

Integrity

To ensure that the integrity principles are a sustainable and inseparable part of the daily conduct of Škoda Auto employees, they are included in numerous internal processes and tools. For example, the integrity of new job candidates is reviewed using appropriately chosen questions as part of the recruitment and hiring process at all levels and in all Škoda Auto segments. The integrity principles are also an integral part of annual appraisals of employees in various job positions. In addition to that, to ensure that Škoda Auto managers and leaders lead by example and act as role models for their colleagues and subordinates, deficits in perception and practical application of the integrity principles are identified and potentially eliminated in candidates within various development programs. In cases where participants of such programmes do not show sufficient understanding of the subject of integrity and a sufficient ability to actively apply it in typical situations, the company responds by systematically working on their development in this area, for example through feedback and review interviews whose objective is to monitor and check the progress made by the employees.

Integrity Ambassadors, volunteers from among company, also spread the topic within their teams and business units while acting as role models for their colleagues in terms of observing the integrity principles.

Like with employees, the integrity of existing and new business partners (whether suppliers or sales partners) of Škoda Auto are also assessed. All such organisations are systematically reviewed as to how they adhere to the integrity principles crucial for Škoda Auto. To maintain Škoda Auto's good reputation and thus keep it successful, it is essential that the company is only associated with people and organisations that share the same values and attach the same importance to acting in line with the integrity principles.

To build general awareness of the topic integrity and its importance among Škoda Auto employees and thus ensure its sustainability, regular communication about this topic takes place under the auspices of Governance, Risk & Compliance department. To set up an efficient communication process, the department has produced an appropriate communication concept as well as communication plan. The fulfilment of the plan is constantly monitored, and its content is regularly adjusted in response to the current situation, urgent topics and relevant needs of Škoda Auto. In addition to regular communication, integrity is also part of numerous mandatory and optional trainings and workshops that take place at Škoda Auto. Through such programmes, the topic integrity is discussed in detail with employees from various areas and hierarchical levels of the company, and the training content, including examples from practice, is adapted to relevant target groups.

In response to the rapid developments in the market, new requirements from the Volkswagen Group and Škoda Auto's fast-changing local needs, it is essential that integrity and related activities are systematically monitored and evaluated and that any shortcomings and deficiencies in the company's existing processes and programmes are timely eliminated. To this end, the process of monitoring and improving integrity is firmly rooted in the company's goals. The degree of accomplishment of these goals is regularly evaluated by means of relevant KPIs, and the value of those indicators is based on the results obtained through a number of tools used at Škoda Auto to measure integrity KPIs, such as Stimmungsbarometer, Group Essentials Indicator, Group Corporate Citizenship, etc. The results of integrity measurements are followed up by an improvement process through which specific measures designed to improve the shortcomings and deficiencies identified in the measurement process are set and implemented by relevant departments, with support from Governance, Risk & Compliance department. The topic integrity as such, together with measurement results and measures taken in response, is reported to Škoda Auto's top committees - the Board of Management - on a quarterly basis.