czech crowns per year and implement thousands of improvement ideas, big and small, that cannot be financially quantified. Benefits take the shape of savings on materials, costs, and labour, improved efficiency of production processes, greater employee safety, improved environment and ergonomics, higher product quality, etc. These improvements help the Company respond to opportunities and risks related to changes on the market and directly support its efficiency, profitability, competitiveness, and sustainability.

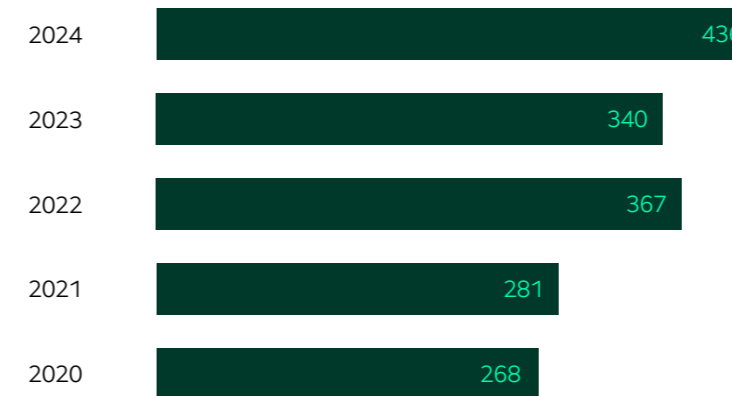
In 2024, Idea Management continued in a set strategy that focuses on quality, efficiency, and a pro-customer approach. A number of process and system optimizations were implemented, and communication and advisory services were further strengthened. Idea Management has changed its role at the Company from reactive to proactive and partner-like, reinforced its ties to other Company activities and goals, and brought in some new tools. Idea Management continually strives to achieve a better user-friendly process with a clear link to Company-wide strategy topics. As a result, every employee actively and knowingly helps achieve sustainability and success at the Company.


Employees who successfully engage in the programme are rewarded financially or materially. With its rewards and system of motivational programmes, Idea Management invests in the innovative thinking of employees at Škoda Auto. It promotes mindfulness and pro-activity and motivates them to use and pass on know-how. For 31 years now, the most popular incentive programme has been the Idea Management Raffle, which regularly gives employees the chance to win their very own Škoda car, one of the products that employees' improvement ideas help make in the best possible form.

The success rate of proposals in the ZEBRA program



Financial savings within the ZEBRA programme in millions of CZK per year





From 2025, a completely new research platform for obtaining feedback from employees will be used throughout the Group.

Risks and impacts assessment

The Company evaluated material topics concerning its employees through discussions with stakeholders. These include the Company's relations with its employees, their health, and care for them. See [Sustainability Strategy](#).

At the same time, employees are integral to the Risk Management System, coming as they do under the category of HR risks (for example, health and care for employees); see [Risk Management System](#).

Regular communication with employees is key to helping the Company prevent risks and mitigate negative impacts on its own workforce. The main issues covered in dialogue are employee relations, working conditions, remuneration and collective pay agreements, vocational and professional training, personal development and social engagement, diversity, health, and ergonomics.

The Stimmungsbarometer – an employee-satisfaction survey

Škoda Auto and the Group have in recent years used the Stimmungsbarometer to get feedback from employees. This has made possible fully digital and anonymous surveys at more than 150 companies in the Volkswagen Group. It was conducted for the last time in 2023. Starting in 2025, a new research platform will be used at the Group, this time supplied by a leader in the Employee Experience segment. The new tool will offer a broader range of functions and features, including the option to independently create questions and ongoing "Pulse Surveys" targeting particular demographic groups or topics.

The year 2024 therefore served as a transitional period focused on implementing the new tool and finalizing measures from the outgoing Stimmungsbarometer survey.

Overall, 296 measures were derived from the 2023 survey to improve the working environment and the situation with

individual teams at the Company. This process concluded on 30.11.2024.

A communication campaign and training for those workers who will use the tool most will go ahead in connection with the deployment of the new tool in cooperation with the supplier company, ensuring a smooth transition to the new tool.

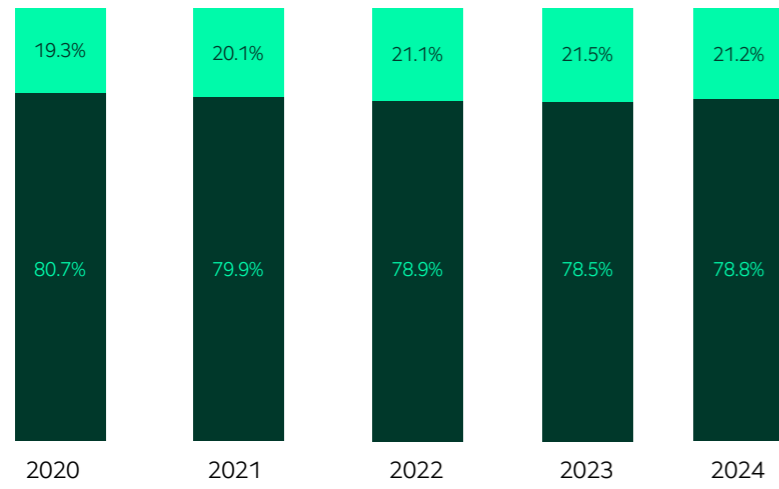
The main objective of feedback is still to help continually improve the climate at the Company, to stimulate a rise in employee satisfaction, and to focus on key issues for individual teams. The tool will allow the Company to monitor relevant areas of interest in line with its priorities.

Data and Specific Disclosures

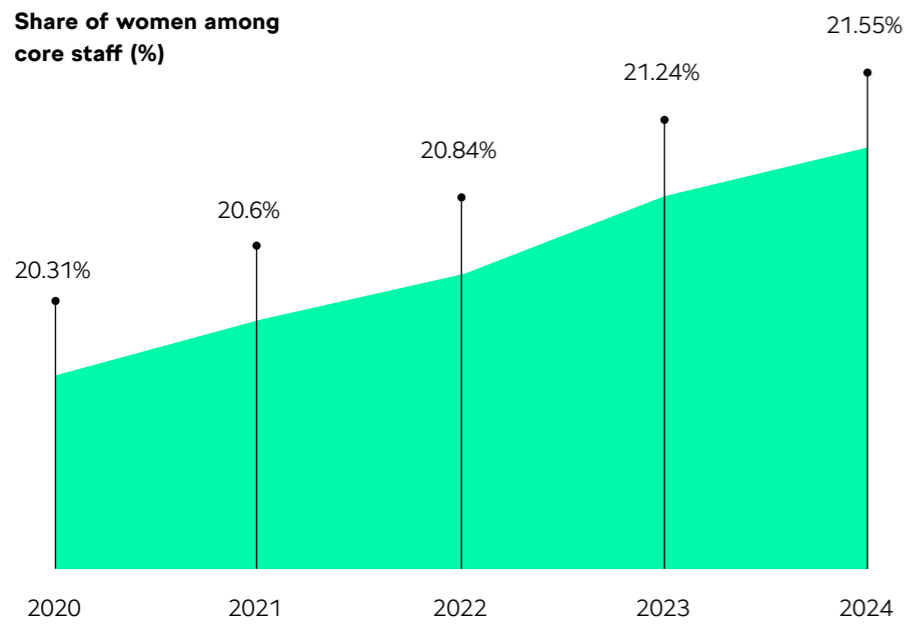
Diversity

Employee structure by gender

Female
Male



Share of women among core staff (%)



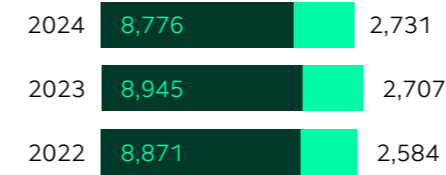
Employee Structure by Gender

Female
Male

Production employees



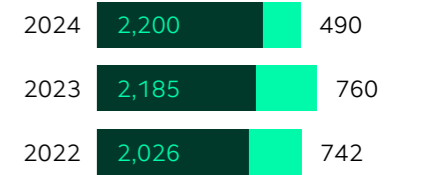
Technical - administrative employees



Apprentices



Temporary workers



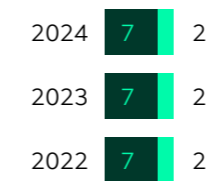
Management Structure by Gender

Female
Male

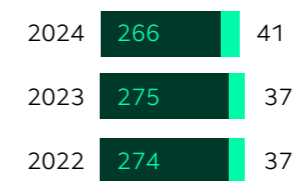
Board of Management



The Supervisory Board



Senior management



Total management (includes senior management)



Characteristics of employees

Year 2024	Female	Male	Other*	NA*	Total
Number of employees (head count/FTE)	7,213	26,254	NA	0	33,467
Number of permanent employees (head count/FTE)	7,048	25,871	NA	0	32,919
Number of temporary employees (head count/FTE)	655	2,583	NA	0	3,238
Number of non-guaranteed hours employees (head count/FTE)	158	134	NA	0	292
Number of full-time employees (head count/FTE)	6,986	26,224	NA	0	33,210
Number of part-time employees (head count/FTE)	227	30	NA	0	257

Year 2023	Female	Male	Other*	NA*	Total
Number of employees (head count/FTE)	7,247	26,878	NA	0	34,125
Number of permanent employees (head count/FTE)	7,027	26,392	NA	0	33,419
Number of temporary employees (head count/FTE)	980	2,671	NA	0	3,651
Number of non-guaranteed hours employees (head count/FTE)	159	148	NA	0	307
Number of full-time employees (head count/FTE)	7,055	26,853	NA	0	33,908
Number of part-time employees (head count/FTE)	192	25	NA	0	217

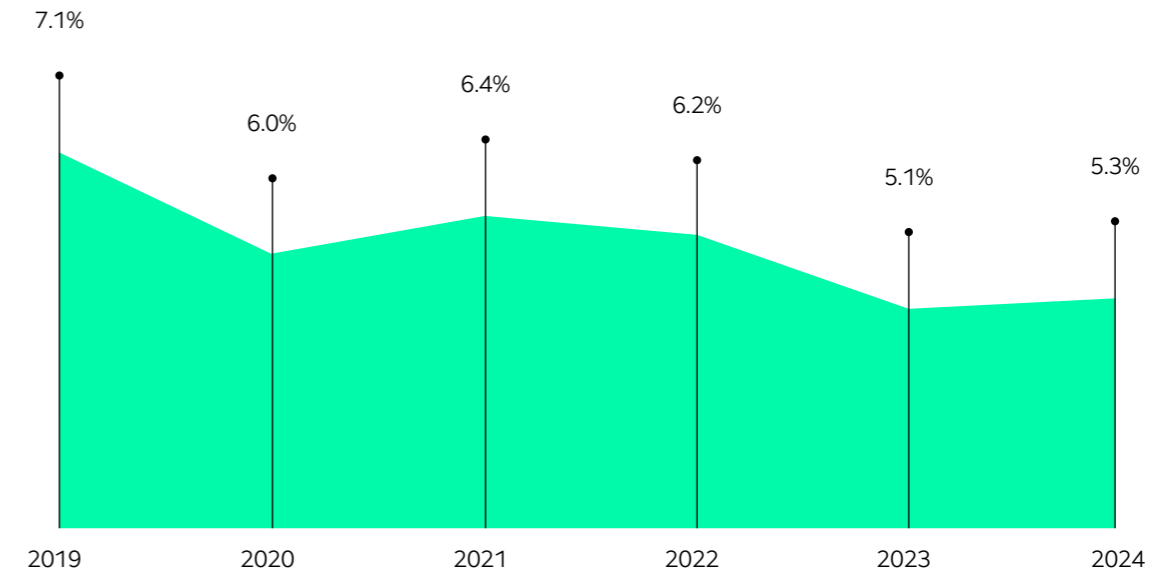
Year 2022	Female	Male	Other*	NA*	Total
Number of employees (head count/FTE)	7,136	27,113	NA	0	34,249
Number of permanent employees (head count/FTE)	6,976	26,773	NA	0	33,749
Number of temporary employees (head count/FTE)	902	2,366	NA	0	3,268
Number of non-guaranteed hours employees (head count/FTE)	134	136	NA	0	270
Number of full-time employees (head count/FTE)	6,997	27,101	NA	0	34,098
Number of part-time employees (head count/FTE)	139	12	NA	0	151

* Gender as specified by the employees themselves

Characteristics of employees

Year	2020	2021	2022	2023	2024
Core staff	34,514	35,153	34,249	34,125	33,467
Apprentices	923	879	814	759	748
Summary*	35,437	36,032	35,063	34,884	34,215

Total annual employee turnover



* Physical status of Škoda Auto employees as of 31 December 2024, in the Czech Republic, including apprentices, without temporary workers (34,215 employees).

Structure of employees by citizenship in (%)

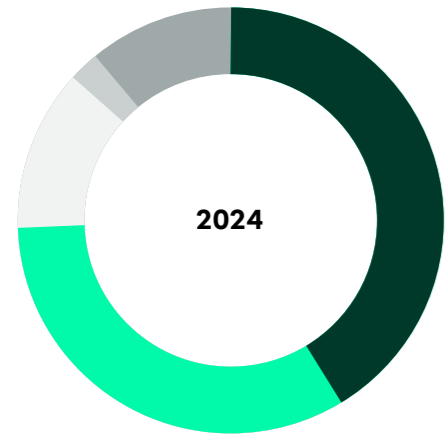
2024	Production employees		Technical - administrative employees		Management*		Senior management**	
Czech	18,426	74.75%	10,883	94.58%	721	88.14%	255	83.06%
Polish	2,924	11.86%	16	0.14%	1	0.12%	0	0.00%
Slovak	1,419	5.76%	315	2.74%	26	3.18%	10	3.26%
Ukrainian	1,287	5.22%	37	0.32%	2	0.24%	1	0.33%
German	2	0.01%	100	0.87%	53	6.48%	35	11.40%
Other	592	2.40%	156	1.36%	15	1.83%	6	1.95%
Total	24,650	100.00%	11,507	100.00%	818	100.00%	307	100.00%

2023	Production employees		Technical - administrative employees		Management*		Senior management**	
Czech	18,950	74.55%	11,020	94.58%	684	87.36%	255	81.99%
Polish	3,084	12.13%	12	0.10%		0.00%		0.00%
Slovak	1,544	6.07%	308	2.64%	25	3.19%	10	3.22%
Ukrainian	1,146	4.51%	39	0.33%	1	0.13%	1	0.32%
German		0.00%	114	0.98%	59	7.54%	39	12.54%
Other	694	2.73%	159	1.36%	14	1.79%	6	1.93%
Total	25,418	100.00%	11,652	100.00%	783	100.00%	311	100.00%

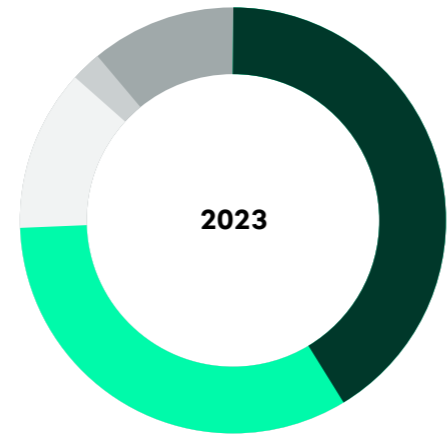
2022	Production employees		Technical - administrative employees		Management*		Senior management**	
Czech	19,599	76.67%	10,841	94.64%	652	86.02%	251	80.45%
Polish	2,925	11.44%	14	0.12%	2	0.26%	1	0.32%
Slovak	1,541	6.03%	290	2.53%	26	3.43%	12	3.85%
Ukrainian	897	3.51%	40	0.35%	2	0.26%		0.00%
German	2	0.01%	114	1.00%	60	7.92%	40	12.82%
Other	598	2.34%	156	1.36%	16	2.11%	8	2.56%
Total	25,562	100.00%	11,455	100.00%	758	100.00%	312	100.00%

* Management is a subgroup of Technical - administrative employees
 ** Top management is a subgroup of management

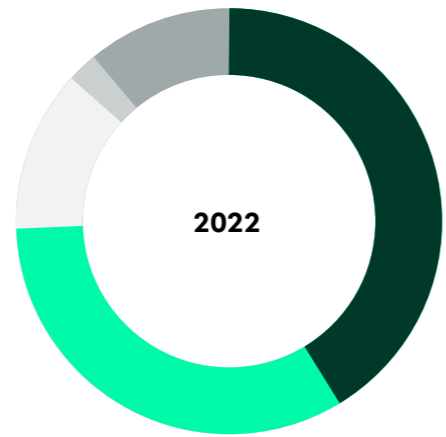
Share of citizenship among foreign core staff



- 41.1%
- 31.5%
- 14.3%
- 2.0%
- 11.1%



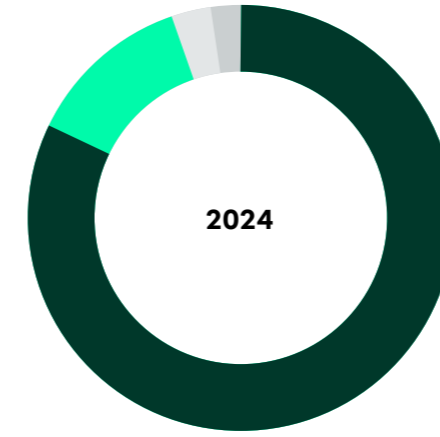
- 42.2%
- 31.7%
- 12.6%
- 2.2%
- 11.3%



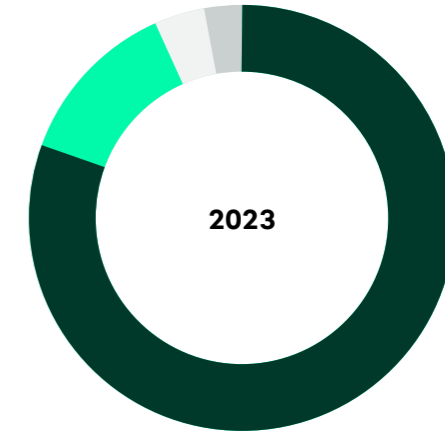
- 41.8%
- 32.8%
- 11.8%
- 2.3%
- 11.3%

- Polish
- Slovak
- Ukrainian
- German
- Other

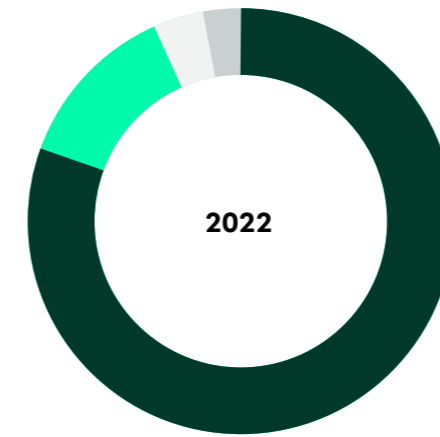
Representation of citizenship in top management



- 83.06%
- 11.40%
- 3.26%
- Austrian 0.65%, Ukrainian 0.33%, Canadian 0.33%, Korean 0.32%, South African 0.33%, Indian 0.33%, Polish 0.00%



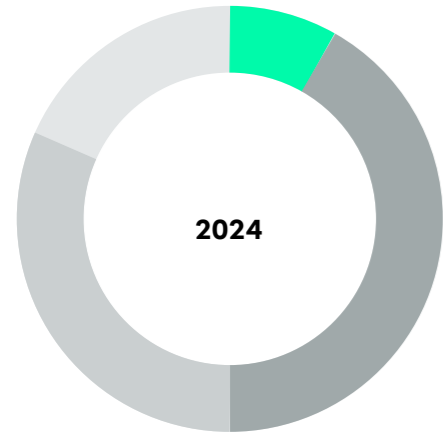
- 81.99%
- 12.54%
- 3.22%
- Austrian 0.64%, Ukrainian 0.32%, Canadian 0.32%, English 0.32%, South African 0.32%, French 0.32%, Polish 0.00%



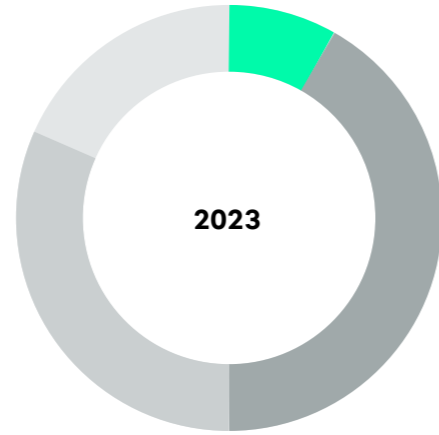
- 80.40%
- 12.80%
- 3.80%
- Austrian 1.00%, Russian 0.30%, Canadian 0.30%, English 0.30%, South African 0.30%, French 0.30%, Polish 0.30%

- Czech
- German
- Slovak
- Other

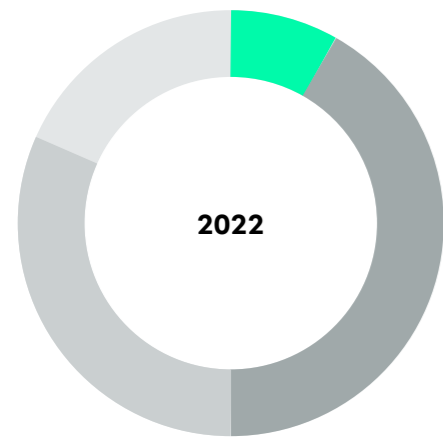
Overview of core employees' education



7.9% 40.9%
32.0% 19.2%



8.0% 41.5%
32.1% 18.4%



8.0% 42.0%
32.0% 18.0%

- Elementary
- Vocational secondary school
- Vocational secondary school with A levels
- University



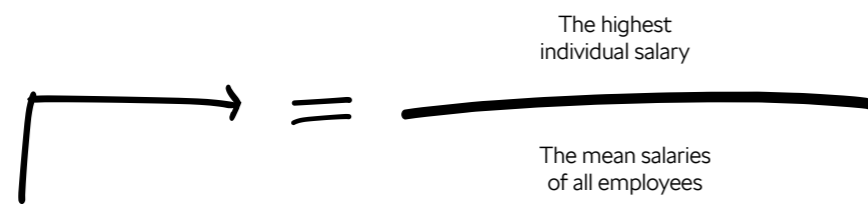
Pay and Employee Benefits

Škoda Auto has in place an equal pay system which ensures that employees in the same or similar positions are paid the same. This principle is applied throughout the Group. Employees' wages are set out in the collective agreement and apply to all permanent employees at Škoda Auto in the Czech Republic. The pay system is made up of fixed basic pay and variable pay components. The Company also provides additional payments, for example, for overtime work, being on-call, or working on public holidays. The wages paid for a standard working week will not drop below the relevant national or trade-union minimum wage in the relevant country. The pay policy draws on the Labour Code and other regulations in line with Czech legislation.

The Collective Agreement applies to all employees at Škoda Auto with a valid employment contract, and to Agreement on Work Activity (dohody o pracovní činnosti) and Agreement

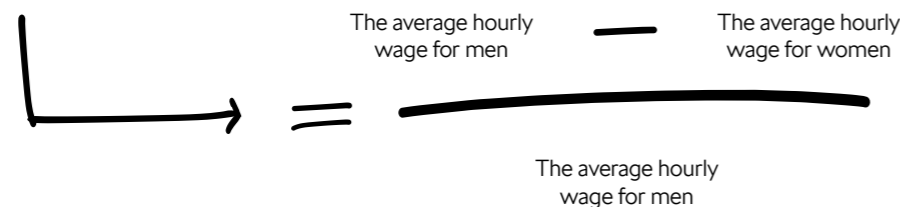
on Work Performance (dohody o provedení práce). However, employees with agreements to work outside of an employment relationship are not covered by rights relating to the termination of employment and remuneration according to the collective agreement.

The Agency Employment Charter applies to all agency staff, meaning workers who have signed an employment contract with an employment agency that temporarily assigns those workers to work for a contractually set amount of time under the supervision and guidance of the user, Škoda Auto, as part of a "Master Vendor" system. This is valid for an indefinite term.



The **compensation ratio** for the year 2024 was **38.35**

Difference in remuneration for women and men for the year 2024 was **0.043**



The updated methodology for the 2024 calculation is fully comparable to the CSRD methodology reported for Škoda Auto within the VW Group.

Employee benefits

The Company provides a wide range of benefits to all permanent employees, irrespective of whether they work full-time or part-time. The benefit system has been modernised to emphasise digitalisation, flexibility, and accessibility and to target individual needs.

The social fund budget for benefits in 2024 was in excess of xxx. In accordance with the Agency Employment Charter, the Company also provides a variety of attractive benefits to agency employees, such as discounted prices on cars and accessories or participation in selected training sessions.

The most commonly used employee benefits include:

- Cafeteria Benefits
- Škoda MultiSportka – free-time pass
- Contribution toward supplementary pension plans
- Subsidised meals in on-site factory restaurants, including kiosk dining options and a beverage plan
- Bonuses when having worked at the Company for a certain number of years
- Contributions toward recreation or wellness stays
- Interest-free loan for housing or buying a Škoda car
- T-Mobile Benefit programme
- Operating lease for Škoda vehicles
- Support for sporting activities
- Preventive healthcare programmes

Social fund budget for benefits in 2024

Purpose of drawing	in thousands of CZK
Recreation and recondition stay in spa	166,280
Working anniversary	95,220
Contribution when a child is born	16,000
Social assistance	47,900
Catering	108,090
Nursery allowance	800



Social protection

Škoda Auto operates in the Czech Republic, where there is a strong social policy system in place. This system provides employees with state support during maternity and parental leave, retirement, and unemployment and in the case of illness or incapacity to work due to injury.

Parents on maternity leave, parental leave and unpaid leave until the child is 4 years old

Year	2022	2023	2024
Parents on maternity leave, parental leave and unpaid leave until the child is 4 years old	1,149	1,072	965
Men	1.1%	1.2%	1.3%
Women	98.9%	98.8%	98.7%

Disabled persons (ZTP/P card holder)

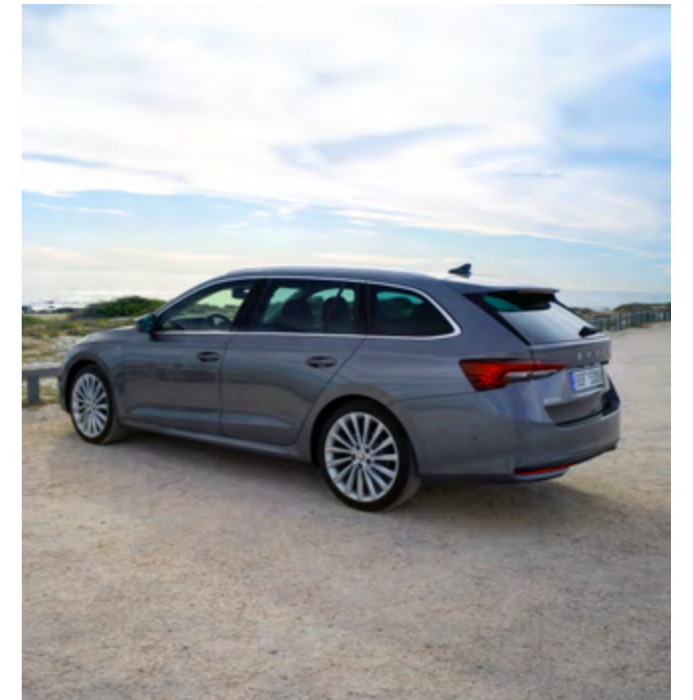
Year	2022	2023	2024
Disabled persons	1.3%	1.3%	1.3%

CZK 10,000

For every child born to parents employed at Škoda Auto.

The Company provides its employees with the following paid leave over and above the law, when faced with personal obstacles based on the collective agreement:

- the birth of a child to the employee's wife (partner)
- the death of a close relative and attending the funeral
- wedding/registered partnership, and attending the ceremony
- relocating houses with one's own furniture, irrespective of the location



The Company also provides paid leave to care for a child under the age of 12, time off for a family member of a person holding a severely disabled person with an assistant (ZTP/P) card, and time off for people with disabilities.

The Company strives to support parental care and the families of its employees and employees and financially assists new parents. People who have been working for the Company for at least 3 months are eligible for a contribution of CZK 10,000 for each child born.

The Seniority Programme, after 30 years of uninterrupted employment at the Company, contains:

- 1 day of paid leave every half-year
- a subsidised 14-day reconditioning stay
- 5 days of paid leave per year to undergo a reconditioning stay provided by the employer

Education

The Company provides its employees with a wide range of education options. Educational events focus on the development of competencies, career management and personnel development, new media and digital education, language training, technical education, etc.

Training for in-house employees (2024)

Number of hours studied per employee	24.77
Number of educational events per year	80,577

Incidents

The investigation of all complaints and suggestions concerning suspected violations of employment duties is governed by internal and Group rules. The Company records suspected violations of employment duties in an electronic system. Decisions on disciplinary measures are taken based on the four-eyes principle, with termination of employment for disciplinary reasons requiring the decision of a personnel committee. The process is overseen by the HR Compliance initiative.

The rules for handling complaints and suggestions, not limited to those involving violations of employment duties, are described in Group directives and follow-up methodological guidelines. Initial information about suspected violations of employment duties or other offences may be submitted in any form (usually verbal or written). Although the Company

always protects the whistleblower's identity, reports can also be submitted anonymously. Reports can be made by any individual, professional department within the Company (e.g. Internal Audit or Company Security), or public authorities.

Škoda Auto penalizes proven violations of labour law obligations based on the seriousness and intensity of the action. The Company keeps a statistical eye on and reports violations of employment duties in a total of 14 categories, such as work-time offences, attacks on the employer's property, the environment, or occupational safety. Initiatives and related measures that do not fall within the field of labour law are decided by the Steering Committee for HR, Compliance & Integrity.

Discrimination

No employment relationship was terminated during the reference period on the grounds of discrimination.

Forced labour and child labour

Škoda Auto did not register any cases of forced labour, human trafficking, or child labour during the reference period. Neither were there any violations of the UN Global Compact or OECD guidelines.



Workers in the Value Chain

Škoda Auto manages its supply chain knowing the key role played by people throughout the process. For this reason, it stresses fair treatment and respect for all.

The Company is committed to ensuring a safe and healthy working environment and fair compensation for work that adds value to the end product. This sort of approach is crucial from an ethical perspective and from that of the Company's sustainable development and long-term success. Škoda Auto is aware that caring for workers across the supply chain makes companies attractive to customers and investors alike, fostering competitiveness and prosperity.

Policy and Ambitions

In terms of ensuring the protection of workers throughout the value chain, Škoda Auto is fully committed to human rights protection (see [Human Rights](#)). The Company's approach aligns with general UN principles in relation to business and human rights, which refer to the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

Activities

Due diligence on human rights

Škoda Auto takes a sustainable approach to managing its suppliers, and places particular emphasis on protecting high-risk groups vulnerable to human rights violations. To this end, the Company employs the due diligence processes defined in its guidelines. In this context, due diligence concentrates on continually identifying risks and on setting preventive and alleviating measures. Implementation of the Human Rights Focus system means that the Company is able to effectively respond to serious threats to human rights and the environment throughout its supply chain. This system draws

on internal analyses and enables the Company to target those parts of the supply chain where the risk of negative impacts on human rights is high.

Raw-material supply chains

The Company pays extraordinary attention to the management of raw-material supply chains, particularly those from countries affected by conflict and/or high-risk regions. Its strategy draws on OECD due diligence guidelines in this area and includes the management, identification, and prevention of risks; a system of checking companies involved in mining and refining; and tools for conveying information and communicating. In this way, the Company ensures that its raw-material supply chains are built on ethical and responsible principles, in turn avoiding support for conflict or unethical practices when sourcing raw materials. This approach is in line with international standards and promotes more sustainable ways of extracting raw materials.

Risks and impacts assessment

Some of the most severe risks in relation to human rights were identified deeper within the supply chain. Škoda Auto systematically mitigates these risks by introducing rigorous

control processes to review their compliance, and by following responsible sourcing practices. The Company works actively with its suppliers outside Tier 1 to ensure social sustainability throughout its value chain.

The sustainability of the Company's business partners is evaluated using the S-rating, see [Business Conduct](#).

Consumers and End-Users

The Company's customer orientation represents a set of activities systematically aimed towards one clear and common goal – to develop relationships with Škoda Auto's internal and external clientele.

The Company strives to understand its customers, partners, suppliers, and employees as thoroughly possible to provide them with the best services and experiences. The pro-customer approach is a key priority at Škoda Auto, which is why the Company has long supported education in this area.

Škoda Auto optimises all processes to evoke positive emotions in its clientele regarding the Škoda brand. It defines unique pro-customer approaches and programmes for each interaction with customers. In this respect, it focuses on the personal approach, professionalism, friendly behaviour, and positively surprising moments and experiences.

The Company recognises that stricter legislative regulations and changing trends, such as digitalisation and evolving customer preferences, frequently provide new opportunities for commerce and businesses and generate space in which to develop innovative products.

Customer safety

Passenger safety is one of the top priorities at the Company, which is why it invests heavily in innovative solutions and the latest technologies in this area. The Company's long-term goal is to increase the safety of all those involved in road traffic and to take conventional technologies in the compact car segment to a higher level. Škoda vehicles themselves provide evidence of these efforts, as they are among the safest in their class.

For more on safety and mobility, see [Social Sustainability Strategy](#).

Policy and Ambitions

Consumer protection is an integral part of business activity at Škoda Auto. The Company is committed to complying with all legal and internal regulations relating to protecting its customers.

All suggestions and complaints received from customers through different channels of communication (most commonly email, post, the Infoline, car dealerships, importers, and other Company units) are processed using the Customer

Relationship Management (CRM) system. The Company has specific departments responsible for dealing with these issues, each of them working independently. Škoda Auto always takes account of the specific circumstances and special needs of customers who might be particularly vulnerable and/or marginalised, addressing these on an individual basis (for example, an automatic car or a car with other modifications for a person with disabilities).

Activities

Škoda Auto stresses the quality and availability of services for customers and works continuously to improve them. For example, the Company successfully launched Live Translation AI technology for 15 languages and a Virtual Assistant voice bot in English at its international Customer Interaction Center (call centre for digital services) in 2024.

Škoda Auto also communicates with its clientele by regularly monitoring customer satisfaction using different studies and Company applications. Customer experience and satisfaction are monitored in an international study undertaken throughout the Group. This focuses on identifying customer satisfaction with the product, after-sales service, and sales representation. The Company pays particular attention to

the quality of after-sales services, hence it regularly monitors satisfaction with service network services. Customers are contacted by email or SMS within one to three days after picking up their car from the repair shop and asked to complete a basic satisfaction questionnaire. The results are immediately integrated into satisfaction reports, making it possible for the Company to monitor the evolution of the customer experience in real time. Škoda Auto pays most attention to those people who were not entirely satisfied with their most recent visit. Responsible personnel contact them by telephone within 24 hours and provide sufficient explanation and support in resolving the issue.

Customer insight and feedback is important to Škoda Auto during the final product phase, but also during the development phase.

Risks and impacts assessment

In justified cases, Škoda Auto utilises all available means, including goodwill, to mitigate and rectify significant impacts on its customers and end users.

The Customer Care Department assesses the risks arising from cooperation between clients and individual business

partners and deals with the complaints made by importers. It assigns the appropriate priority to each case in the CRM tool and resolves each on an individual basis. If necessary, information is passed on to other specific organisational departments for processing.

Suggestions and complaints made by Škoda Auto customers are carefully monitored and evaluated. In the relevant cases, either an in-depth analysis of the vehicle or the fault-removal process is initiated. All cases involving material damage or the occurrence of negative repercussions are considered on an individual basis. The Company created a special budget for such cases and associated compensation.

In 2024, two recall campaigns were initiated.

Governance

Škoda Auto operates responsibly and transparently, ensuring that it is perceived as a successful and transparent company by its employees, business partners, customers, and the general public. To keep its promise, Škoda Auto actively develops and maintains corporate governance and management practices, demands the integrity of its employees, ensures compliance with relevant rules and regulations, effectively manages risks, and promotes a corporate culture based on the principles of integrity and compliance.

The principles of integrity and compliance are also an integral part of the Corporate Strategy and Sustainability Strategy, and one of the key priorities at the Company. For this reason, the Board of Management at Škoda Auto has voluntarily committed to following and advocating such principles, embedding them into all strategic decisions. These principles are also applied across all subsidiaries and affiliates.



Sustainable Development Award in an independent ESG rating

When implementing the Best-in-class in ESG sustainability strategy, Škoda Auto continually and systematically strives to reduce the environmental impact of its business activities, to advance social aspects, and to govern the Company responsibly. Not only does the Company evaluate sustainability in the regions around its production plants in Mladá Boleslav, Vrchlabí, and Kvasiny, but it also keeps an eye on its supply chain, where it requires compliance with high ethical and environmental standards.

Having an outside view of all these activities is of great importance to the Company, which is why Škoda Auto regularly takes part in selected competitions and ratings that focus on sustainable issues, in order that it may gain an independent view of its strategic projects.

In the past year, the Company took part in an independent ESG rating organised by the Faculty of Business Administration of the University of Economics in Prague, doing so for a second time. There it defended its position in the Top 10 ESG Excellence for Sustainable Development in the biggest corporations category. In fact, Škoda Auto was the only representative of the automotive industry in the top 10 companies. The top ten award-winning companies are not actually placed in any specific order; it is more important that they are part of the group.

The ESG rating is a qualitative and quantitative evaluation of sustainable development and the implementation of ESG principles based on the relevant data provided in this area. The evaluation reflects the opinion of an independent panel of economic experts from the academic community and is conducted on the basis of results achieved in the fields of environmental protection, social aspects, and corporate governance. The main objective of the ESG rating is to find out how ready companies are to address sustainability challenges by highlighting the best projects and companies in the areas in question.

Business Conduct

Corporate governance ensures that the Company operates responsibly, competently, and transparently. It safeguards proper management and supervision structures and defines the distribution of rights and duties among stakeholders in the Company, such as shareholders, executive management, Company bodies, employees, business partners, and customers. Generally, this framework comprises legal and executive methods and procedures that commit Škoda Auto to maintaining a balanced relationship between the Company and its stakeholders.

The Code of Conduct **OUR CODE** clearly sets out the general principles of conduct for the Company's personnel.

Corporate Culture and the principles of Business Conduct

Customer trust, as well as the trust of stakeholders in Škoda Auto and its products, is among the Company's most valuable assets. Škoda Auto strengthens public trust and protects its employees and the environment by conducting itself in accordance with the principles of integrity and compliance.

Code of Conduct OUR CODE

OUR CODE defines fundamental ethical principles for the entire Škoda Auto Group. Developed by the Group and adopted by the Company and its subsidiaries and affiliates, OUR CODE clearly defines the Company's general standards of employee conduct. It applies to all employees, serves as a guide for their daily work activities, and forms the basis of all Company decisions. This document is built on common values, statutory requirements, and internal regulations, providing orientation, guidance, and support in adhering to existing rules and regulations at work. The code of conduct is regularly reviewed and, where relevant, updated at all of the companies mentioned.

In addition, the Code of Conduct for Business Partners of the Volkswagen Group applies to all business partners of companies in the Group. Its principles are now anchored in the relevant contractual arrangements with such subjects.

The Škoda Auto Board of Management and Group management has adopted voluntary commitments to the principles of integrity and compliance. These principles are taken into consideration in decision-making and are an integral part of the Corporate Strategy and the Sustainability Strategy. The Corporate Strategy is supported by specific key performance indicators that enable regular monitoring and evaluation of the corporate culture at the Company.

The Board of Management at the Company actively supports and communicates adherence to the principles of OUR CODE.

Training related to OUR CODE

All employees of the Company are obliged to complete training in OUR CODE at least once every two years. Training is provided to administration employees through e-learning, while production workers attend training in person. Training familiarises employees with the principles of conduct, the rules adopted on the Group level, case studies, and contact points that can be reached in case of doubts or when in need of support. The Company monitors the percentage of trained employees, evaluates the results of the training process and feedback from employees, and has escalation procedures in place if required. The Company aims to achieve 100% training compliance. Taking into account natural fluctuation, the Company usually achieves a training rate exceeding 98%.

Human Rights

The Company's approach follows the UN Guiding Principles on Business and Human Rights, referencing the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

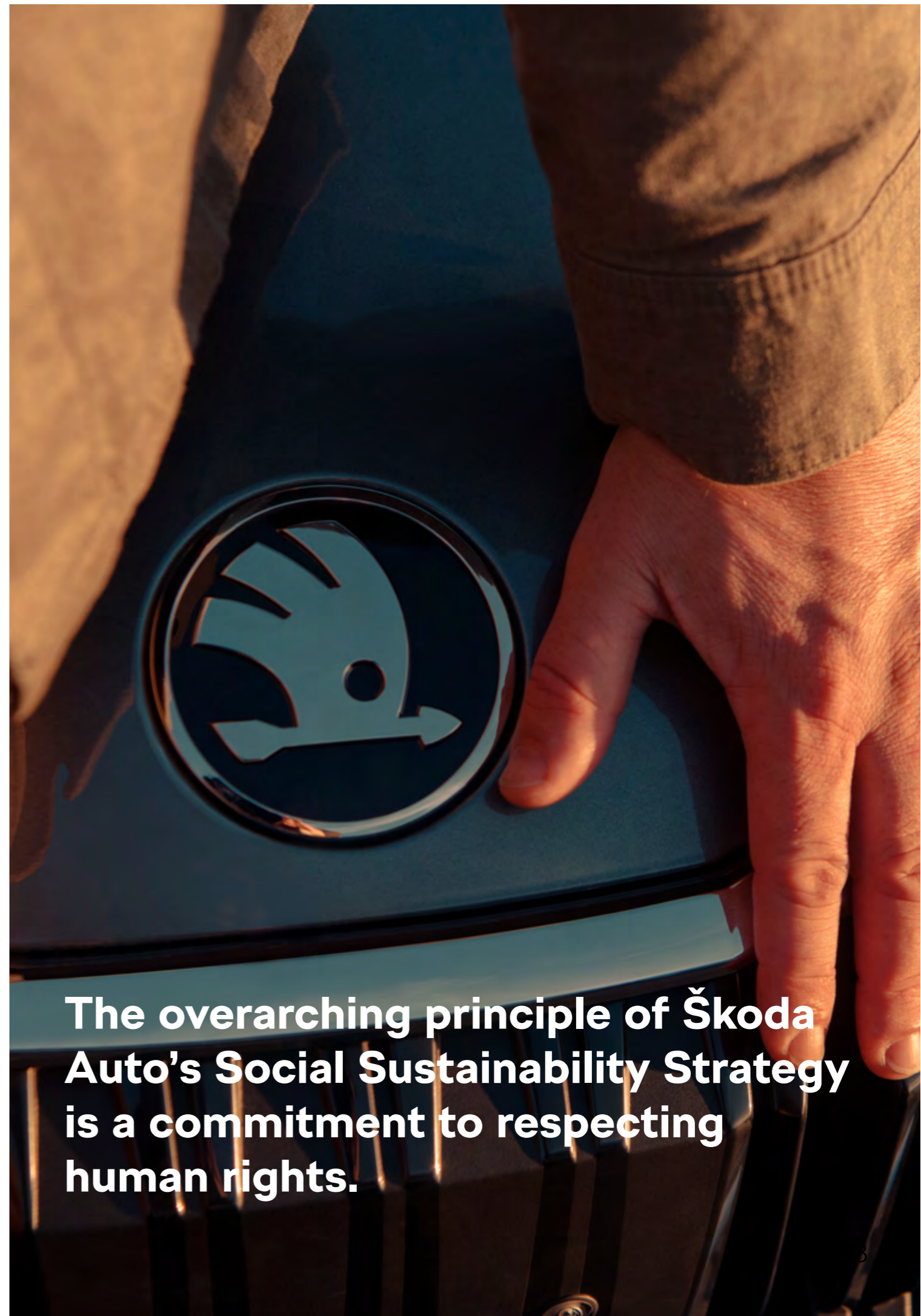
The Company respects its commitment to adhere to the relevant international treaties and declarations in the sphere of protecting human rights. It respects, protects, and enforces all applicable regulations aimed at protecting human rights and children's rights as a fundamental and general requirement worldwide. In the same way, it continually improves its own processes and systems and introduces specific measures to assert its leading position in the automotive industry in the sphere of human rights.

The Company applies internal principles and procedures to prevent any violations of human rights and strongly rejects the use of child labour, forced or compulsory labour, and all forms of modern slavery and human trafficking. This policy applies not only to the Company's internal operations, but

also to the conduct of its business partners, as set out in the Code of Conduct for Business Partners of the Volkswagen Group, which comply with the relevant international standards.

In relation to the German Supply Chain Due Diligence Act (LkSG), from which resulted in a range of relevant measures for the Company, particularly in relation to protecting human rights and the environment, the Company continued updating relevant internal regulations and processes, focusing on developing sustainable relations with business partners. A new training, mandatory for all employees, was created in support of the human rights. Internal communication also focused on these topics.

At the same time, Company employees were informed of the obligation to report suspected violations of that law. Any suspected violation of human rights or environmental-protection principles must be reported to the Group's complaint filing and resolution system.



The overarching principle of Škoda Auto's Social Sustainability Strategy is a commitment to respecting human rights.

Škoda Auto firmly rejects the use of child labour, forced or compulsory labour, and all forms of modern slavery and human trafficking.



Integrity and Compliance Management System

The Company is well aware that it can only achieve sustainable success and earn the trust of stakeholders by adhering to the principles of integrity, complying with global statutory provisions, upholding its voluntary commitments and ethical principles, supporting the issues of corporate culture and diversity, and taking responsibility for the protection of human rights.

There is a guideline in place at the Company that manages the organisation of governance functions, which deals, inter alia, with the sustainable management and organisation of issues of integrity and compliance. The organisation of integrity and compliance is managed at the Company by the Head of the Governance, Risk & Compliance department. To ensure that the issues of integrity and compliance are properly managed and supported, the Company has in place an effective Integrity & Compliance Management System, which conforms to Group-wide principles, valid laws, and internal regulations. This system draws on the aims and measures defined by the Company and is regularly updated to account for the latest requirements. The aim of the system is to ensure that Company management, its employees, and

any relevant third parties adhere to the principles of integrity and compliance as well as requirements that ensue from legal and ethical rules relating to areas such as fair competition, the prevention of corruption and potential conflicts of interest, sustainable relations with business partners, the prevention of money-laundering and terrorist financing, finance and tax area, environmental protection, and relations with employees, which also encompasses the promotion of equal opportunities and the prohibition of discrimination.

The Integrity and Compliance Management System is governed by international standards for compliance management systems.

The Company actively provides regular and clear communication and training aimed at specific target groups to support the corporate culture and ethical conduct in accordance with regulations.

You will find more information on integrity and compliance [here](#).



Organisation of governance functions – a three-line model

The Company introduced a three-line model to identify, report, and mitigate risks in the sphere of integrity and compliance and to investigate any complaints of unlawful behaviour or behaviour that is contrary to OUR CODE and other internal guidelines and regulations. All departments responsible for ensuring business processes represent the first line.

The second line consists of the departments responsible for the Integrity and Compliance Management Systems, including

the Department of Governance, Risk & Compliance and the Department of Legal Affairs. These departments define rules, play a preventive role, and provide support to the first line. Their preventive role involves carrying out the appropriate risk analyses to detect and prevent conduct which might be contrary to Company rules. The third line, mainly Department of Internal Audit and other control functions, ensures that first-line processes are conducted properly. Internal Audit undertakes this check as part of its work in planned and extraordinary audits during the year.

Company whistleblowing systems

The Company provides its own employees and employees of the Group, as well as third parties, with a discrete and reliable way of bringing attention to possible breaches of valid legal regulations and/or internal regulations (also anonymously).

For this reason, there are two whistleblowing systems in place at the Company – the Whistleblowing System according to Act No. 171/2023 Sb. on the protection of whistleblowers, which is operated by the Company, and the Group's Central Whistleblowing System. The protection of persons who have reported a case of misconduct is enshrined in internal regulations relating to whistleblowing systems. At

the same time, management employees at the Company are obliged to report all suspicions of serious regulatory violations that they encounter.

As far as personal problems are concerned, and over and above the whistleblowing systems in place, employees have the opportunity to directly file a personal complaint with the organisational unit for Social Relations and HR Compliance / Human Resource Planning or with any relevant HR department as part of disciplinary procedures. Such complaints are handled independently.



Supplier Relations Management

Škoda Auto implemented the Group Policy to ensure sustainable development in its relations with suppliers. This policy sets out procedures for integrating environmental and social standards. Contractual requirements on adherence to these are defined by the Code of Conduct for Business Partners.

Another key element of this policy is the emphasis placed on fair access to business partners and compliance with the Act on the Protection of Competition. These important aspects help create fair conditions for all stakeholders and promote integrity in business relationships.

Monitoring and ensuring compliance with the set standards is carried out with the use of two tools: the Sustainability Rating and Investigating Suspicions of Breach of the Code of Conduct for Business Partners.

Sustainability Rating (S-Rating)

In 2019, Škoda Auto introduced a sustainability assessment of its suppliers using what is known as the S-rating. This tool makes it possible to verify effectively whether a business partner meets the set standards. The Sustainability Rating has become an integral part of the process of choosing suppliers and awarding contracts.

The S-Rating draws on the Code of Conduct for Business Partners. The rating is based on the results of a self-assessment questionnaire (SAQ), possibly accompanied by an on-site inspection (supplier audit). Škoda Auto does not initiate and does not continue to cooperate with suppliers that have an insufficient rating, or that lack one entirely.

The rating then is given to individual enterprises that employ ten or more persons. Companies and locations with fewer than ten employees can apply for an exemption to the obligation to fill in the SAQ.

The S-rating award process works in the same way across the Group. The result of evaluation stands for all brands in the Group.

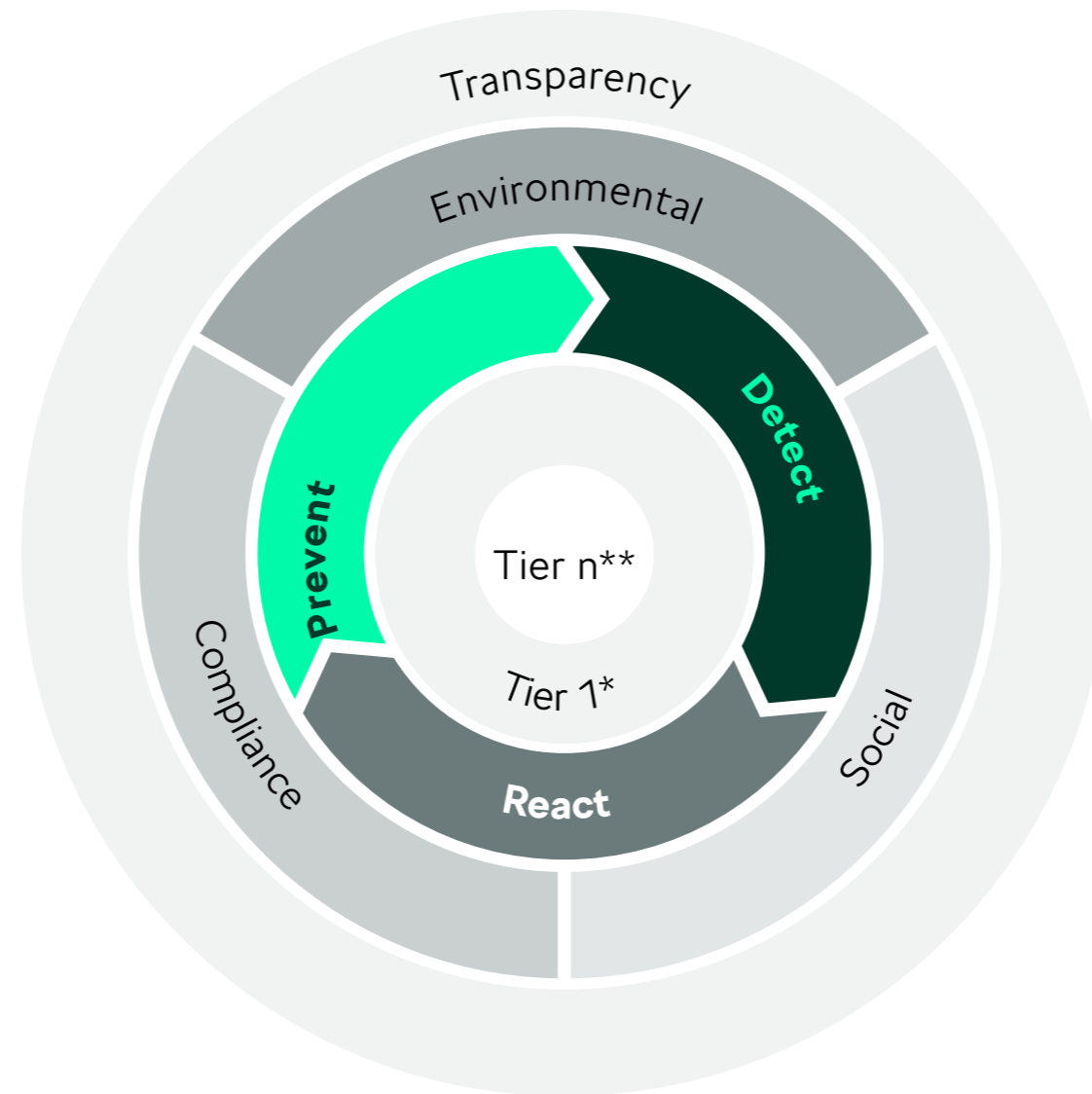
Breach of the Code of Conduct for Business Partners

In addition to preventive measures (S-Rating), an internal process known as the Supply Chain Grievance Mechanism (SCGM) is activated when suspicions arise regarding a breach of sustainability requirements. Any sign or indication (taken, for example, from the whistleblowing system or the media) that arouses concerns of possible violation of the Code of Conduct for Business Partners is immediately and thoroughly checked. If wrongdoing is proven, the Company sets corrective measures or draws other consequences.

At the same time, Škoda Auto helps improve the results of its suppliers' sustainability ratings in an active and effective way. Moreover, it takes steps to improve and adapt its own processes to the latest standards of responsible business.

Sustainability in relations with suppliers – the Group management concept

When awarding contracts, Škoda Auto applies a threefold approach to ensuring sustainable supply chains. It focuses on decarbonisation, human rights, combating corruption, and the responsible procurement of raw materials. This approach stresses the measurement of performance across all key areas of sustainability. In order to achieve the very best result, Škoda Auto demands transparency in relations with all its business partners, including those that reach beyond Tier 1.



Prevention: The sustainability requirements set out in the Code of Conduct for Business Partners must be included in all contracts and specifications and are binding. Suppliers undergo regular training to raise their awareness of sustainable practices.

Reaction: The risks and impacts identified can be dealt with using a variety of measures. These include a standardised internal process for evaluating violations by individual suppliers and implementing the action plans taken from on-site inspections. The primary aim is to remedy any shortcomings identified, to prevent future violations, and to actively improve the sustainability performance of suppliers.

Detection: Sustainability risks in the supply chain are systematically analysed and assessed. The principles of sustainability are firmly anchored in strategic decisions when awarding key contracts throughout the Group. When it comes to sustainability, the performance of potential suppliers is evaluated using a self-assessment tool and audits conducted on-site (S-Rating).

* Tier 1 (direct suppliers)
 ** Tier n (indirect suppliers)

Škoda Auto has declared zero tolerance of unlawful and corrupt behaviour and of behaviour which is damaging to the Company.

Preventing and Detecting Corruption

Škoda Auto introduced an effective system of preventing conflicts of interest and corruption that serves to protect the Company itself and its employees. Moreover, binding internal rules and processes concerning conflicts of interest and corruption and accepting and providing courtesy gifts and invitations have been put in place as preventive measures.

The Company provides training in adherence to regulations in this area, which is mandatory for all administrative employees and must be completed at least once every two years.

The training completion rate for this usually reaches more than 95%. Although the Company aims to achieve a training completion rate of 100%, attainment is influenced by natural fluctuation.

Political Influence and Advocacy Activities

As a car manufacturer, Škoda Auto operates in a highly regulated environment. For this reason, it is in regular contact with representatives of local, regional, national, multinational, and international political representatives. The Company and its employees invariably act in accordance with valid international, European, and national legislation, internal standards, and the Škoda Auto and Volkswagen Group Code of Conduct.

In promoting its interests, the Company proceeds through an authorised employee (External Affairs Department) or through its membership of relevant associations. The Company and its employees also participate in the advisory bodies of public authorities and in academic institutions. Škoda Auto promotes its interests in accordance with the internal organisational standard External Relations, which also applies to directly controlled companies. Regarding key topics, European legislation, and foreign markets, the Company complies with the internal "one-voice policy". This one-voice policy is set out by Group guidelines and transposed into internal rules at Škoda Auto. The Company's interests are represented in European institutions by the Volkswagen Group, which is why Škoda Auto itself is not entered in the EU Transparency Register. Discussions on the introduction of a similar register into law were only just ongoing in the Czech Republic in 2024. The Company is active in negotiations on the draft law and, in accordance with the one-voice policy,

favours ensuring maximum transparency with reasonable administrative burden. Discussions in 2024 did not culminate in the establishment of a valid legal regulation.

Internal rules at Škoda Auto prohibit the provision of financial or other gifts, apart from courtesy gifts, to politically active persons and political parties. For this reason, the Company did not provide any such gifts in 2024.

The Department of External Relations is responsible for communicating with political representation and state administration (Parliament of the Czech Republic, the bodies of the European Union, international organisations, and third countries). This falls within the remit of People and Culture, headed by Member of the Board of Management, Mrs. Maren Gräf. The costs of advancing the Company's interests include the wage costs of the employees at External Relations Department involved in promoting interests and the membership contributions to associations relevant to the promotion of interests. The Company spent around CZK 1.5 million on such contributions in 2024, all in line with the payment rules of the respective associations. Škoda Auto was not represented by any third party during the reference period. Neither did any member of an administrative, management, or supervisory body hold a comparable position in public administration within a four-year period preceding their appointment.

Škoda Auto promotes its interest, in line with the Volkswagen Group, in the following areas:



Automated driving



The future of mobility



Sustainable financing



Decarbonisation



Digitisation



Energy supply and renewable energy sources



Electromobility and charging infrastructure



Labour law



Development of the Mladá Boleslav, Rychnov, and Vrchlabí production regions



The transparency of promoting interests



Competitiveness and promotion of the industry



EU industrial policy and support instruments



Building permits and permit processes



International trade policy



The regulation of data sharing and use



Technical education, reskilling, and upskilling



Sustainability and ESG



Business and human rights



CO₂ and EURO 7 emission regulation



The transformation and future of the automotive industry



Science and research



State aid

Promoting the Company's Interests

In 2024, Škoda Auto took significant steps to reducing its carbon footprint, decarbonising production, and reducing its environmental impact in general. Working with the KOVO Unions, the Company regularly engages in discussions with the Government of the Czech Republic and EU representatives on key regulatory issues that have a significant impact on the socio-economic environment in the Czech Republic. The Company's activities in 2024 were fully in line with the international commitments of the Czech Republic and the European Union, in particular with regard to the reduction of CO₂ emissions. International commitments are transposed into the Company through the Green Future Strategy, which focuses on reducing the impact of production, and Škoda Auto Next Level, which defines the objectives of commercial policy and sales of zero-emission vehicles.

Drawing public support

Škoda Auto draws public aid in accordance with European and national legislation and makes sure that all set conditions are met. In 2024, the Company signed up for sixteen projects jointly financed by national and European public programmes in areas such as electromobility, urban mobility, Industry 4.0, environmental protection, and upskilling students and employees.

In 2024, the Company received subsidies totalling CZK 17.2 million. To a large extent, these are R&D projects where the Company acts as a consortium partner. In addition, the Company will claim for 2024 a corporate income tax credit of CZK 372.3 million for an electric vehicle production project. The project supported by the investment incentive was completed in 2022 and is now in the implementation phase.

The company ŠKO-Energo, co-owned by Škoda Auto, received EUR 87 million from the Modernisation Fund (more in the chapter **Decarbonisation of production plants in the Czech Republic**) to modernize its heat source, transitioning from the existing coal to exclusive use of biomass and phytopellets.

Research, development, and industrial innovation

The Company actively participates in eight long-term projects involving cooperation between research and application. Working with Czech universities, research centres, and other partners, it focuses on the assistance systems used in modern vehicles, the implementation of innovative energy-saving solutions and performance of electric vehicles, the use of natural materials from renewable sources for car interiors, and 3D printing. Škoda Auto also collaborates with European universities and research institutes on projects supported by European programmes; for example, battery diagnostics, the use of AI, and energy management.

Thanks to its participation in EIT Urban Mobility and Horizon, Škoda Auto is involved in R&D on a vehicle platform that is resilient to cyber-attacks and collaborates on deploying a community service for shared electric transport in smaller towns, city districts, or universities.

Education and integration

Students and teachers at the Škoda Auto Secondary Vocational School of Engineering are the principal target group of projects subsidised by the programmes of Erasmus+ focusing on sharing experiences and best practices. As part of the Integrated Regional Operational Programme (IROP), the Company equips specialised classrooms for polytechnic education with new machines and equipment.

Škoda Auto University, controlled by Škoda Auto, has submitted three applications for support for joint projects with other Czech and foreign universities. The themes are the creation and development of a system for the prevention and protection of the population in natural disasters caused by climate change, polymer modification by nanoparticles and the development of capacity, knowledge and skills of experts in research organisations.

Potential projects under assessment

The Company continuously evaluates the sustainability of using public aid for projects aimed at energy and water

savings, the development of electromobility, CO₂ emission reductions, Industry 4.0, research and development, and the reskilling/upskilling of employees.

The company entered the competition under the Operational Programme Technology and Applications for Competitiveness with three sub-projects focusing on water efficiency in the upcoming new paint shop. The topics are dry paint separation in spray booths, sub-cooled water production and recirculation of pre-treatment wastewater. Other planned R&D projects that are waiting for approval from the grant provider include the inclusion of used plastic and other waste materials back into production, improving the aerodynamic properties of vehicles using virtual methods, and improving and developing competences in renewable energy, with a particular focus on photovoltaic power plants, energy storage and secondary battery life.

Membership of associations relevant to promoting interests

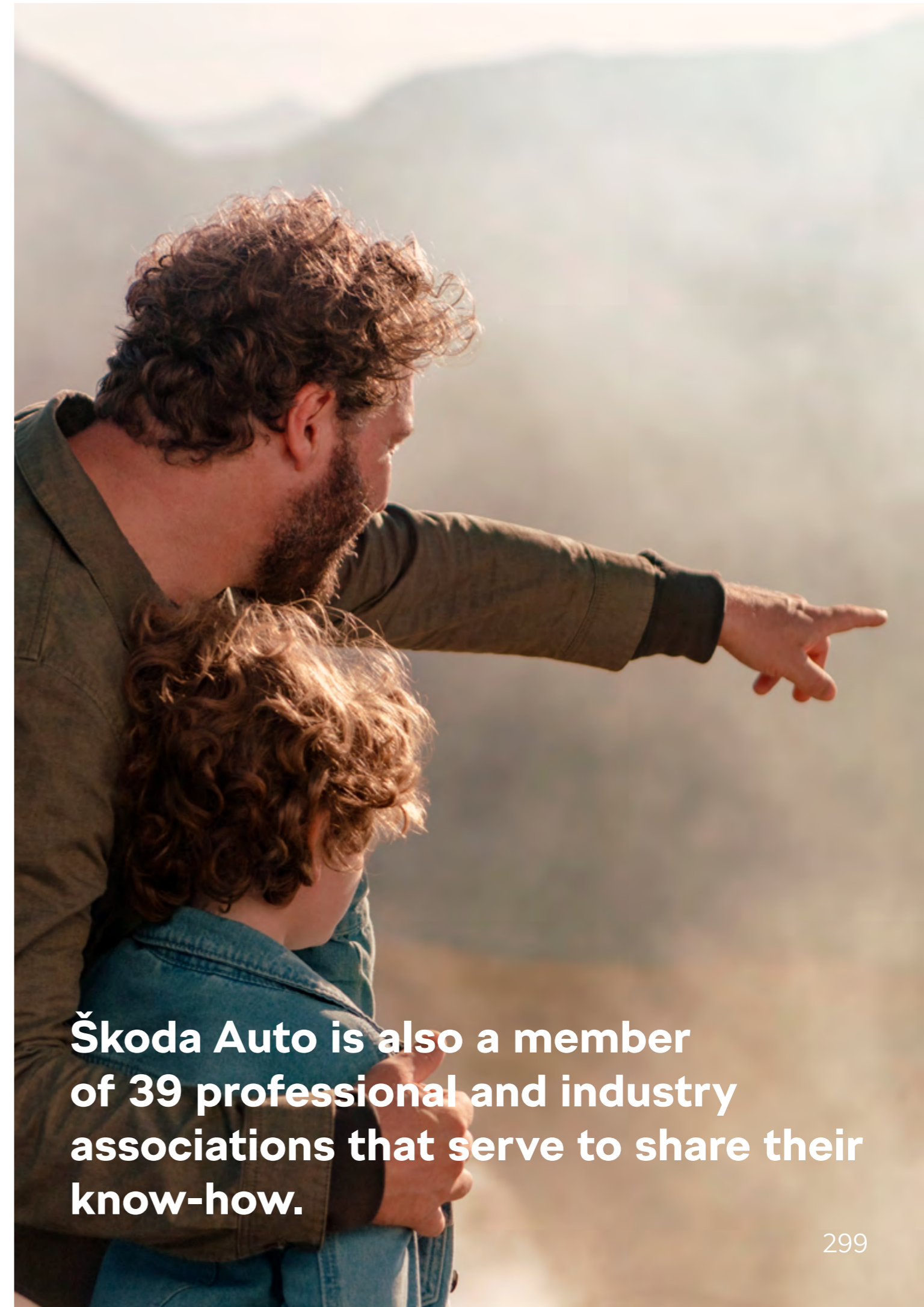
- Alliance for an Emission-Free Future
- Czech Automotive Industry Association (AutoSAP)
- Czech-Israeli Mutual Chamber of Commerce
- Czech-German Chamber of Commerce and Industry
- E-mobility Platform
- Chamber of Commerce of the Czech Republic
- Car Importers Association
- Confederation of Industry of the Czech Republic

Membership of the advisory bodies of public authorities

- Coordination Group of the Ministry of Industry and Trade for the National Action Plan for Clean Mobility
- Council for Competitiveness of the Central Bohemian Region
- Local Action Group KRKONOŠE
- Local Action Group SPLAV
- Government Research, Development, and Innovation Council
- Regional Council of Economic and Social Agreement (Tripartite) of the Hradec Králové Region
- Working Group on the Strategy of Cooperation between Public Administration and Non-Profit Organizations
- Regional Council of Economic and Social Agreement (Tripartite) of the Central Bohemian Region

Representation in education and academic institutions

- 42 Prague
- Czech University of Life Sciences Prague
- Czech Technical University in Prague
- Technical University of Liberec
- National Centre for Industry 4.0
- National Competence Centre for Industrial 3D Printing
- Škoda Auto University
- Jan Evangelista Purkyně University in Ústí nad Labem
- Academic Council of the University of Economics, Prague
- VSB - Technical University of Ostrava
- University of West Bohemia in Pilsen Scientific Council of the New Technologies Research Centre



Škoda Auto is also a member of 39 professional and industry associations that serve to share their know-how.

EU Taxonomy

The Taxonomy Regulation and the related delegated acts represent a key tool of the European Green Deal that enables classification of sustainable production and financial flows and thus motivates and fast-tracks transition to climate neutrality by 2050. All economic activities of Škoda Auto have been assessed on their alignment with sustainability criteria in accordance with Article 8 of the Taxonomy Regulation to inform stakeholders and Company's decisions.

Škoda Auto is part of the consolidated Group, its activities are covered by the reporting at the Group level and therefore is not required to present a separate report according

to the EU Taxonomy regulation. Nevertheless, Škoda Auto is very dedicated to providing its stakeholders with all essential ESG-related data and has decided to voluntarily report according to the EU Taxonomy criteria. Additional details, as well as the Group-level information can be found in the section "EU Taxonomy" in the **Group Annual Report**.

In 2024, 18% of Škoda Auto's revenues, 71% of capital expenditure, and 35% of operating expenditure were aligned with the Taxonomy criteria for sustainable economic activities.

Taxonomy-aligned activities, as described in the Taxonomy Regulation, meet the screening criteria for making a substantial contribution to climate change mitigation and "do no significant harm" criteria related to various sustainability objectives (including climate change adaptation, water and marine resources, circular economy, pollution, biodiversity, and ecosystems).

These activities also adhere to minimum safeguards regarding human and consumer rights, anti-corruption and bribery, taxation, and fair competition.

Taxonomy-eligible activities are described in the regulation but do not comply with the given criteria. Taxonomy-non-eligible activities are not described in the regulation.

Fiscal Year 2024	Total	Proportion of Taxonomy – aligned economic activities		Proportion of Taxonomy – eligible, non-aligned economic activities		Proportion of Taxonomy – non-eligible economic activities	
		€ million	%	€ million	%	€ million	%
Revenue	25,469	4,472	18%	20,764	82%	233	1%
Capital expenditure (CapEx)	838	593	71%	245	29%	0	0%
Operating expenditure (OpEx)	451	155	35%	296	65%	0	0%

Taxonomy – Assessment of Eligibility

The business model of Škoda Auto encompasses the entire process of vehicle development, production, and marketing, along with related activities. As per the EU Taxonomy Regulation, these activities have the potential to significantly contribute to the environmental objective of climate change mitigation by promoting clean and climate-neutral mobility.

The Company has categorised its itemised activities under the economic activity of “3.3 Manufacture of low carbon technologies for transport” in line with the environmental objective of climate change mitigation. This categorisation applies to all cars produced, regardless of the drive technology used, and includes genuine parts.

Additionally, the Company also included economic activity “3.18 Manufacture of automotive and mobility components”. This economic activity was added for reporting to enable those components that play a key role in reducing greenhouse gas emissions also to be taken into account. To this activity, we allocate the sale of motors, aggregates and material in intercompany transactions produced by us for all-electric vehicles.

However, hedging transactions and activities of subordinate importance that are reported as other sales revenue in Škoda Auto’s financial statements are not considered eligible according to the EU Taxonomy.

Although certain activities directly associated with the vehicle- related business should also be categorised under this economic activity, they are not currently classified as Taxonomy-eligible due to uncertainty around the appropriate economic activity as per the EU Taxonomy. These activities include the sale of additional engines, powertrains, parts deliveries, and production under licence by third parties, which are also reported as other sales revenue.

Taxonomy – Assessment of Alignment

As the objectives of the Taxonomy Regulation overlap with the topics of disclosure requirements of the ESRS, relevant details regarding Škoda Auto’s substantial contribution to those objectives, as well as the context of avoiding any harm to them, can be found in the sections of this report dedicated to respective sustainability topics.

Substantial Contribution

The screening criteria for assessing Škoda Auto’s fulfilment of key performance indicators pertains to the CO₂e emissions of the vehicles produced by the Company. A comprehensive analysis of the CO₂e emissions was conducted and associated with each vehicle model and powertrain technology manufactured, in accordance with the Worldwide Harmonized Light Vehicles Test Procedure (WLTP). This analysis enables vehicles to identify which vehicles meet the screening criteria among all Taxonomy-eligible vehicles and contribute substantially to climate change mitigation.

During the reporting period, the BEV model series of Škoda Enyaq and Škoda Enyaq Coupé fulfilled the criterion of CO₂e emissions equal to 0 g/km. Moreover, during the reporting period, the PHEV model series of Škoda Kodiaq, Škoda Superb and Škoda Octavia fulfilled the criterion of CO₂e emissions of less than 50 g/km.

Do no Significant Harm

In accordance with the EU Taxonomy, ecologically sustainable economic activities are expected to contribute to one or more of the defined environmental goals while ensuring that no adverse effects are imposed on other environmental objectives. To exclude any significant harm to these goals, economic activities must adhere to the “do no significant harm” criteria (DNSH).

During the review period, a thorough analysis of the DNSH criteria for the economic activity of “3.3 Manufacture of low-carbon technologies for transport” and “3.18 Manufacture of automotive and mobility components” was carried out at the Group level for Škoda Auto.

For vehicle-related business, the analysis was conducted at the individual production sites responsible for manufacturing or planning to manufacture Škoda vehicles that meet the screening criteria or are anticipated to do so in accordance with the five-year plan.

The Group’s Annual Report features the primary interpretations and analyses employed by the Group to evaluate any potential harm to other environmental goals. As per these assessments, the Škoda Auto vehicle-producing sites fulfilled the DNSH criteria during the review period in the vehicle-related business, producing passenger cars and components, as well as for the all-electric vehicles and their components produced at these sites.

Key Performance Indicators

To present the details of eligibility and alignment of Škoda Auto’s activities with the screening criteria, DNSH and the minimum safeguards required by the Taxonomy Regulation, the Company presents the key performance indicators of the turnover (here sales revenue in accordance with IFRS Accounting Standards), Capital expenditure (CapEx) and Operating expenditure (OpEx) using the templates provided in Annex II to the Disclosures Delegated Act (see following tables).

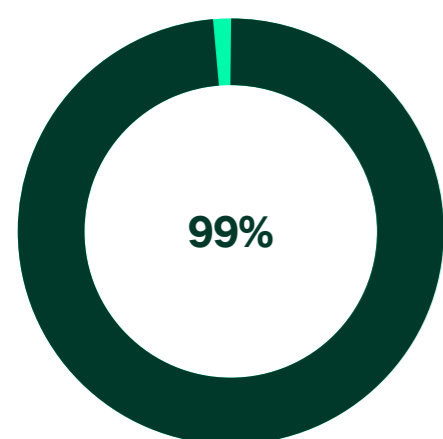
Revenues are directly assigned to an economic activity based on a direct connection to the vehicles that can be established in accordance with the screening criteria.

CapEx and OpEx without a direct connection to vehicles are broken down using an allocation formula to fulfil the screening criteria.

The allocation formulas used are based on the long-term sales plan and the planned capacity utilisation at individual sites. The data and planning figures used are part of the medium-term financial planning for the next five years agreed by the Board of Management and the Supervisory Board of Škoda Auto.

Sales Revenue

In 2024, sales revenue was €25,469 million, of which €25,236 million (99%) was taxonomy-eligible and €233 million (1%) was non-eligible. Taxonomy-aligned sales revenue reached €4,472 million (18%).



Taxonomy-eligible
 Taxonomy non-eligible

The definition of turnover in the EU Taxonomy corresponds to sales revenues as reported in the IFRS Accounting Standards financial statements published in the Annual Report. This amounted to €25,469 million in the fiscal year 2024.

Of this total, €23,548 million or 92% of sales, was attributable to economic activity "3.3 Manufacture of low-carbon technologies for transport" and was classified as Taxonomy-eligible. This includes sales revenues from the sale of new and used vehicles, from genuine parts (after-sales allowances), and from extended warranties.

Of this total, €1,687million or 7% of sales, was attributable to economic activity "3.18 Manufacture of automotive and mobility components". This includes the sale of all-electric vehicle motors and powertrains.

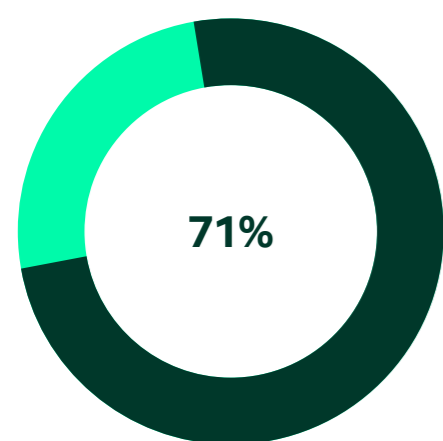
Of the Taxonomy-eligible sales revenues, €5,320 million (21%) meet the screening criteria used to measure a substantial contribution to climate change mitigation. This includes all of the Company's all-electric vehicles and the plug-in hybrids.

Taxonomy assessment of sales revenue for 2024	Sales revenue		Substantial contribution to climate change mitigation		Compliance with DNSH criteria	Compliance with minimum safeguards	Taxonomy-aligned sales revenue	
	€ million	%*	€ million	%*			€ million	%*
Economic activities					Y/N	Y/N		
A. Taxonomy – eligible activities	25,236	99%	5,320	21%	Y	Y	4,472	18%
Vehicle-related business								
3.3 Manufacture of low-carbon technologies for transport	23,548	92%	3,633	14%	Y	Y	2,784	11%
3.18 Manufacture of automotive and mobility components	1,687	7%	1,687	7%	Y	Y	1,687	7%
B. Taxonomy – non-eligible activities	233	1%						
Total (A + B)	25,469							

* All percentages relate to the Company's total sales revenue.

Capital Expenditures

Total capital expenditure in 2024 was €838 million, of which €593 million (71%) was taxonomy-aligned.



■ Taxonomy-aligned capital expenditure
■ Not taxonomy-aligned capital expenditure

In line with the EU Taxonomy, capital expenditure relates to specific items indicated in the IFRS Accounting Standards financial statements, namely additions to intangible assets and property, plant, and equipment additions. These are to be disclosed in the "Intangible assets" and "Property, plant, and equipment" sections of the Annual Report Notes to the financial statements.

The entirety of the capital expenditure is included in the category "3.3 Manufacture of low-carbon technologies for transport". No other significant capital expenditure was allocated to the other categories related to business activity, such as engine and parts deliveries, that were not initially included. Consequently, the Taxonomy-eligible capital expenditure amounted to €838 million.

To calculate the substantial contribution, Škoda Auto identified all capital expenditure that directly relates to vehicles meeting the screening criteria.

This expenditure was then entirely assigned to Taxonomy-aligned expenses. For capital expenditure that was not explicitly assigned to a particular vehicle, allocation formulas were utilised to account for them on a proportional basis.

The allocation formula for capital expenditures was established by the Group for each model and brand based on the long-term sales plan or planned capacity and utilisation. It applies to all expenditures made at sites that will produce only qualifying vehicles for the next five years according to taxonomy.

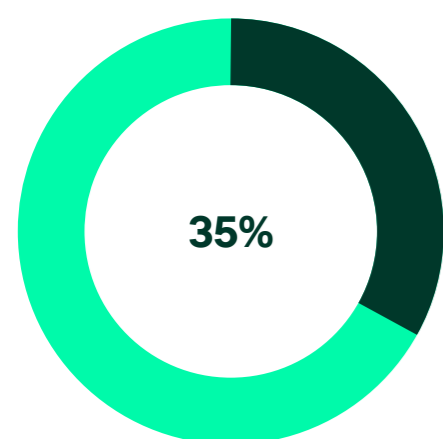
Capital expenditure relating to vehicles that meet the screening criteria amounted to €600 million. Considering the DNSH criteria and minimum safeguards, 71% of total capital expenditure was Taxonomy-aligned in 2024.

Taxonomy assessment of capital expenditure for 2024	Capital expenditure		Substantial contribution to climate change mitigation		Compliance with DNSH criteria	Compliance with minimum safeguards	Taxonomy-aligned capital expenditure	
	€ million	%*	€ million	%*			€ million	%*
Economic activities					Y/N	Y/N		
A. Taxonomy – eligible activities	838	100%	600	72%	Y	Y	593	71%
Vehicle-related business								
3.3 Manufacture of low-carbon technologies for transport	838	100%	600	72%	Y	Y	593	71%
of which additions to capitalized development costs for BEVs							235	28%
of which additions to property, plant and equipment for BEVs							359	43%
3.18 Manufacture of automotive and mobility components	-	-	-	-	-	-	-	-
B. Taxonomy – non-eligible activities	0	0%						
Total (A + B)	838							

* All percentages relate to the Company's total capital expenditure.

Operating Expenditure

Total operating expenditure in 2024 was €451 million, of which €155 million (35%) was taxonomy-aligned.



Taxonomy-aligned operating expenditure
 Not taxonomy-aligned operating expenditure

The operating expenses disclosed in accordance with the EU Taxonomy consist of research and development costs that have not been capitalised. These costs can be found in the “Intangible assets” section of the notes in the Annual Report.

Furthermore, all operating expenses related to Škoda’s vehicle business fall under economic activity “3.3 Manufacture of low-carbon technologies for transport”. As such, these expenses have been categorised as eligible under the EU Taxonomy.

Where possible, non-capitalized research and development costs were directly attributed to vehicles.

Operating expenses for vehicles with a significant contribution to climate change mitigation were included. Any non-capitalized research and development costs directly attributable to vehicles that do not meet the screening criteria were not included. Non-capitalized research and development costs that were not clearly attributable to a particular vehicle were considered on a proportionate basis using allocation formulas. For these and other operating expenses, allocation formulas were used, similarly to capital expenditure. As a result, €155 million (35%) of operating expenditure was found Taxonomy-aligned in 2024.

Taxonomy assessment of operating expenditure for 2024	Operating expenditure		Substantial contribution to climate change mitigation		Compliance with DNSH criteria	Compliance with minimum safeguards	Taxonomy-aligned operating expenditure	
	€ million	%*	€ million	%*			€ million	%*
Economic activities					Y/N	Y/N		
A. Taxonomy – eligible activities	451	100%	159	35%	Y	Y	155	35%
Vehicle-related business								
3.3 Manufacture of low-carbon technologies for transport	451	100%	159	35%	Y	Y	155	35%
3.18 Manufacture of automotive and mobility components	-	-	-	-	-	-	-	-
B. Taxonomy – non-eligible activities	0	0%						
Total (A + B)	451							

* All percentages relate to the Company’s total operating expenditure.

Annexes

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List of selected abbreviations

A-CSR Association of Social Responsibility	CZEPA Czech Paraplegic Association	EURO7 Regulation for the exhaust emissions of road vehicles and also for other types of emissions such as tyre abrasion and brake particle emissions. It also introduces requirements for battery durability	CZK Czech crown (koruna)	PFC Perfluorinated compounds	UEP Reduction Index Reduction of the Environmental Impact of Production
AI Artificial intelligence	WWTP Wastewater treatment plant	GHG Greenhouse gases	KPIs Key performance indicators	PHEV Plug-In Hybrid Electric Vehicle	VOC Volatile organic compounds
BAT Best Available Techniques	CZ Czech Republic	GRI Global Reporting Initiative	LED Light Emitting Diode	PM Particulate matter	VSB Technical University of Ostrava
BEV Battery Electric Vehicle	CTU Czech technical university in Prague	HFCs Hydrofluorocarbons	LkSG German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz)	S North	VUT Brno University of Technology
BFI Biodiversity Finance Indicator	DCI Decarbonisation Index	HR Human Resources	MB Mladá Boleslav	SAQ Self-Assessment Questionnaire	VW Volkswagen
BLI Biodiversity Land Use Indicator	ECMS Environmental compliance management	HVAC Heating, ventilation, and air conditioning	MBA Masters degree	SBTi Science Based Targets Initiative	WBCSD World Business Council for Sustainable Development
OSH Occupational Safety and Health	EIA Environmental impact assessment	HVO Hydrogenated vegetable oil	MEB Modular Electric Drive Matrix	SCGM Supply Chain Grievance Mechanismus	WRI World Resources Institute
BSI Biodiversity Site Indicator	EIO-LCA Economic Input-Output	CH₄ Methane	ILO International Labour Organization	SDGs Sustainable Development Goals	WTT Well-to-Tank
CBD Convention on Biological Diversity	ELV End-of-life vehicles	ICE Internal Combustion Engine	NGOs Non-governmental organisations	SF₆ Sulfur hexafluoride	WTW Well-to-Wheel
CIC Customer Interaction Center	ERG Employee Resource Groups	ICT Information and communication technology	NH₃ Ammonia	SMS Short message service	W West
CO₂ Carbon dioxide	ESG Environment, social a governance	IT Information Technology	NO₂ Nitrogen dioxide	SO₂ Sulfur dioxide	ZPŠ Škoda Employee Health Insurance Company
CO_{2e} Carbon dioxide equivalent	ESRS European Sustainability Reporting Standards	S South	NO_x Nitrogen oxides	SUV Sport Utility Vehicle	ZTP Disabled person
CRM Customer Relationship Management	EU European Union	SW South-west	OECD Organisation for Economic Co-operation and Development	NE North-East	ZTP/P Disabled person
CSRD Corporate Sustainability Reporting Directive	EU5 United Kingdom, Germany, France, Spain and Italy		UN United Nations	HM Heavy metals	
CSV Creating shared values	EUR Euro		PET Polyethylene terephthalate	TTW Tank-to-Wheel	



SKODA



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At Škoda Auto, we continuously work on improving and developing technologies and models. We thank you for your understanding that changes in design, equipment, and technical specifications may be made at any time. As a result, the data and descriptions in this report are for informational purposes only.

For more information on Škoda Auto sustainability, visit:

 www.skoda-storyboard.com/en/sustainability