



Sustainability

Report 2011/12



Sustainability requires transparency. On the basis of this conviction, ŠKODA AUTO has reported regularly on its activities in the field of sustainability every two years since 2007. The most recent report was published on 1 October 2010.

GRI 3.1 - 3.13


For the first time, the current report follows the internationally recognised guidelines of the Global Reporting Initiative (GRI G3), which provides a conceptual framework for companies worldwide to report their corporate responsibility activities. The aim is to harmonise corporate sustainability reporting worldwide and thereby achieve comparability. The ŠKODA Sustainability Report 2011/2012 covers the period from 1 January 2011 to 31 August 2012. The 2011 financial year is the reference period for the indicators quoted in the report.


The content of this report is based on the materiality analysis conducted by the Volkswagen Group and adapted to reflect the specific circumstances of ŠKODA AUTO. The sources for this content are therefore the Volkswagen Group's standardised IT data management system – for example, in the areas of Purchasing, Technical Development, Production and Logistics – as well as ŠKODA AUTO's own information systems.


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

The data refers to the ŠKODA AUTO Group in its entirety – including subsidiaries in which ŠKODA AUTO holds a majority stake. Vehicles and components manufactured by joint ventures or external partners are not reported in the figures. Vehicles and components manufactured by other companies within the Volkswagen Group are included in the sustainability report published by the Volkswagen Group.


In the interests of readability, this report refrains from referring to both sexes. Where we use the generic masculine form, it naturally refers to both male and female.


The "Economics" chapter of this report, in particular, refers frequently to the current ŠKODA AUTO Annual Report, which covers a number of aspects that are also relevant to sustainability at the Company, such as corporate governance topics. This information is not restated in the Sustainability Report to avoid redundancies. References to the Annual Report 2011 are indicated with the symbol  and a reference to the relevant passage in the text.


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

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

We would be happy to answer any questions relating to this report or the topic of sustainability at ŠKODA AUTO. Please send us an email at sustainability@skoda-auto.cz.

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

Ladies and Gentlemen,

GRI 1.1 Companies bear responsibility: They produce goods, they use resources; they create jobs and make a contribution to society. We at ŠKODA AUTO are aware that the more successful we become, the greater our responsibility towards the environment, our employees, the locations where we are based and all the places in the world where our cars are sold. We are therefore committed to fulfilling our responsibility consistently worldwide. We do so to secure the future of our company – because a healthy environment, good working and living conditions and a stable economic framework are essential to our success. At ŠKODA AUTO, we strongly believe that responsible conduct is fundamental to securing the future of our Company – and this belief defines our daily work.

In 2011 and 2012, ŠKODA AUTO achieved new levels of business success. Our growth strategy is starting to bear fruit, and we are well on our way to selling at least 1.5 million cars per year by 2018. However, this can only be the right route if we also embrace the responsibility it brings. For ŠKODA AUTO, this means making responsible thinking, based on clear principles of conduct, an integral part of our growth strategy. In 2012, we therefore revised our binding Code of Conduct for all employees.

As part of the Volkswagen Group, we must set ourselves high standards. It is the Group's declared aim to become the world's leading, most sustainable automobile manufacturer by 2018. We at ŠKODA AUTO will contribute to that goal – with vehicles for environmentally-friendly individual mobility produced with minimum resource consumption; with secure jobs and fair employment conditions; as a good neighbour at all our sites; and, not least, as a financially-successful company, profitable and competitive worldwide.

In other words, we are integrating the principles of sustainability throughout the value chain, because this will permanently secure the future of ŠKODA AUTO. The automobile industry is currently in the midst of change: Structures, customer requirements, technologies – everything is changing and presenting us all with new challenges. But, handled the right way, this change also offers tremendous opportunities. We will be able to demonstrate how viable individual mobility is possible – and thereby shape our own future.

Environmental compatibility and production conditions are already important enough to many customers to inform their purchase decisions. Our vehicles certainly meet these requirements: ŠKODA AUTO offers efficient engines with low exhaust emissions, as well as especially environmentally-friendly equipment and technologies for every model in the line-up in our GreenLine models and Green tec variants.

We are working on the future of emission-free mobility, and are currently testing a fleet of ten electric vehicles in everyday driving conditions. Our long-term goal is emission-free mobility, which we are working hard to achieve, together with the rest of the Volkswagen Group.

Furthermore, we are implementing a whole range of measures to minimise the environmental impact of our production process. Environmental protection, resource efficiency and biodiversity are a focus at all our sites.

We are actively involved in promoting our employees' well-being and continuing education, and support social and cultural initiatives at our locations. This commitment is widely acknowledged: ŠKODA AUTO has once again been named "the Czech Republic's most admired company". Factors such as social responsibility and employer branding were considered in this evaluation, as well as key business data.

In this context, consistent development of a strong internal sustainability organisation has high priority for us. Therefore, we set up a team of experts under the motto "GreenFuture" to coordinate the Company's various sustainability activities and manage them efficiently. The team reports directly to the Board of Management and, over the next few months, will focus on the steps needed to reach our environmental goals. In this way, we aim to reduce emissions and resource consumption in production by 25% by 2018.

This Sustainability Report – the third of its kind – details how we fulfil our responsibility. For the first time, we are following the standards of the Global Reporting Initiative (GRI), to make our activities more comparable. This will create the necessary transparency, develop a better understanding of our actions and establish trust.

In 2012, we earned the trust of more than 940,000 customers around the world. They chose ŠKODA vehicles for their spaciousness, outstanding value for money and smart solutions. The aim of our commitment in this area is for these people to know that they have also made the right "simply clever" decision from a sustainability perspective.

Yours



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



GRI 2.1
2.4
2.6
2.7

ŠKODA AUTO a.s.

registered office: Mladá Boleslav, Czech Republic

**ŠKODA AUTO
Deutschland GmbH**

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

**ŠKODA AUTO
Slovensko, s.r.o.**

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

**Skoda Auto
Polska S.A.***

registered office:
Poznan, Poland
51% holding of
ŠKODA AUTO

**Skoda Auto
India Private Ltd.**

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

**OOO VOLKSWAGEN
Group Rus**

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

* The holding in ŠKODA AUTO Polska S.A. was sold to Volkswagen International Finance N.V. effective 1 January 2012.



Company overview

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

The ŠKODA brand has been a Volkswagen Group brand for more than 20 years. During this time, ŠKODA AUTO's sales have more than tripled and its product portfolio has expanded significantly.

Today, ŠKODA AUTO employs more than 26,500 people worldwide. The Company has its own production facilities in the Czech Republic and India, with ŠKODA cars also produced in China, Russia, the Slovak Republic, the Ukraine and Kazakhstan.

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

ŠKODA AUTO is one of the Czech Republic's leading companies. It comprises the parent company ŠKODA AUTO a.s., its fully consolidated subsidiaries ŠKODA AUTO Deutschland GmbH, ŠKODA AUTO Slovensko, s.r.o., ŠKODA Auto Polska S.A. (up until 31 Dec. 2011), ŠKODA Auto India Private Ltd. and shareholdings.

GRI 2.2
2.5
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Sustainability at ŠKODA AUTO

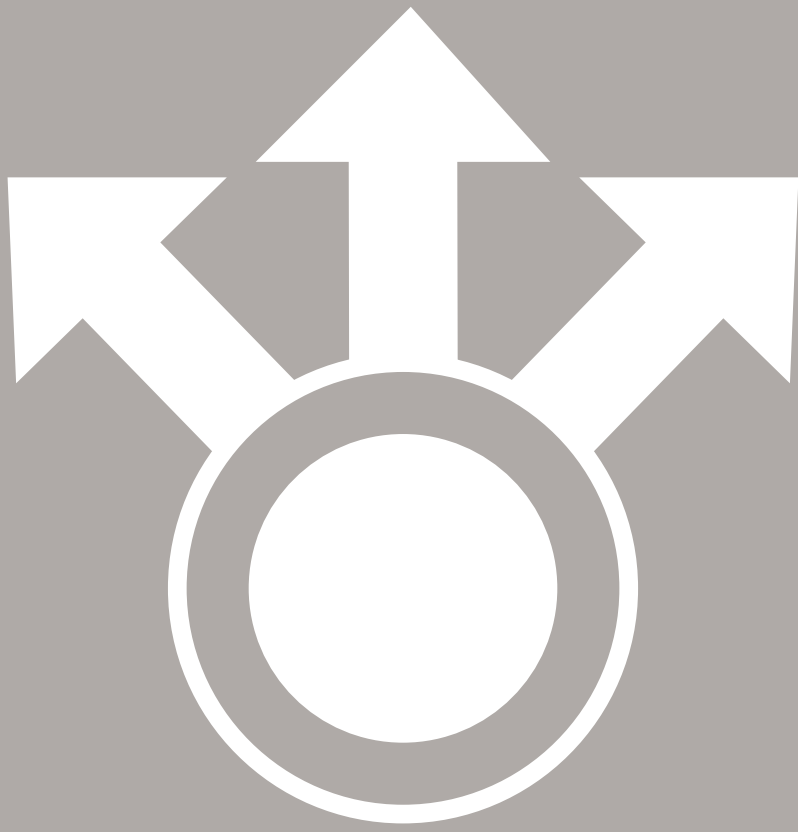
Corporate sustainability is both an aspiration and an obligation for ŠKODA AUTO. Based on the firm belief that only those who act responsibly can be successful over the long term, the Company adheres to the principle of sustainability and gives economic, social and environmental aspects equal consideration.

In this way, the Company actively fulfils its responsibility towards its customers, employees, shareholders, business partners and the general public. Responsible conduct in all areas and towards all stakeholders is an integral part of the ŠKODA AUTO corporate culture and also plays a key role in the Company's strategy.

2018

On track for ambitious goals

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



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Together on the road to number one

The Volkswagen Group aims to be the world's leading automobile manufacturer by 2018. ŠKODA AUTO makes an important contribution to this goal by offering people safe and sustainable individual mobility.

Volkswagen Strategy 2018

The Volkswagen Group aims to be the most profitable, fascinating and sustainable automobile company in the world by 2018. The specific objective of Strategy 2018 is for the Volkswagen Group to become global economic and environmental leader among automobile manufacturers and to top customer satisfaction and profitability rankings. In addition, Volkswagen also seeks to become the most attractive employer in the automotive sector by 2018. Sustainability is the basis for this business strategy and is integrated throughout the Company's value chain. Strategy 2018 is a multi-dimensional stakeholder strategy that balances the interests

of customers, shareholders, employees and other stakeholders.

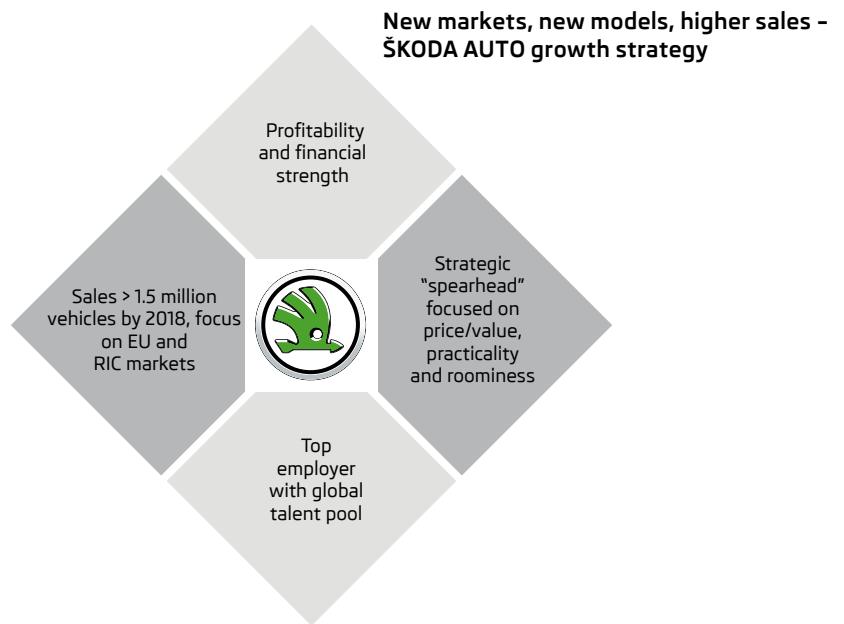
At Volkswagen, corporate responsibility means always considering the impact on society and the environment. At the same time, sustainability safeguards the Company's long-term future. In order to make an effective contribution to sustainable mobility – and as a company with global responsibility – Volkswagen is working hard to develop technologies for the cleanest, most fuel-efficient cars and efficient mobility concepts. And, in all of this, the Volkswagen Group is always aware of the need to reconcile job security with economic efficiency.

The current ŠKODA model fleet comprises seven model series (from left to right): Superb, Rapid, Fabia, Octavia, Citigo, Roomster and Yeti



ŠKODA AUTO growth strategy

As part of the Volkswagen Group, ŠKODA AUTO contributes to the successful implementation of the Group's Strategy 2018. Growth and internationalisation define the strategy that ŠKODA AUTO has implemented since 2010. A high level of profitability and attractiveness as an employer – also in international competition – lay the foundation for this. Its declared goal is to sell at least 1.5 million cars per year by 2018, focusing on the growth markets of Asia and Eastern Europe, and China, India and Russia, in particular. The ŠKODA brand plays a key role in the Volkswagen Group. ŠKODA automobiles are characterised above all by their exceptional value for money, practicality and spaciousness.



Sustainability management at the Volkswagen Group

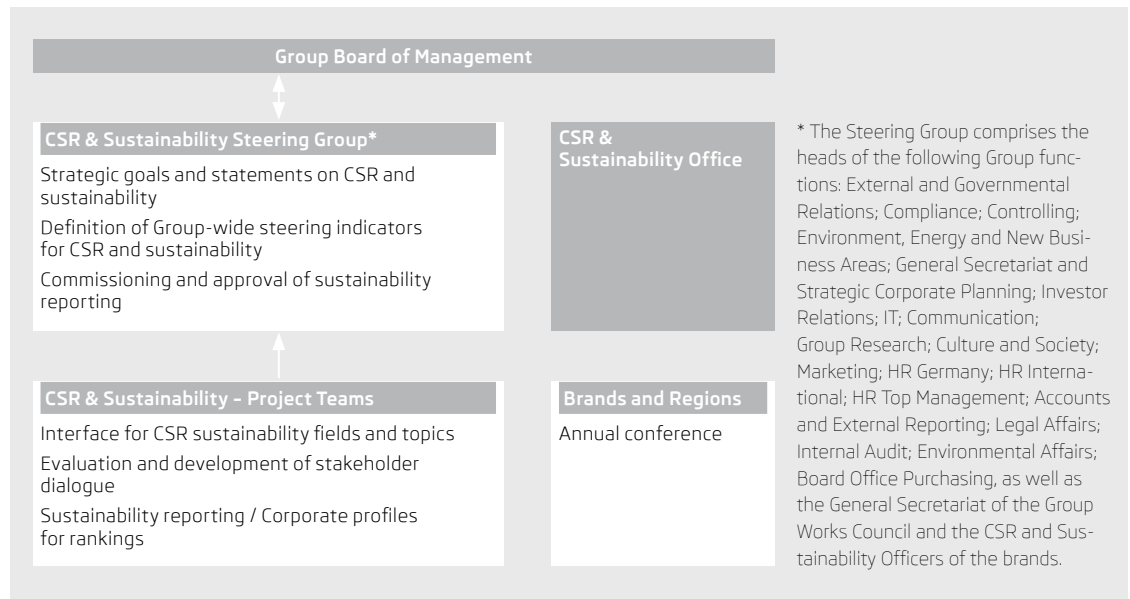
All of the Group's CSR and sustainability activities have been coordinated by a CSR office, responsible for strategically aligning CSR activities and optimising sustainability management, since 2006. This concept has proved successful with regard to both internal management processes and dialogue with external stakeholders. The CSR office coordinates the regular exchange between brands and regions in the Volkswagen Group. It reports to the CSR & Sustainability Steering Group, which includes all central Group business areas at top management level, as well as the Group Works Council. These are joined by representatives of the brands and regions. The purpose of the steering group is to network the internal units and improve exchange processes between the departments. The Board of Management is regularly informed about the subjects of

sustainability and responsibility. Cross-functional CSR project teams work on topical issues such as refining the Group's sustainability reporting. Since the creation of a Group-wide CSR body in 2009 there has been regular international exchange of information with the CSR coordinators of the brands and regions. Coordination of the activities of environmental managers across the Group is also assisted by the Group Environmental Conference and a Corporate Environmental Steering Group. The appointment of a Group Chief Officer for the Environment, Energy and New Business Areas will help prepare the ground for an ecological restructuring of the Volkswagen Group over the long term. The introduction of the IT-based sustainability management system and further integration of the KPI (Key Performance Indicator) system have created

GRI 4.14
4.15
4.16

the basis for comprehensive and timely CSR and sustainability reporting in the Group. The control efficiency and transparency of the KPI system allow Volkswagen to meet the increasing expectations of its stakeholders for an up-to-date, differentiated presentation of the Company's CSR and sustainability activities. 📄

The CSR & Sustainability Steering Group



Sustainability management at ŠKODA AUTO

GRI 1.2
4.17

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

At ŠKODA AUTO, the various aspects of sustainability are the responsibility of different steering committees. A central role is played by the GreenOffice, which was established as part of the Company's GreenFuture strategy and coordinates ŠKODA AUTO's environmental activities. A separate steering committee is responsible for decisions relating to individual social responsibility projects. The ŠKODA AUTO Board of

Management is involved in the decision process for projects above a certain size.

As part of the Volkswagen Group, ŠKODA AUTO shares ideas with other Volkswagen Group brands and the parent company on a regular basis. This exchange takes place within clear structures and at regular meetings, such as the Group-wide "CSR Global Meeting".

Organisational details and specific approaches are discussed at the beginning of each relevant section.

Materiality

The Volkswagen Group conducted an extensive Group-wide materiality analysis in 2010 for all main topics and areas of activity, with a detailed review in 2011. 📄

The main challenges facing the Company were clustered into four topics:

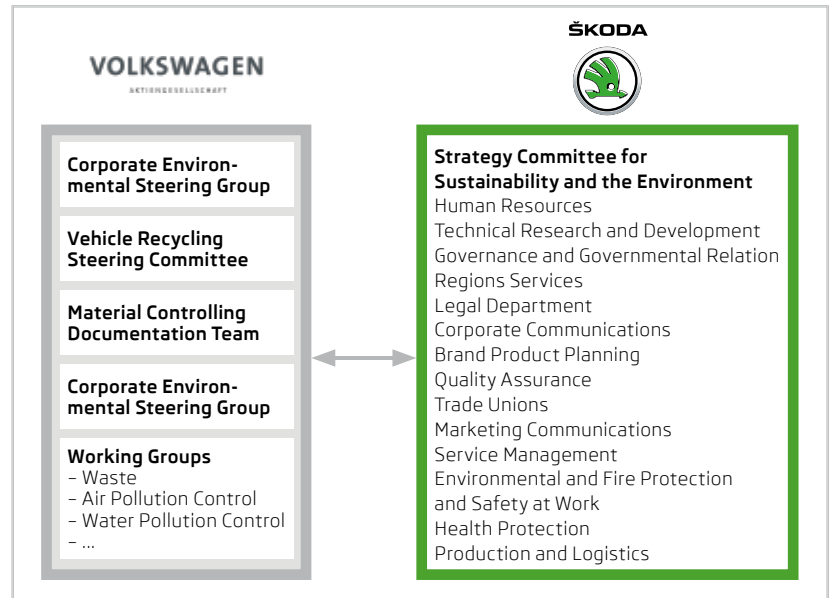
- Responsibility
- Climate and environmental protection
- Employment
- Sustainable mobility

ŠKODA AUTO bases its activities on this analysis and supplements them with brand, market and region-specific aspects, whose materiality is reviewed in an extensive stakeholder dialogue process.

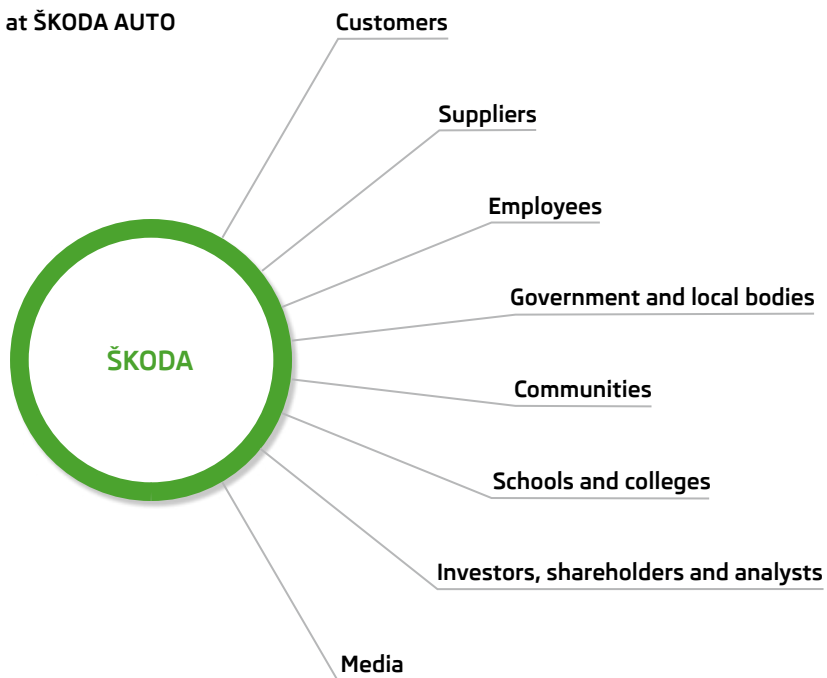
Continuous stakeholder dialogue

Regular, open dialogue with different stakeholder groups is a key aspect of sustainability management at the Volkswagen Group. ŠKODA AUTO continues this dialogue at brand level to ensure that interest groups' brand-specific requirements are taken into consideration in ŠKODA AUTO's sustainability management.

Strategy Committee for Sustainability and the Environment



Stakeholder dialogue at ŠKODA AUTO



Global strength

ŠKODA cars are in demand worldwide.
The Company's **economic** strength forms
the basis for further growth.



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- 21_Corporate governance
 - 21_Code of Conduct
 - 21_Compliance
 - 22_Corruption prevention
 - 22_Fair competition
 - 22_Relations with government and political institutions

Growth strategy bears fruit

The 2011 financial year was the most successful so far in the history of ŠKODA AUTO.


Company's economic situation



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GRI 2.8

With new sales, revenue and earnings highs, ŠKODA AUTO continued its record-breaking performance of the previous year. It also reached important milestones in the implementation of its growth and internationalisation strategy.

A total of 879,184 ŠKODA automobiles were delivered to customers in 2011, exceeding the previous year's record high by 15.3%. 

This sales success is rooted in highly-efficient production. More ŠKODA-brand vehicles were built in 2011

ŠKODA AUTO Group - Deliveries of ŠKODA automobiles to customers year-on-year

2011	+ 15.3%	879,184
2010		762,600

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

2011	+ 15.1%	252,562
2010		219,454

ŠKODA AUTO Group - Operating result year-on-year (CZK million)

2011	+ 61.3%	18,257
2010		11,316

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

2011	+ 7.5%	26,565
2010		24,714

* Number of employees as at 31 December excl. temporary staff, incl. apprentices.


than ever before in the Company's history. A total of 900,628 ŠKODA automobiles rolled off the assembly line at the Company's production locations – around 118,000 more than the previous year (+15.0%). ŠKODA AUTO also supplied a large number of parts to other brands in the Volkswagen Group and confirmed its position as an important pillar of the Group's global production network.

The number of ŠKODA AUTO employees rose to 26,565 at the end of 2011. This represents an increase of 7.5%.

Financial strength as the basis for further development

Bolstered by the substantial increase in sales and an improved model mix, the Company's sales revenue and earnings rose significantly. The cost situation also improved and net liquidity increased. This provides ŠKODA AUTO with a solid foundation for further investments in new products, capacity and markets.

ŠKODA AUTO's Group revenue rose by 15.1% to CZK 252.6 billion – another new record.

The operating result reflected this positive development and, at CZK 18.3 billion, easily exceeded the previous year's figure, with an increase of 61.3%. The Group's profit after income tax rose 81.9% to CZK 16.1 billion. 

The Company's net liquidity climbed to CZK 47.3 billion – an improvement of 17.7% year-on-year. Capital expenditure for the year 2011 totalled CZK 14.2 billion.

ŠKODA cars in demand worldwide

ŠKODA automobiles are sold in more than 100 countries worldwide.

Besides its core European markets, fast-growing markets in Eastern Europe and Asia are particularly crucial to future sales development. China is the largest single market for ŠKODA cars, followed by Germany, Russia, the Czech Republic and the U.K.

The positive sales development of recent years has so far continued in 2012. The Company has also been able to escape the negative trends on the Western European markets and increase volumes slightly. 


Unprecedented model offensive

In 2012, ŠKODA AUTO embarked on the most extensive model offensive in the Company's history. A new or revised ŠKODA model is scheduled for release onto the market, on average, every six months.

Besides its domestic markets in Europe, the growth markets of Asia and Eastern Europe also play an important part in this offensive. From 2013 on, the Company will collaborate with Shanghai Volkswagen to build the ŠKODA Yeti in China. A ŠKODA Rapid variant developed specially for the Chinese market will also be available to customers from 2013.

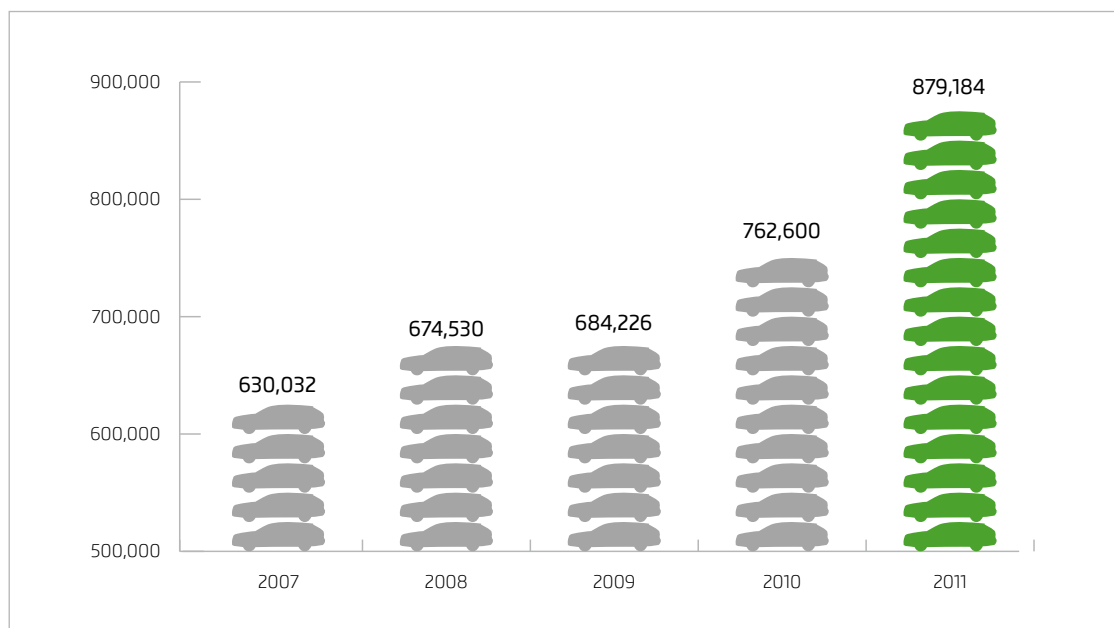
In response to the needs of Russian customers, a special ŠKODA Yeti model will be released for the Winter Olympic Games in 2014. Production of the ŠKODA Rapid will also begin in Russia in 2014.

GRI 2.2

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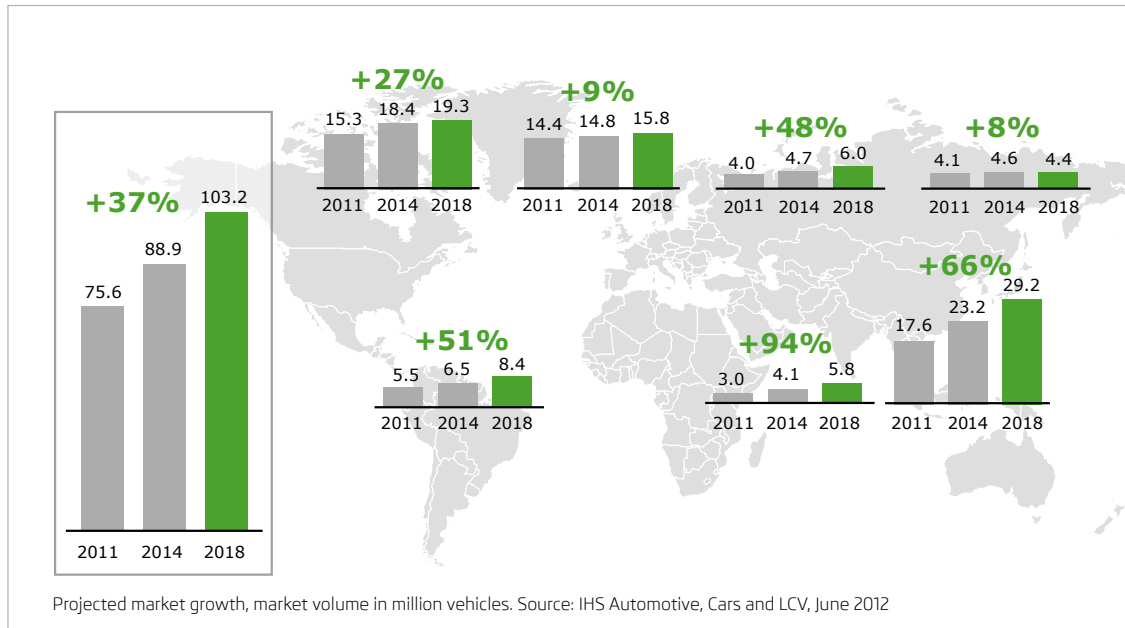
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Deliveries to customers 2007 - 2011



ŠKODA AUTO has great expectations for India, which is already one of the fastest-growing markets worldwide for ŠKODA automobiles. The Indian variant of the ŠKODA Rapid has been produced locally in Pune since November 2011.

ŠKODA deliberately targeting growth markets



Economic situation and automotive market trends

2011 was dominated by the global financial and debt crisis which, particularly in Europe, led to a high degree of insecurity, high volatility on the financial markets and uneven economic development. Overall, the global economy grew at a rate of 3.0%, but weakened considerably in the second half of the year. This trend continued in the first half of 2012.

The resilience of the individual economies varied. While countries such as Greece, Spain, Portugal, Italy and Ireland had to contend with the consequences of high national debt, Germany experienced relatively healthy economic growth.

The global automobile markets also saw extremely

uneven development in 2011, with strong competition. While automobile sales in core European markets – with the exception of Germany – declined, the Asian and Eastern European markets continued to report strong growth. A total of around 73.1 million vehicles were sold worldwide, including 62.1 million passenger cars. This represents a global increase of 4.5%.

This development once again affirms the direction of the ŠKODA growth strategy. The markets of Asia and Eastern Europe will play an especially important role in reaching ŠKODA's global sales target of at least 1.5 million vehicles by 2018. 📈

ŠKODA recognises outstanding service professionals and service technicians in its global service competition.



Customer satisfaction

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

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

ŠKODA AUTO has set up a new service training centre to enhance service quality worldwide. The centre, which opened in 2011, trains around 7,500 employees a year from all markets.

In 2011, ŠKODA AUTO also launched the "ŠKODA Ser-

vice Challenge" to test the theoretical and practical knowledge of service employees around the world in all important areas of customer service – initially at national level in the individual markets, and then in international competition, with the final held in Prague. The importance of customer satisfaction at ŠKODA AUTO is reflected in the Company's warranty policy. ŠKODA offers customers a two-year warranty against all defects in material and workmanship for its new cars. The start of the two-year warranty period is noted in the service log by the manufacturer or authorised ŠKODA sales partner when the new vehicle is purchased.

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

Sustainability throughout the value chain

GRI EC 6

Since 2006, the Volkswagen Group has been implementing its "Sustainability in Supplier Relations" concept, which is built on four pillars:

- Sustainability requirements for suppliers, which all suppliers must read before submitting quotes
- An early warning system for minimising risk
- A transparent procurement process
- A supplier monitoring and development process

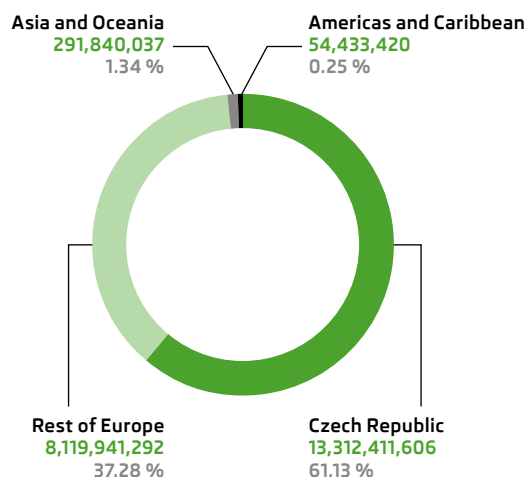
Since the start of implementation, the concept has been refined on a continuous, systematic basis through regular evaluation of all concept structures and components. 📄

The regular meetings and videoconferences held by the "Sustainable Procurement Network", in which ŠKODA AUTO is also represented, include progress reports on concept implementation for the brands and regions.

The environment is a particular focus of ŠKODA AUTO's efforts to improve sustainability throughout the value chain. For example, the Company awards a "Green Seal of Approval" to authorised business partners who meet the strict criteria of an environmental audit. 🌱

ŠKODA AUTO purchases materials from around the world for the manufacture of its vehicles and thereby contributes to economic development in those countries.

Purchasing volumes by region (in CZK and %)



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Environment,
Environmental Protection
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GRI 4.13

Membership of industry and business associations

- Czech Industry Association (Svaz průmyslu a dopravy ČR)
- Automotive Industry Association (Sdružení automobilového průmyslu)
- Czech-German Chamber of Industry and Commerce (Česko-německá obchodní a průmyslová komora)
- Czech-Israeli Chamber of Commerce (Česko - Izraelská smíšená obchodní komora)
- ICC - International Chamber of Commerce (Mezinárodní obchodní komora)
- Czech Institute of Directors (Institut správních orgánů)
- Business for Society (Byznys pro společnost)
- Trade and Investment Council (Rada pro obchod a investice),
- Expert group of Ministry of Industry and Trade for automotive industry (Poradní skupina Ministerstva průmyslu a obchodu k automobilovému průmyslu)
- Regional Tripartite of Central Bohemian Region (Regionální tripartita Středočeského kraje)
- Regional Tripartite of Hradec Králové Region (Regionální tripartita Královéhradeckého kraje)
- Association for Transport Telematics of the Czech Republic (Sdružení pro dopravní telematiku ČR)

ŠKODA AUTO representatives at scientific institutions

- Czech Technical University Prague (ČVUT Praha)
- Technical University Brno (VUT Brno)
- School of Mechatronics, Technical University Liberec
- Academy of Arts, Architecture and Design in Prague

Corporate governance

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

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

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

- The Universal Declaration of Human Rights, 1948 (UNO)
- European Convention on Human Rights, 1950
- International Covenant on Economic, Social and Cultural Rights, 1966 (UNO)
- International Covenant on Civil and Political Rights, 1966 (UNO)
- Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, 1977 (ILO)
- ILO Declaration on Fundamental Principles and Rights at Work, 1988
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997
- "Agenda 21" on sustainable development, 1992 (UNO)
- Principles of the Global Compact for more social and more ecological globalisation, 1999 (UNO)
- OECD Guidelines for Multinational Enterprises, 2000

Code of Conduct

In 2011, ŠKODA AUTO introduced a Code of Conduct which constitutes a binding set of rules for all employees and members of executive bodies.

This Code of Conduct underscores the Company's commitment to fulfil its local and worldwide responsi-

bilities as a global automobile manufacturer. The Code is based on international conventions, laws, internal rules and ethical standards, and is derived from the Company's principles, which form the basis for its activities worldwide.

The Code of Conduct provides all employees with a binding framework of key behavioural principles underlying their activities and helps them master the legal and ethical challenges of their daily work. It also makes the globally-applicable principles of ŠKODA AUTO transparent to business partners and stakeholders. The Code of Conduct was revised in 2012 and a copy distributed to all ŠKODA AUTO a.s. employees. A number of selected departments received face-to-face training in the key areas of the Code in 2012. The launch of a computer-based training programme for all employees is scheduled for 2013.

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

Compliance

In 2011, ŠKODA AUTO combined all of its risk management, compliance and corporate governance activities into its newly-formed Governance, Risk & Compliance department. One of the new department's main responsibilities is to advise the Board of Management in all compliance matters and establish preventative measures and mechanisms within the Company to improve compliance management and monitoring. The department is also responsible for initiating and coordinating company-wide compliance campaigns and organising comprehensive prevention programmes. The launch of a special compliance risk monitoring programme as part of the Company's risk management system enabled the department to establish preventative mechanisms within the Company to improve compliance management and monitoring.

90% of all relevant ŠKODA AUTO employees completed an online corruption prevention course in 2012. A wide range of additional training programmes was implemented, including classroom seminars, individual anti-corruption training at subsidiaries and individual competition and anti-trust law training.

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

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Corruption prevention


Another important component of the ŠKODA AUTO compliance efforts is the prevention of corruption and conflicts of interest and commitment to fair competition.


The Company supports national and international efforts to prevent bribery and corruption and rejects any form of anti-competitive conduct or distortion of competition.

ŠKODA AUTO strives to avoid conflicts of interest between employees' private interests and those of the Company. To prevent such conflicts from occurring, binding internal rules of conduct were established for topics such as the giving and receiving of gifts, extending and accepting business invitations and dealing with corporate hospitality.

ŠKODA AUTO a.s. has also adopted the ombudsman system employed by the Volkswagen Group, which is designed to help identify corrupt or suspicious behaviour. Any employee, business partner, dealer, supplier or other parties involved in a business relationship with ŠKODA AUTO a.s., may contact one of two independent ombudsmen, who pass the information on to the Company for further investigation after initial verification and release by the informant. The name of the informant is only released with his or her consent. The Anti-Corruption Officer of the Volkswagen Group is part of this system, and is the internal contact for all corruption-related issues throughout the entire Group. To avoid potential conflicts of interest, all members of the Board of Management, Supervisory Board and senior management are obliged by internal regulations to inform the Company in writing of any material gain they may obtain from transactions with third parties. Nor may they exert any direct influence on decisions relating to such transactions. In 2011, there were no reports of incidents which could have led to a conflict of interest in any of the relevant employee groups or in the Board of Management.

ŠKODA AUTO is in compliance with all Czech legislation and the principles of the Code of Corporate Governance. During the period under review, no complaints were filed against the Company. As part of regulatory controls performed at the foundries at the Mladá Boleslav plant, ŠKODA AUTO was fined for deficiencies in handling hazardous materials. Since the deficiency was immediately rectified and there was no danger to the environment, however, only a symbolic fine of CZK 35,000 (approx. EUR 1,400) was imposed.


ŠKODA AUTO publishes all relevant information on its financial and operational business activities, its shareholder structure and all other important topics. All information is prepared and published in accordance with accounting standards and standards for the disclosure of financial and non-financial information. 

In many areas, the scope of the information released goes beyond what is legally required. The Company publishes regular Annual Reports in accordance with internationally recognised accounting and reporting standards. These reports provide a detailed account of the Company's economic and financial situation. 

Fair competition

ŠKODA AUTO is committed to fair treatment of its business partners and third parties, and supports fair and undistorted competition. Every employee is required to observe the rules of competition and anti-trust law. This also prohibits agreements with competitors on pricing or capacity. Non-compete agreements with business partners and third parties, agreements to submit cover bids or allocate customers, areas or production programmes are also prohibited, along with improper preference or exclusion of contractual partners.

Relations with government and political institutions

ŠKODA AUTO is the recipient of public aid, for, among other things, personnel development and employee assistance. In 2011, the Company received total subsidies worth CZK 28.1 million from national and European funds, which were used primarily for research and vocational training projects. In the first nine months of 2012, subsidies rose to approx. CZK 78.1 million – mainly due to completion of a number of long-term investment projects, including the new Service Training Centre in Mladá Boleslav. 

In keeping with its principles of conduct, ŠKODA AUTO is fully committed to ethical and lawful conduct. This also characterises the Company's cooperation with the government and political institutions it works closely with. Governmental organisations may invite ŠKODA AUTO's input on bills and economic policy projects. The Company also pursues its interests as a member of various industry and business associations.



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ŠKODA



Company Policy of ŠKODA Auto

„Only the very best we can do is good enough for our customers.“

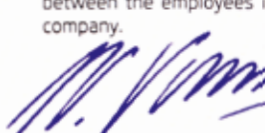


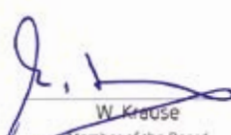


(The legacy of the founders, Laurin & Klement, 1914)

ŠKODA Auto develops, manufactures and sells high-quality and environmentally friendly vehicles, genuine parts and accessories. These do not simply meet the demands of our customers - they exceed them. ŠKODA Auto understands the needs of our customers and constantly puts these first. Our goals comply with the corporation's strategy of delighting customers so that they remain loyal to the ŠKODA brand. ŠKODA Auto builds on the principles of social responsibility in all areas in which the company is active.

The adherence of all employees to the "ŠKODA Auto code of conduct" and the following principles guarantees the implementation of the growth strategy, the achievement of ŠKODA Auto strategic goals and the successful future of our company:

- › **To guarantee the top quality of our products as our customers expect.**
- › **To fulfil all requirements which arise from laws, regulations and ethical principles.**
- › **To measure and evaluate process performances and, if needed, determine measures to continually improve the company's products, processes and services.**
- › **To improve environmental credibility by continually reducing pollution, use natural resources and energy in a responsible manner, apply environmentally friendly technologies and use as many re-usable materials as possible. We also motivate our contractual partners to do the same.**
- › **To control and protect our data, assets and information.**
- › **To construct balanced and fair relationships with our contractual partners and the public.**

ŠKODA Auto management commits itself to creating appropriate working conditions as well as supporting the personal development of all employees. In addition, the management promises to deliver a performance driven environment that will deliver the long term targets laid out. The management will engage in regular feedback and communication regarding the achievement of these targets and design measures, if needed, to bring the business back on track towards its long term goals. A culture of constant process improvements based on active cooperation between the employees is one of the basic requirements for safeguarding the activity and competitiveness of our company.

 Prof. Dr. h.c. W. Vahland Chairman of the Board of Directors	 Dr. E. Scholz Member of the Board of Directors Technical Development	 M. Dejcklaus Member of the Board of Directors Production and Logistics	 J. Stackmann Member of the Board of Directors Sales and Marketing
 W. Krause Member of the Board of Directors Commercial Affairs	 B. Wojnar Member of the Board of Directors Human Resources Mgmt	 K. Hell Member of the Board of Directors Purchasing	 Dr. M. Bort Quality Management

Mladá Boleslav, August 2011



The green sign symbolises ŠKODA Auto's commitment to environmentally friendly conduct. It represents a responsible approach to environmental protection and permanent, sustainable development.

Clean performance

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



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Environmental protection built in

With its GreenFuture environmental strategy project, ŠKODA AUTO is working to reach the environmental goals set out in the Group's Strategy 2018.

Environmental management and strategy

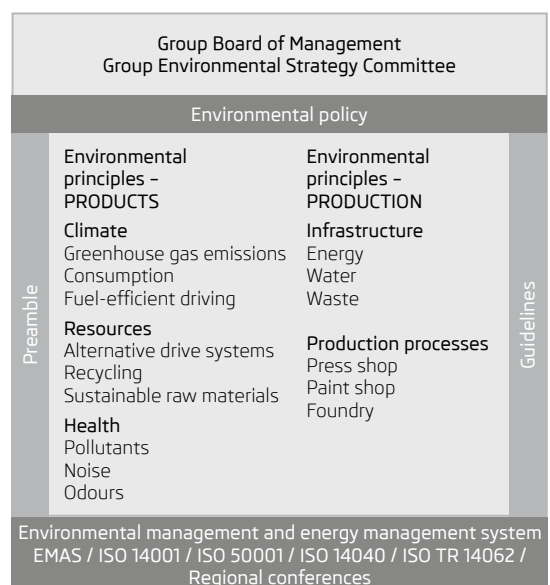
Group environmental strategy

As part of the Volkswagen Group, ŠKODA AUTO is bound by the Group's environmental strategy and strives to reach the associated targets. The main pillars of this strategy are the Group Environmental Principles for products and production. 📄

In line with the Group Environmental Principles for products, for example, the CO₂ emissions of the Volkswagen Group's new vehicle fleet will be reduced by 30% between 2006 and 2015. Each new vehicle generation will be 10-15% more efficient on average. To achieve this, efficiency technologies will be installed as standard equipment in all new models. 2013 will also see the start of series production of e-mobility vehicles.

Vehicle production will become more environmentally-compatible throughout the Group, so that by 2018 it will be 25% "greener" than in 2010. Specifically, this requires a 25% reduction in energy consumption, water consumption, waste and CO₂ and VOC emissions. 📄

Volkswagen Group environmental strategy





Mobility without fossil fuels: The new ŠKODA Green E Line models are customised for everyday needs.

Group-wide environmental management drives the implementation of the Volkswagen Group environmental strategy, ensuring that all aspects of environmental sustainability are directly integrated into the Group's environmental policy.

A separate Corporate Environmental Strategy Group, reporting directly to the Board of Management, helps secure the long-term value of the Company and protects it against environmental risks.

Regular environmental conferences at Group level create additional platforms for sharing information and experiences between the Group's different brands and companies.

Here also, ŠKODA AUTO experts contribute their know-how to Group-wide exchange, present best-practice solutions and at the same time gather input for their own work.

The 2012 Group Environmental Conference was held in Wolfsburg under the motto "On the road to number one – ecologically, too".

GreenFuture

In 2012, ŠKODA AUTO launched its environmental strategy project, GreenFuture. The aim of the project is to realise the measures necessary for implementation of the Group's Strategy 2018 at brand level.

GreenFuture includes measures at product, production and process level.

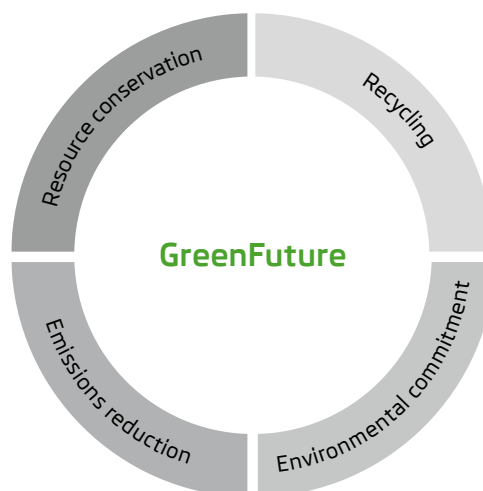
At product level, GreenFuture comprises the environmentally-friendly vehicle lines GreenLine (since 2008), GreenTec (since 2011) and Green E Line (since 2011).

At process level, existing activities, such as the "energy savings" e-learning platform, environmental audits and the "One car, one tree" project, have been combined under GreenFuture and strategically expanded.

The project is organised as shown on page 28.

The GreenOffice established in 2012 provides central coordination of the core processes of the GreenFuture environmental strategy and allows activities to be combined at plant or department level. At the same time, the GreenOffice serves as an organisational link between the heads of the different divisions and the GreenFuture Steering Group, which reports to the ŠKODA AUTO Board of Management.

GreenFuture focus topics



Environmental management at ŠKODA AUTO

ŠKODA AUTO accepts responsibility for continuous improvements in the environmental compatibility of its products and for the increasingly conservative use of natural resources, with due regard to economic aspects. With this in mind, ŠKODA AUTO makes advanced, environmentally-efficient technologies available worldwide – throughout the entire product life-cycle.

The Company partners with social and political representatives at all its locations to ensure socially and environmentally sustainable development.

Every ŠKODA AUTO employee has an obligation to make proper, economical use of natural resources and to minimise the impact of his or her activities on the environment.

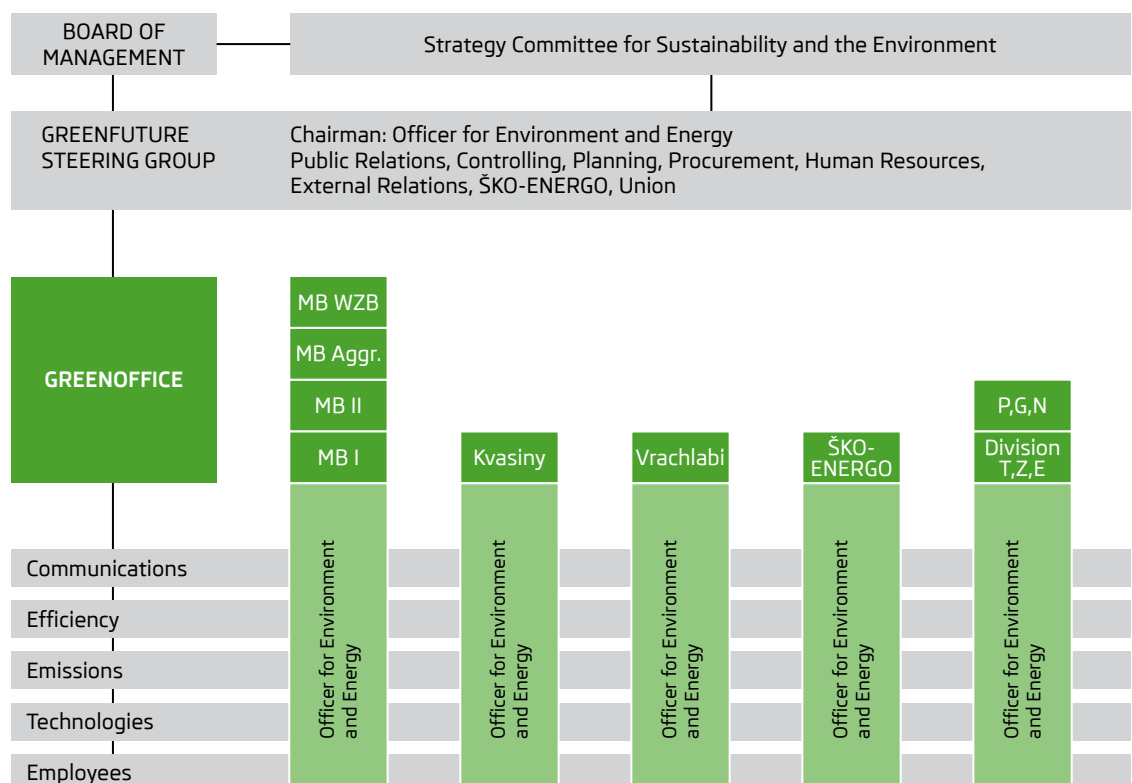
Central environmental management ensures that all aspects of environmental sustainability are integrated directly into the environmental policy of the Volkswagen Group. The aim is to minimise the impact on the environment – from development all the way through to professional vehicle recycling. ŠKODA AUTO does

everything within its power to help solve regional and global environmental problems. To achieve this, it relies on a combination of the latest technologies, precise environmental management throughout the entire value chain, frank stakeholder dialogue and co-operation with political organisations and authorities. ŠKODA AUTO adopted the ISO 14001 Environmental management system standard in 2001. It forms part of the Integrated Management System (IMS), together with the ISO 9001-certified quality management system and the ISO 27001-certified Information security management system.

The environmental management system verifies and evaluates the Company's environmental profile. This also includes monitoring suppliers and service providers who work on site, whose activities could impact the environment.

All ŠKODA employees are informed about, trained and motivated in the environmental protection issues related to their job as a matter of course. Employees are also required to implement the relevant environmental principles and fulfil the legal requirements pertaining to their particular area of work.

GreenFuture organisation



Environmental protection at authorised service partners

ŠKODA AUTO introduced an expert advisory service for environmental protection back in 1996, to help business partners in the Czech Republic establish a high-quality system for environmental management and monitoring. Authorised service partners who meet strict environmental audit criteria are awarded a "Green Seal of Approval" for environmentally-friendly conduct.

However, environmental protection is more than just theory at ŠKODA AUTO – the Company also assists its authorised service partners with practical implementation. The "spring cleaning" initiative organised in spring 2012 provides a good example of this: More than 95 tonnes of unusable, surplus and rejected material were cleared from service partners' warehouses in the Czech Republic. 88.53% of this material was able to be utilised.

The range of environmental activities was expanded in June 2012 with the introduction of environmental training for ŠKODA AUTO authorised partners in the Czech Republic. The training aims to expand and update partners' understanding of environmentally-responsible handling of waste, water and air. This complements the existing system of voluntary certification with the "Green Seal of Approval".

Environmental protection for new investments

The ŠKODA AUTO growth strategy also involves a large number of investments to increase capacity – particularly at the Company's Czech production facilities – and in Technical Development.

A key criterion in such investment decisions is the effectiveness of technical environmental protection.

The best available technology was selected for all environmentally-relevant systems in 2011. This ensures that the Volkswagen Group's environmental standards – which go far beyond legal requirements – are also fulfilled.

The legally-required environmental impact assessment was successfully completed for the following expansion measures in 2011 and official authorisation obtained:

- Extension of production areas at the Mladá Boleslav plant to accommodate additional pressing, body shop and assembly equipment.
- Expansion of the necessary space for logistics and handling.

The existing authorisation for the Mladá Boleslav plant was extended in compliance with the law gov-

At ŠKODA AUTO, economic growth goes hand in hand with environmental responsibility.

erning integrated pollution prevention (No. 76/2002 Sb.). The integrated permit for the paint shops was also extended to the press and welding shops as well as assembly. At the same time, capacities were increased and the paint shop remodelled. The permit for casting systems at the Mladá Boleslav plant was also modified to include a number of production processes used in engine and transmission manufacture.

In the process of retrofitting the welding and tool shops at the Mladá Boleslav plant, cleared areas were also reconditioned. Steps were taken to seal the hall floors and prevent hazardous materials from seeping into the groundwater.


Sustainable mobility

ŠKODA AUTO products contribute to environmentally-compatible, efficient, safe mobility. The Company is committed to designing products in alignment with public interest, taking into account not only individual needs, but also environmental concerns and the economic requirements of a global company.

In accordance with the environmental policy of the Volkswagen Group, ŠKODA AUTO is also responsible for continuous improvements in the environmental compatibility of its products, with due regard to economic aspects. A particular focus is on reducing its use of natural resources and energy consumption. For this reason, ŠKODA AUTO makes its progressive, environmentally-compatible technologies available worldwide – and implements them throughout the entire product lifecycle.

The development of new ŠKODA models focuses on three environment-related areas of activity: climate protection, resource conservation and health protection. Compliance with these environmental principles ensures that any negative impact on the environment is considered in the early stages of vehicle planning and minimised throughout its entire lifecycle – from vehicle development through its active life to recycling and recovery.

Focus on low emissions

Today's ŠKODA automobiles are characterised by their efficiency and fuel economy: There are already 47 models with CO₂ emissions of less than 120 grams per kilometre. 

Since 2010, there has been at least one GreenLine variant in each model series that offers even higher standards of efficiency and environmental-compatibility – without compromising on comfort or performance. Technical and aerodynamic modifications make ŠKODA GreenLine versions the most environmentally-compatible and economical models in their vehicle class. In GreenLine models, fuel economy and reduced emissions are not only a priority for the engine, but also in product design, body construction and choice of tyres. The combination of these measures reduces vehicle weight, improves aerodynamics and therefore lowers fuel consumption and emissions. The second generation of ŠKODA GreenLine models, released in 2011, offers even greater efficiency and environmental-friendliness.

ŠKODA AUTO also pursues the goal of lower consumption and emissions with the Green tec package, which is available throughout the entire model range. This technology package includes an automatic start/stop function, brake energy regeneration and tyres with optimised rolling resistance. It ensures environmental-

conscious mobility at the same level of comfort and performance.

The new ŠKODA Citigo model also meets ŠKODA AUTO's high standards for the fuel and emissions efficiency of its vehicles. The development of the ŠKODA Citigo focused not only on active and passive safety but also, in particular, on environmental aspects. Newly-developed engines ensure excellent fuel economy and low CO₂ emissions. The Green tec version of this vehicle, with a 1.0 litre-engine and an output of 44kw, has an average fuel consumption of only 4.1 litres/100 km and CO₂ emissions of only 96 grams/km. With its efficient use of space, the ŠKODA Citigo embodies the "simply clever" brand philosophy in a particularly consistent way.

Electric mobility

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

Resource efficiency

To continue minimising fuel and resource consumption, as well as emissions, ŠKODA AUTO's vehicle development process focuses specifically on weight reduction and the use of recyclable materials and the latest technology.

The Company relies on CAD tools and corresponding simulations in its vehicle development process to assess various options for solutions and optimise the design of parts from the perspective of stability and stress.

The deliberate choice of lightweight materials for production (non-ferrous metals, high-strength sheet metal, plastics, etc.) allows raw materials to be used in the most efficient way possible and also reduces waste.

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Recycling

GRI EN 2

ŠKODA AUTO's responsibility does not end with the sale of its product. It continues throughout its active usage, all the way through to recycling at the end of its lifecycle. A wide range of different processes ensure that new vehicles manufactured by the Volkswagen Group are at least 85% recyclable and 95% recoverable. All ŠKODA models are certified by the independent British Vehicle Certification Authority (VCA) and comply with all legal requirements – including those for recycling capability.

Recycling capability not only refers to vehicles and parts which the Company is obliged to take back (tyres, oil, batteries) – but also focuses on fluids, plastic parts, glass and packaging.

ŠKODA AUTO takes a keen interest in new recycling processes and technologies. A particular focus is the use of recycled materials to replace increasingly scarce primary raw materials. All materials and parts are labelled for easier sorting into material groups at the end of their lifecycle. This ensures that carefully pre-sorted materials are sent for recycling or subsequent recovery.

In the EU, end-of-life ŠKODA AUTO vehicles are taken back free of charge. The Company relies on an extensive network of partner companies for recycling. In the Czech Republic, customers can also return wear parts such as tyres, batteries and oil to a network of authorised recyclers.

The free take-back programme offered by authorised partners in the Czech Republic collected and processed the following volumes in 2011:

- 6,416 ŠKODA-brand end-of-life vehicles, with a recycle rate of more than 90%.
- over 800 tonnes of waste oil, with a recycle rate of almost 100%
- 656.5 tonnes of batteries with a recycle rate of 66.2%
- more than 35,500 tyres with a recycle rate of almost 100%.

ŠKODA environmental standards will be defined by the end of 2012, based on its positive practical experiences with environmental protection, waste recycling and handling end-of-life products. These will apply not only to European import companies, but also in other international markets.

The ŠKODA 120-gram fleet: 47 models with CO₂ emissions of less than 120 g CO₂/km

Citigo 1.0 l – 50 kw
MPI CNG



79 g CO₂/km
4.4 m³ natural gas / 100 km

Octavia 1.6 l – 81 kw
TDI GreenLine



89 g CO₂/km
3.4 l diesel / 100 km *

* This applies for the GreenLine version, which will be introduced onto the market in the course of the year 2013.

Superb 1.6 l – 77 kw
TDI GreenLine



114 g CO₂/km
4.4 l diesel / 100 km

Emission-free mobility in its sights: ŠKODA AUTO tests fleet of ten electric vehicles in everyday driving



A special feature of the Green E Line models is the power socket under the brand logo with the winged arrow.

As the next major step towards emission-free mobility, ŠKODA AUTO launched a fleet of ten ŠKODA Octavia Green E Line cars on the roads in autumn 2011, concluding an intense, roughly one-year initial development phase. It began in 2010 at the Paris Motor Show with the premiere of an electric concept car modelled on the ŠKODA Octavia Combi. On this basis, a dedicated team of engineers from all fields of planning and research worked together to develop a roadworthy version of the ŠKODA Octavia Green E Line. A test fleet of these vehicles will deliver valuable input for everyday driving. Each car will clock up around 15,000 kilometres over the duration of the test period. Every kilometre driven is monitored and evaluated. Specially trained service technicians are on hand so any problems that arise can be analysed, evaluated and solved quickly.

The vehicle is based on the series-produced ŠKODA Octavia Combi. Its 85 kw electric motor and the battery pack, which has a capacity of 26 kWh gives it a range of about 150 kilometres. The 180 lithium-ion battery cells in this vehicle are carefully placed to save space and ensure constant everyday drivability with no compromises – just like in series vehicles with conventional engines. The ŠKODA Octavia Green E Line accelerates from 0 to 100 km/h in 12 seconds and has a top speed of 135 km/h. This makes it the perfect car for everyday driving in and around the city.

The wide range of different conditions encountered in the test will provide the broadest possible data on the everyday drivability of the ŠKODA Octavia Green E Line. For example, as part of the corporate project "Innovative Family", a ŠKODA Octavia Green E Line is being tested by a large family. Another two ŠKODA Octavia Green E Line cars are being tested by the energy supplier ČEZ. The Czech Technical University in Prague was also provided with a vehicle for practical tests and research into e-mobility. A test vehicle used by Prague Castle administrators to deliver the daily mail faces unique challenges: The castle's exposed location on the "Hradschin" hill high above the city, places the toughest possible demands on the engine and therefore provides valuable insights into how the engine performs under maximum stress.

The findings from the field trial will be aggregated and evaluated, and will form the basis for further development of electro-mobility at ŠKODA AUTO. The first step has already been taken – with many more to follow. ŠKODA AUTO will continue to pursue the topic of electro-mobility with vigour in the future. Because "simply clever" must also be the standard and the promise of the ŠKODA brand in the field of e-mobility.





Focus on environmental protection: from development and production through recycling to modern workplace design.

Environmental protection in production

ŠKODA AUTO is also under obligation as a responsible company to minimise the environmental impact of its vehicle production. All legal requirements are fulfilled, and new, stricter standards are complied with immediately. Continuous improvements in environmental protection are firmly entrenched in corporate policy and strategy. Successful implementation of these principles was confirmed in 2011, by the ISO 14001:2004 audit, among others, with the renewal of certification.

Protection against air pollution

A survey of all equipment producing substances, that damage the earth's ozone layer was conducted in 2005. Its gradual replacement by systems using other refrigerants is scheduled for completion by 1 January 2015. About three-quarters of the equipment concerned has already been replaced. Annual leakage inspections have been performed on systems with more than 3 kg of regulated refrigerants since 2005. The inspections are documented in individual system logs, with service, maintenance and leakage inspections performed by authorised staff. The installation of new systems using regulated refrigerants has been prohibited at ŠKODA AUTO since 2005. In 2011, all air emission sources are within statutory emission limits. The majority of the emissions (more than 92%) originated from the paint shops.

83% of the total pollutants released into the air are volatile organic compounds (VOCs) from the paint shops. These facilities use mainly water-soluble paints, and most of the VOCs produced are mixed with natural gas and burned. The heat released is used for heating purposes.


In recent years, optimisation of painting processes has kept VOC emissions well below the legal limits – irrespective of the number of car bodies painted. As a result, less than 29 grams of VOC are released per square metre of painted area – well within the current legal limit of 45 grams. 🌱

Reconditioning of contaminated areas

ŠKODA AUTO ensures that none of its activities are detrimental to the environment. It has also been successful in mitigating the consequences of industrial production dating from before its acquisition by the Volkswagen Group.

By the end of 2011, more than 81% of the contaminated sites had been reconditioned, at a total cost of CZK 610 million.

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Water consumption and groundwater protection

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

Two of the most important challenges for environmental management at ŠKODA AUTO are to limit water consumption to the lowest possible level and discharge used water back into natural circulation with the minimum environmental impact. Trends in water consumption and wastewater volume per vehicle produced confirm the success of these efforts. Wastewater quality is also considerably higher than legally required. 🌱

The surrounding bodies of water are not substantially affected by abstraction of water, since all three of ŠKODA AUTO's Czech production locations are supplied for the most part with surface water from rivers. In Mladá Boleslav, industrial water is taken from the Jizera river, and in Vrchlabí from the Elbe. Both rivers always have sufficiently high levels, so abstraction produces no negative impact. The industrial water used in Kvasiny originates from the Belá river. As a precaution, deep bore holes have been drilled here to safeguard supplies when water levels are low. Drinking water is supplied by external companies and waterworks with sources with sufficient capacity.

Waste management

In waste management, ŠKODA AUTO subscribes to the principle of "prevention, then recovery, then disposal". Processes are designed to prevent waste and

keep the volume of waste as low as possible. Reducing hazardous waste and waste with dangerous properties is a priority. Once all recycling possibilities have been exhausted, the remaining waste is disposed of in an environmentally-sound manner.

Rigorous implementation of this strategy has steadily reduced the volume of waste per vehicle produced in recent years. This progress becomes quite clear from a long-term perspective: Back in 1993, the production of a single car produced 132 kg of waste per vehicle (without metallic waste), compared with only 33 kg in 2011.

In 2011, only 8.9% of the total waste volume was ultimately disposed of in landfills or incinerators. Most waste, including metals, was recycled. This applies in particular to glass, paper, waste oil, solvents, wire and electronic waste. 🌱

Packaging materials

ŠKODA AUTO strives to minimise the amount of packaging material necessary and to use reusable packaging wherever possible and environmentally beneficial. Packaging material is selected for maximum recyclability. Packaging which can no longer be used is recycled. The Mladá Boleslav plant has its own press for paper and plastic foil – which means that these materials leave the plant sorted and in the minimum quantities possible. PET bottles are also pre-sorted. Waste wood from transport packaging is processed at the Mladá Boleslav plant to make wood pellets which can be used as a CO₂-neutral fuel at the ŠKO-ENERGO thermal power station.

At the Vrchlabí and Kvasiny plants, packaging materials are sent to an external company for recycling after sorting.

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Left: The environmental impact of production can be dramatically reduced through continuous process improvement.

Right: Continuous optimisation measures enable environmentally-compatible and efficient logistics.



Investment in environmental protection

A total of CZK 134 million was invested in preventative environmental protection measures in 2011, mainly for construction and modernisation projects. Total investment in environmental protection since 1991 amounts to CZK 10.2 billion.

Green logistics

ŠKODA AUTO utilises the most environmentally-compatible and efficient logistics to deliver cars to customers around the world. More than 50% of new vehicles are dispatched to customers by rail.

The EDIS project (Ecological internal transport ŠKODA) was launched in 2011 for transportation of parts and materials between the Company's Czech locations. The aim is to reduce the environmental impact of internal transport by introducing electrically-powered trailers and optimising internal goods traffic. This will generate both environmental and economic benefits – and produce up to 590 tonnes less CO₂ by per year.

Biodiversity and environmental protection at sites

All new development proposals are evaluated as part of the environmental impact assessment (EIA) and must be classified as projects with no or only insignificant impact on biodiversity. In 2010, the plant sites were assessed for potential environmental risks. This analysis confirmed that the production plants have no negative impact on the closest protected areas or the plants and animals that live there. An assessment of environmental risks in accordance with Czech legal requirements was completed in 2012. The results do not indicate any negative effects on biodiversity.

Energy efficiency

The plant operated by the ŠKODA AUTO subsidiary ŠKO-ENERGO was commissioned in 2000. It generates electricity for vehicle production at the manufacturer's headquarters and serves as a thermal power station for the city of Mladá Boleslav.

ŠKO-ENERGO supplies ŠKODA AUTO with all of its electricity, heat, industrial, drinking and cooling water, compressed air and natural gas needs. The utility company also handles purification and disposal of rainwater and wastewater for the entire ŠKODA AUTO site and supplies heat to the city of Mladá Boleslav. ŠKODA AUTO is the main shareholder in ŠKO-ENERGO with 44.5% of shares; Volkswagen Kraftwerk holds a further 22.5%.

It is the declared aim of ŠKODA AUTO to reduce CO₂ emissions from the ŠKO-ENERGO thermal power station by 25% by 2015. This reduction will primarily be achieved by using energy from biomass. By 2015, about a third of the plant's total power output will be

generated from renewable energies.

ŠKO-ENERGO produces 420,000 MWh of electricity a year – 50,000 MWh of which is already generated from biomass combustion. By 2015, the amount of electricity obtained from biomass is set to increase to 140,000 MWh.

Using energy-efficient technologies

To further reduce the energy required for production, ŠKODA AUTO uses the most energy-efficient technologies available wherever it is economically viable to do so – a good example of this is the energy-efficient PXL servo press system that will be commissioned at the Mladá Boleslav plant.

ŠKODA will be the first brand in the Volkswagen Group to use this technology. The energy released from stamping large parts is stored and reused. In continuous operation, this uses 15% less energy than conventional press lines.

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One car - one tree



Since 2007, ŠKODA AUTO has planted a tree for every ŠKODA vehicle sold in the Czech Republic. As a result, more than 305,000 trees have so far been planted in Czech forests – with more than 58,000 more added in 2012, thanks to the Company's successful sales performance in 2011. It has since become something of a tradition for ŠKODA employees and their families to help choose the sites for planting. Employees can also help plant the trees. The main focus of this initiative is on regions close to ŠKODA AUTO locations.

This project has mainly contributed to revitalisation and restoration of native ecosystems of forest areas in the national parks of Bohemian Switzerland and the Giant Mountains, as well as nature reserves in the Elbe Sandstone Mountains and the Jizera Mountains. The project has also assisted with many other tree-planting activities, for instance, replanting along historic boulevards and in parks, protective planting and the creation of new bio-corridors. The trees have a positive, anti-erosive and microclimatic effect, and the creation of new landscape features also benefits bird and game populations.

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

Focus on
people



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Social identity

ŠKODA AUTO embraces its responsibility – as an attractive employer, a customer-oriented automobile manufacturer and a “good neighbour” wherever the Company is based.

Management approach

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

It is the declared goal of the Volkswagen Group to become the most attractive employer in the automotive sector by 2018, and employees are also a focus of social responsibility at ŠKODA AUTO. The Company offers extensive social benefits, ensures compliance with occupational health and safety standards and provides its employees with access to a unique range of op-

portunities for higher education in science, at college level and through professional training. ŠKODA AUTO also attaches great importance to diversity and equal opportunities within the Company and is already working to meet the challenges which will arise from future demographic trends.

Relations with employees

ŠKODA AUTO acts in accordance with the applicable requirements of the International Labour Organisation (ILO). The Company respects human rights and supports their observance.

ŠKODA AUTO recognises the fundamental right of all

employees to representation and to form unions. The deliberate use of forced or compulsory labour is prohibited, as is child labour. ŠKODA AUTO respects the minimum age of admission to employment under the applicable government regulations.

Remuneration and benefits paid or provided for a normal working week are at least equivalent to the respective national legal minimum standard or the minimum standard of the relevant industry sector.

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

There are two union organisations active within the Company, the majority OS KOVO and an independent union. Two of the six members of the Supervisory Board of ŠKODA AUTO are employee representatives. Management and employee representatives work together and make joint decisions on specific topics in various working groups and steering committees. These include the Economic Committees of the individual plants, Health and Safety Commissions, the Committee for Personnel Planning, the Committee for the Environment and the Medical Committee.

Within the Volkswagen Group, cooperation with employee representatives is assured through links with union structures, which are integrated into the European Group Works Council and the Group Global Works Council. Relations between employer and employees are governed by collective bargaining agreements. Notice periods provide a good example of this: According to Czech law, ŠKODA AUTO is required to provide its employees with adequate notice of significant operational changes and strategic decisions. Based on the collective wage agreements with the unions, for example, the Company has pledged to inform employee representatives of necessary workforce reductions at least four months in advance.

The Volkswagen Global Labour Charter came into force in autumn 2009 and combines the right to consultation with shared responsibility, which requires employees to demonstrate first-class skills and a highly developed sense of responsibility.

The Charter applies globally and implements phased rights to information, consultation and codetermination for employee representatives for the brands, companies and locations represented on the Group Global Works Council. 📄

Management of social responsibility

ŠKODA AUTO has traditionally exercised its social responsibility in areas where the Company operates. The focus of activities is on the Czech Republic, where more than 90% of its employees are based and where the Company plays an important role as a "corporate citizen". The three locations of Mladá Boleslav, Kvasiny and Vrchlabí are a particular focus.

A separate steering committee was created in early 2011 from the combined donations and sponsorship working groups to decide on individual measures. The steering committee, which is formed from representatives from the relevant departments, decides how to allocate its budget of CZK 28 million for measures in the Czech Republic.

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

The focus of ŠKODA AUTO's sponsorship activities is on culture, education, science and sport. Sponsorship money is only used within the applicable legal framework and in accordance with the relevant Company rules. ⓘ

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

Responsibility towards employees

ŠKODA AUTO attaches considerable importance to long-term retention of qualified employees. Long-term employment, work-life balance, health protection and gender and diversity management are a reality for Company employees. In light of the increasing internationalisation of the Company, a further challenge for human resources is to promote employee mobility and make foreign assignments more attractive, particularly at management level. Greater mobility will intensify know-how transfer within the Company and, at the same time, offer employees extensive opportunities for personal development. More personal, flexible HR support will make this an easier and even more attractive option for employees in the future.

Employee satisfaction

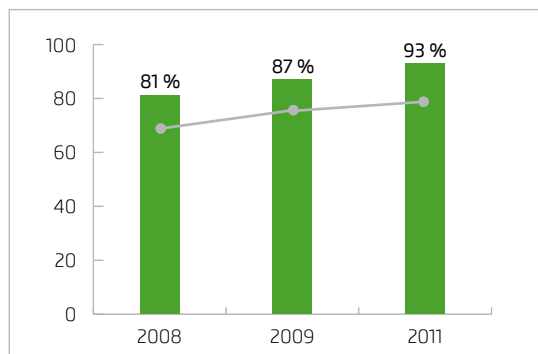
Strong employee loyalty and motivation remains the backbone of the Company's success. This was confirmed by an employee survey conducted in 2011 with 93% participation, which showed a further increase in motivation. More intensive communication within the Company will ensure that these already excellent figures continue to improve over the coming years.

Low attrition rates (3.1% in 2011) and an above-average length of service with the Company of 12.5 years confirm ŠKODA AUTO's attractiveness as an employer. 



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ŠKODA are WE - employee participation



Vocational training

In-house vocational training has been a key element of ŠKODA AUTO's human resources policy for many years. In this way, the Company ensures it has the qualified young talent it needs to secure its own future. It also fulfils its social responsibility as an employer: A total of 766 apprentices were training for future careers at ŠKODA AUTO in 2011.

As part of the Volkswagen Group, all young recruits – and, indeed, all ŠKODA AUTO employees – have access to a wide range of international opportunities.



On an academic level, ŠKODA AUTO has a unique instrument at its disposal: At this time, it is the only company in the Czech Republic with its own university. Founded in 2000, the university offers bachelor's and master's degrees in business and management. There are currently around 1000 students enrolled at the university – more than 100 of them are also employed by ŠKODA AUTO.

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

The university is based at the Na Karmeli education centre in Mladá Boleslav, which also houses ŠKODA



AUTO's professional training programmes. The building was constructed in 2007 as part of the modernisation and expansion of the existing monastery building from the 14th century and provides an excellent example of the close partnership between ŠKODA AUTO and the city of Mladá Boleslav. Investment in the building project totalled about CZK 390 million. ŠKODA AUTO also collaborates as a company with other universities, including colleges abroad. In addition to various sponsorship projects, cooperation encompasses joint research and development, internships and the provision of ŠKODA employees as college lecturers. ŠKODA AUTO also provides a large number of vehicles for teaching purposes and is involved in developing study plans and the accreditation of new courses – with the aim of bringing curriculum content and industry practice closer into line.

In 2011, ŠKODA AUTO invested a total of CZK 3.8 million in cooperation with universities in the Czech Republic. The main partner universities include the Czech Technical University in Prague, the Technical University of Liberec and the University of West Bohemia in Pilsen.

Professional training

ŠKODA AUTO employees work in an environment that opens up attractive personal and professional perspectives. By enabling outstanding performance and results, it also promotes employability. In return for the Company's investment in the long-term development of its employees' qualifications and competences, all employees are expected to set high standards for themselves, their work, performance and health. The on-going professional development of its employees is an integral part of ŠKODA AUTO's human re-

In 2011, the outstanding apprentices in the Volkswagen Group were presented with the "Best Apprentice Award", including a graduate of the ŠKODA AUTO Vocational School of Mechanical Engineering.


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sources policy. Competent, motivated and internationally deployable employees are essential to successful implementation of the Company's growth strategy. In the face of increasing technological complexity and global labour markets, demands on employees are also growing. For this reason, ŠKODA AUTO offers a wide range of opportunities for its staff to continue developing their skills and competences and therefore remain competitive in the international job market. The Company attaches particular importance to continued development in the fields of entrepreneurial thinking, flexibility, intercultural communications and language skills.

Extensive e-learning programmes are used in addition to classroom training at ŠKODA AUTO's Na Karmeli education centre. More than 80 different courses are available online, allowing employees to complete their training at work or at home, as they wish.

In 2011, 83,777 attendees completed a total of 4,692 courses from the training programme. Of these 52,484 attendees took advantage of e-learning courses. 


There are also special training programmes for individual employee groups, such as team leaders and specialists in development, marketing, controlling, IT and HR. ŠKODA AUTO prefers to recruit managers from within its own ranks and relies on in-house training programmes to prepare them for their roles. Examples include the Company-wide management trainee programme, where future managers can gain broad international experience. In this area, employees benefit from being part of the Volkswagen Group and the opportunities this offers.

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

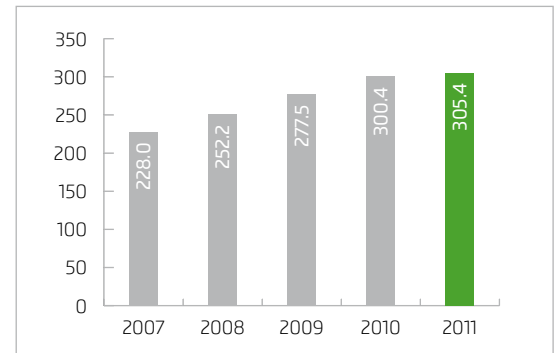
The Group Academy will ensure that employee training meets the same high competence and quality standards worldwide for all Volkswagen Group brands.

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

ŠKODA employees have the chance to suggest improvements and contribute their ideas and innovations in all areas of business and all processes. The Company promotes these and other activities with its Z.E.B.R.A. idea management project. Employee proposals are primarily concerned with ma-

terial savings, more efficient production processes, improved health and safety at work and product safety. No fewer than 4,300 employees submitted a total of 11,221 proposals as part of Z.E.B.R.A. in 2011. 71.7% of the suggestions were implemented, with benefits for the Company worth 305.4 million CZK. 

Growing importance of Z.E.B.R.A. idea management




Health and safety at work

In accordance with Group principles, ŠKODA AUTO regards the health and safety of its employees not just as a legal requirement, but also as an important factor in the Company's long-term economic development. Demographic trends and technological progress are the central challenges the Company faces in this area. They require solutions which promote the health and performance capabilities of every employee and at the same time create optimum living and working conditions.

ŠKODA AUTO aims to reduce the number of working days lost due to illness, in particular among older employees. With an absence rate of 2.5% in 2011, absenteeism at ŠKODA AUTO is already much lower than at comparable companies in the Czech Republic.

ŠKODA AUTO reported a further positive achievement in the field of occupational safety in 2011. Thanks to its systematic efforts to promote health and safety at work, the number of occupational accidents is falling continuously: In fact, the number of accidents resulting in incapacity of any kind was the lowest for 20 years. There were on average 1.5 accidents resulting in incapacity per million hours worked – well below the target of 2.1 for 2011. ŠKODA AUTO therefore boasts one of the lowest accident rates in Europe, and even worldwide.

This positive outcome was the result of preventative measures and years of hard work by all those involved in the field of occupational safety. The OS KOVO union also played a key role with its constant efforts to raise employee awareness and promote responsible and safe behaviour. 



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Focus on voluntary prevention

In addition to the monitoring required by law, ŠKODA AUTO has gradually introduced voluntary prevention programmes. These were combined to form the ŠKODA Check-up plan in 2008, and focus in particular on healthy eating, weight loss, exercise, addiction prevention and a generally healthier lifestyle.

On average, about 13,000 employees a year undergo a medical examination as part of the ŠKODA Check-up plan. The check-up includes a diagnostic element, with follow-up consultation and rehabilitation if needed. Employees have access to outpatient rehabilitation centres at all ŠKODA AUTO plants, where preventive programmes are offered as well as therapeutic rehabilitation. A total of 63,704 check-up examinations were conducted between the launch of the programme in 2008 and the end of July 2012.

Company doctors monitor the results of personal health plans annually - 13,552 in 2011 alone. 62.4% of employees fulfilled their personal goals; 25.9% achieved some of them; only 11.6% failed to meet any of their goals.

Selected employees have the opportunity to spend a week of paid leave recuperating at special help resorts.

Preventive measures aim to reduce the numbers of days lost to sickness by combatting chronic and acute illnesses (e.g. cardiovascular disease, metabolic disorders, oncologic diseases, musculoskeletal diseases and infections).

All ŠKODA employees can receive free flu vaccinations and vitamin C for up to four months, if they wish. In 2011, 3,243 employees (13.5%) took advantage of this free vaccination service.

Employee health is also a regular topic at Company Health Days. In 2011, two of these events were held at the Mladá Boleslav site and attended by 411 employees.

In 2011, more than 2,200 employees took advantage of the therapy services offered by the rehabilitation centres and more than 1,500 employees participated in prevention programmes. A total of 1,588 employees had the opportunity to stay at a health resort in 2011. This option is coordinated with the OS KOVO union.

Work ergonomics

The second major contributing factor in the health of employees is the creation of appropriate work and living conditions within the Company. Activities in this area were divided between several different departments up until 2010, but are now part of an ergonomics programme, which includes technical prevention as well as supervisory and rehabilitation activities. This multidisciplinary approach reflects the health protection principles established at Volkswagen Group.

At ŠKODA AUTO, ergonomic aspects are of central importance throughout the product and production planning process. As part of the ergonomics concept, company doctors work with vehicle designers for optimal implementation of ergonomic principles in work processes. Design units are given basic feedback on the physical strain on employees building current models, which is then taken into account in the development



Head of Human Resources Bohdan Wojnar and Chairman of the OS KOVO union Jaroslav Povšik accept the "Employer of the Decade" award presented by the employers' association Sodexo and PwC on behalf of ŠKODA AUTO.

of new models. Digital feasibility studies for assembly activities, using, for example, the "Motion Capture Suit" computer simulation programme, enable in-depth, realistic and interference-free analysis of work processes. In this way, making ergonomic improvements in production conditions for current models becomes a continuous process.

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

Extensive social benefits

ŠKODA AUTO is one of the most attractive employers in the Czech Republic today. Extensive social benefits and above-average remuneration are anchored in collective bargaining agreements, and specifically include the company pension scheme.

In 2011, ŠKODA AUTO's employer contribution to supplementary pensions was CZK 700 per employee per

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month. About three-quarters of all employees take advantage of this benefit, which costs the Company approx. CZK 154.13 million a year.

To help employees buy their own home and contribute to the economic development in the areas where the Company is located, ŠKODA AUTO provides its employees with interest-free loans of up to CZK 400,000 for the purchase of a house or apartment and CZK 125,000 for renovation of their home. Around 700 employees made use of this option in 2011. The total loan volume amounted to CZK 179.2 million.

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

A social fund has been established to finance this extensive range of social benefits. In 2011, its total resources amounted to more than CZK 150 million.

Work-life balance

GRI HR 4 Work-life balance has always been a priority at ŠKODA AUTO and throughout the entire Volkswagen Group.

Family-friendliness is one of the main values of the ŠKODA brand. This is reflected not only in ŠKODA automobiles, but also in working conditions at the Company – and specifically in its wide range of social benefits, especially for families with children. The Company covers 30% of the cost of nursery facilities, for example. Managers are allowed to continue using their company car and computer during parental leave. They are also invited to Company events and receive regular information on the latest developments at the Company.

ŠKODA AUTO is also actively involved in organising recreational activities for its employees, their families and the local communities where it is based, focusing mainly on expanding local cultural, social and sports opportunities, such as the Municipal Theatre in Mladá Boleslav and the Zlín International Children's Film Festival.

Diversity

ŠKODA AUTO wants to help female managers in particular reconcile work and family life. It aims to further increase the percentage of women in management functions over the coming years.

At the end of 2011, women made up 19.6% of the total ŠKODA AUTO workforce and 12.5% of its managers.

GRI EC 3 Social expenditure in CZK

	2011
Union activities	8,315,000
Recreation	14,041,197
Health programmes, recreational activities	22,800,399
Health programmes	11,907,406
Recreational activities	10,892,993
Sport	10,790,393
Culture	102,600
Service awards	69,080,608
Bonus for birth of a child	3,766,000
Social assistance	4,928,382
Retirement benefits	4,640,382
Death benefits	288,000
Vocational school	216,340
Retired employees	330,265
Works catering	37,965,705
Daycare	554,053
Total expenses	161,997,950

Laughter is the best medicine: ŠKODA AUTO has supported the "Healthy Clowns" organisation, which visits seriously-ill children throughout the Czech Republic, for many years.



Equal opportunities

ŠKODA AUTO is committed to equal opportunities and equality, regardless of ethnicity, colour, gender, disability, ideology, religion, nationality, sexual orientation or political affiliation, insofar as these are based on democratic principles and tolerance towards those with different beliefs.

Employees are hired and promoted on the basis of qualification and ability. Individuals employed by ŠKODA AUTO may not engage in any form of discrimination (e.g. through handicap, harassment or mobbing), so that respectful, cooperative partnership can be assured.

Equal opportunities play an important role at ŠKODA AUTO, especially in the context of the Company's increasing internationalisation. At the end of 2011, ŠKODA AUTO employed a total of 2,044 foreign nationals from 37 countries. The Company offers language courses and intercultural training and uses workplace translators, where necessary, to assist these employees.

In 2011, ŠKODA AUTO was recognised for its exemplary employment policy towards people with disabilities and reduced mobility. In the Czech Republic, the Company won the "Employers without Barriers" and the "Best Full-Responsibility Enterprises" awards for its extensive measures to promote employment of people with disabilities, including the creation of six sheltered workshops at ŠKODA AUTO production locations in the Czech Republic, which employ more than 200 people with disabilities. With these facilities, ŠKODA AUTO is working closely with the OS KOVO union to create new career prospects for employees with health issues.

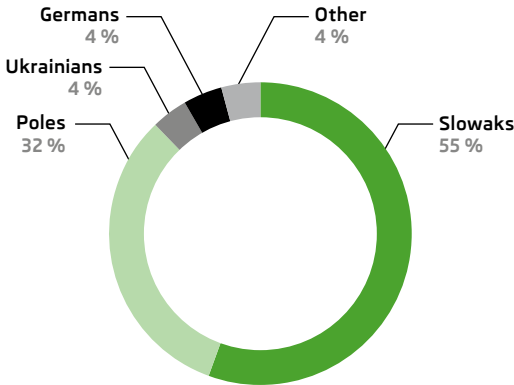
ŠKODA AUTO has created a special programme to

handle retraining, reassignment within the Company (with guaranteed income), rehabilitation stays, additional paid leave (up to five days) and preventative health services for older employees.

Employee remuneration

Employee salaries are governed by collective wage agreements. Remuneration comprises basic pay and an incentive bonus. Additional pay can be earned for overtime, on-call availability and working on public holidays, for example.

Share of foreign nationals among core employees in 2011



Social commitment

As one of the leading companies in the Czech Republic, ŠKODA AUTO has topped the CZECH 100 ranking of the country's "most important companies" for the past 15 years - partly because of its strong social commitment.

Social responsibility is an integral part of ŠKODA AUTO's corporate identity and is intrinsically linked to its economic success. In keeping with its social commitment, the Company engages in a variety of projects to help people in many different ways.

Social projects

GRI SO 1
EC 8

ŠKODA AUTO supports a large number of social and humanitarian projects in cooperation with leading foundations and charitable organisations - at local and regional level in areas where it has company facilities, as well as projects with a national or international focus.

Social commitment in the Czech Republic

Many of ŠKODA AUTO's activities in the Czech Republic are focused on its Mladá Boleslav location, with which it has especially close ties. This is where the Company was founded and where it still employs a substantial share of its employees. Since early 2011, the city and ŠKODA AUTO have been collaborating even more closely on a politically independent project to enhance the appeal of Mladá Boleslav as a manufacturing location and transform the city into an attractive industrial hub - not only from an economic perspective, but also from a social and environmental viewpoint. Teams of experts from Mladá Boleslav and ŠKODA AUTO are working on the following areas:

- Safety in the city
- Property, ownership and infrastructure
- Environment
- Education, social issues
- Recreational activities, tourism
- Joint public relations
- Finance and investment

Some of the first tangible results of this collaboration were already realised in 2011. One of the activities ŠKODA AUTO was involved with was construction of a bridge across the river Jizera and revitalisation of the "Ptacká ulice" road. ŠKODA AUTO also promoted measures to make the city safer, as well as a variety of educational, social and recreational projects. Together, the city and ŠKODA AUTO ensure that available financial resources are put to good use. In future, teams of experts will continue this work, seeking out new projects and refining the general direction of this long-term cooperative effort in ways that reflect the wishes and ideas of the city's inhabitants. Potential fu-

ture activities will concentrate, for example, on further expansion of infrastructure and improving air quality. At national level, ŠKODA AUTO has a long-standing partnership with the Paraple Centre to provide specially adapted cars to enable disabled people to live a more independent life. For many years, ŠKODA AUTO has also provided grants and vehicle donations to the non-profit organisation "Healthy Clowns" which organises visits from professional clowns to seriously-ill children throughout the Czech Republic under the motto "laughter is the best medicine". ŠKODA AUTO also supports the Forum 2000 Foundation, the Foundation for Cancer Research and the Czech Paralympic Committee.

Social commitment in Germany

The Company is also involved in a large number of projects in Germany, the second-largest single market for ŠKODA automobiles after China. The focus of these activities is primarily on children's health and education. ŠKODA AUTO supports the KinderPalliativTeam, which provides outpatient care for terminally-ill children. Thanks to this project, children are able to spend the last weeks, months or years of their lives at home with their families. ŠKODA AUTO Germany and Stiftung Lesen (Reading Foundation) also donated boxes of books to the Bärenherz Hospice in 2012 in an effort to make it easier for children and their families to cope with illness.

The Company also works with Stiftung Lesen on initiatives to encourage children and young people to read, such as a recent tour of a "read-out-loud" bus that travelled through Germany in mid-2012.

Social commitment in India

Skoda Auto India Private Ltd. focuses its social projects on education and health. For example, the Company provided the Industrial Training Institute in Aurangabad with training materials on engine construction, including a cross-section of an engine, diagnostic technology and several ŠKODA cars.

The primary school in Shendra, a village close to the ŠKODA plant in Aurangabad, was completely renovated and equipped with computers. The building reopened in August 2012.

Skoda Auto India conducts regular health check-ups at schools, orphanages and villages, providing medical treatment to 540 people in 2011. In addition, many Skoda Auto India employees participated in Company health initiatives. A total of 414 employees donated blood in 2011; in 2012, no fewer than 459 had already done so by the end of the period under review.

Social commitment in Slovakia

ŠKODA AUTO Slovensko has been working with the "Nádej" ("Hope") children's home outside of Bratislava since 2004. Financial support provides for items such as games, sports equipment, school supplies, books and Christmas decorations for the children's home. A sports day has also been held regularly on Univer-

sal Children's Day since 2010. Organised by the Works Council, ŠKODA AUTO Slovensko employees and their families participate in a day full of games, competitions and entertainment. Employees also support the children's home throughout the year with donations of clothing and household articles.



Cultural commitment at ŠKODA AUTO is extremely diverse. An important element is the Czech Philharmonic Orchestra, which ŠKODA AUTO has supported for many years.

Cultural commitment

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

Cultural commitment in the Czech Republic

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

The Company also supports a number of acclaimed international events, such as the Smetana's Litomyšl international opera festival, which is the largest classical open-air festival in the Czech Republic. Activities

like the Zlín Children's Film Festival, the Prague German-language Theatre Festival and involvement with the Municipal Theatre in Mladá Boleslav round out the Company's cultural commitment in the Czech Republic.

Cultural commitment in India

ŠKODA AUTO India created the annual "ŠKODA Prize for Indian Contemporary Art" in 2010 to promote young Indian artists.

Awarded by a distinguished jury and sponsored by internationally recognised museums and cultural institutions, the prize's main aim is to provide young artists from across the subcontinent with a platform to present their work – and is the largest event of its kind in India. The prize is endowed with one million Indian rupees. With thousands of visitors each year, the ŠKODA Prize Top 20 exhibition showcases the works of the most promising Indian artists.

GRI 501



Realistic accident simulations provide important input for enhancing safety in ŠKODA vehicles.

Road safety

GRI PR 1

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

Active and passive safety

In terms of safety, ŠKODA automobiles are among the best-in-class. All new ŠKODA models introduced since 2008 regularly achieve the top five-star rating in the Euro NCAP crash tests, impressing not only with their spaciousness and value-for-money, but also their active safety.

Results like these are the product of consistent development progress in the field of safety technology, with improvements implemented into on-going production processes. Activities go beyond its labs and own crash centre, which opened in 2011: A spectacular example of this was provided in autumn 2010, when ŠKODA AUTO experts conducted a high-speed crash test at the test facility in Úhelnice in the Czech Republic. A real frontal collision between a ŠKODA Yeti driving at around 90 km/h and a ŠKODA Superb Combi was simulated in front of around 100 international journalists and technology specialists. In a real-life situation, all

vehicle occupants would have survived the collision. This public crash test proved that this outcome was not just a lucky coincidence, but largely thanks to the safety technology built into both vehicles.

Accident research

ŠKODA AUTO's "Traffic Safety Research" team has been analysing traffic accidents since 2008. The findings of their analyses provide valuable input for the development process. Experts take an unusual approach by analysing and measuring real accidents at the site of the collision. This close cooperation with police, fire and rescue services also helps ensure the quality of results.

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



Road safety education

ŠKODA AUTO is committed to promoting safety among the youngest road users in many different ways. The Company provides a direct support to operators of children traffic playgrounds in the region where ŠKODA AUTO's plants are located.

The Company launched its "Safe Routes to School" project in cooperation with the city of Mladá Boleslav and works with municipalities in the Kvasiny area to improve pedestrian safety – for example, by renovating zebra and other pedestrian crossings.

ŠKODA AUTO also partners with the "Roads through Towns" initiative to help optimise traffic flow through Czech towns and villages by implementing exemplary traffic-calming solutions. ŠKODA AUTO has supported this project run by the renowned Nadace Partnerství (Environmental Partnership) foundation for the past six years.

Playful ŠKODA

The free internet application "Playful ŠKODA" also targets young road users. Children get to experience typical traffic situations, such as crossing the road or using public transport, in a fun way, using interactive animations to practice safe behaviour on the roads. This includes knowing how to stay visible to other road users in the dark or how to fasten a seatbelt properly. Users

can also take a quiz to test their knowledge of traffic rules and signs. The site also features information on environmental responsibility, as well as plenty of games, puzzles and a European atlas. The application is available in Czech, Slovakian, English and Russian.

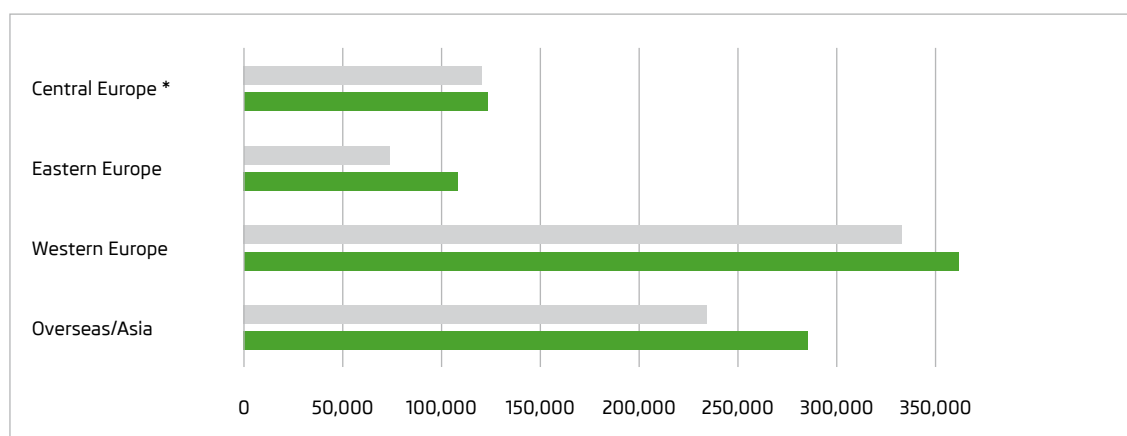
Accident prevention

For the past five years, ŠKODA AUTO Germany has supported the "DON'T DRINK AND DRIVE" campaign aimed at reducing the number of alcohol-related accidents. It deliberately targets young drivers – because one in four people involved in drink-driving accidents is a teenager, even though their age group accounts for a much smaller percentage of the total population. The vehicles ŠKODA AUTO provides for the initiative are used by the campaign team, and also for a computer-controlled driving simulator, which provides a realistic demonstration of the effects of alcohol on driving abilities. To reach out to its overwhelmingly young target group, the "DON'T DRINK AND DRIVE Party Patrol" has further surprises in store: It uses a simple but effective game to allow young people to see for themselves how consuming alcoholic beverages slows their reaction times. Quizzes and competitions complete this programme, which relies on specially trained agents of the same age aim to get people talking about alcohol and driving, without preaching.

Facts & Figures

Economics

Deliveries to customers by region: ■ 2010 and ■ 2011



	Deliveries to customers (vehicles)		Change 2011/2010	Share of total market	
	2011	2010		2011	2010
Central Europe*	123,156	121,063	1.7%	17.7%	16.8%
Eastern Europe	108,423	73,747	47.0%	3.6%	3.3%
Western Europe	361,777	333,261	8.6%	2.8%	2.6%
Overseas/Asia	285,828	234,529	21.9%	0.6%	0.5%
Total ŠKODA brand	879,184	762,600	15.3%	1.4%	1.3%

* incl. Czech Republic

Consolidated income statement for the year ended 31 December 2011 (CZK million)

GRI EC 1

	2011	2010
Sales	252,562	219,454
Cost of sales	215,956	190,234
Gross profit	36,606	29,220
Distribution expenses	17,549	14,509
Administrative expenses	6,123	5,256
Other operating income	10,040	7,856
Other operating expenses	4,717	5,995
Operating profit	18,257	11,316
Financial income	2,757	1,112
Financial expenses	1,966	1,494
Financial result	791	(382)
Share on profit (+) / loss (-) of associates	227	(348)
Profit before income tax	19,275	10,586
Income tax expense	3,200	1,747
Profit for the year	16,075	8,839
Attributable to:		
Owner of the Company	16,035	8,781
Non-controlling interests	40	58
	16,075	8,839

Group return on invested capital (CZK million)

	2011	2010
Operating profit before tax	18,257	11,316
Notional income tax *	5,477	3,395
Operating profit after notional tax	12,780	7,921
Capital employed	60,591	60,084
Return on capital employed (%)	21.1	13.2

* Long-term effective tax rate of the Volkswagen Group 2010 and 2011: 30%.

GRI 2.2	ŠKODA production	2011	2010	2011/2010
	ŠKODA brand production			
	Fabia*	142,115	125,596	13.2%
	Fabia Combi	73,023	68,079	7.3%
	Fabia total	215,138	193,675	11.1%
	Roomster	33,414	27,728	20.5%
	Roomster Praktik	3,013	2,745	9.8%
	Roomster total	36,427	30,473	19.5%
	Octavia*	142,289	119,884	18.7%
	Octavia Combi	131,953	113,221	16.5%
	Octavia total**	274,242	233,105	17.6%
	Yeti	77,312	52,550	47.1%
	Superb II	26,009	24,970	4.2%
	Superb Combi	44,882	40,969	9.6%
	Superb total	70,891	65,939	7.5%
	Total ŠKODA brand	674,010	575,742	17.1%
	Production of other Volkswagen Group brands			
	VW Passat	1,338	786	70.2%
	VW Jetta	1,858	4,339	-57.2%
	Audi A6	1,254	810	54.8%
	Audi A4	2,328	1,224	90.2%
	Audi Q5	1,092	432	> 100%
	Total other Volkswagen Group brands	7,870	7,591	3.7%
	Total ŠKODA Group	681,880	583,333	16.9%
	Production of ŠKODA cars in Pune			
	Rapid	2,561	-	-
	Total ŠKODA Pune	2,561	-	-
	Production of ŠKODA cars in Bratislava			
	Octavia	-	10,000	-
	Octavia Combi	-	-	-
	Octavia total	-	10,000	-
	Citigo	1,027	-	-
	Total ŠKODA Bratislava	1,027	10,000	-
	Production of ŠKODA cars in China			
	Fabia	45,969	43,298	6.2%
	Octavia	128,220	114,024	12.5%
	Superb II	48,841	39,755	22.9%
	Total ŠKODA China	223,030	197,077	13.2%
	Total ŠKODA worldwide	900,628	782,819	15.0%

* including disassembled vehicle kits distributed to production plants outside ŠKODA AUTO Group

** includes Octavia, Octavia Tour I and Octavia Tour II, production of Octavia Tour I was suspended in 2010

Deliveries to customers - largest markets

GRI 2.7

	Deliveries to customers (vehicles)		Change 2011/2010	Percentage of total market	
	2011	2010		2011	2010
Total ŠKODA brand	879,184	762,600	15.3%	1.4%	1.3%
China	220,089	180,515	21.9%	1.8%	1.6%
Germany	128,011	113,323	13.0%	4.0%	3.9%
Russia	74,074	45,577	62.5%	3.0%	2.6%
Czech Republic	58,202	58,033	0.3%	33.4%	34.0%
United Kingdom	45,282	41,632	8.8%	2.3%	2.1%
Poland	38,116	37,918	0.5%	12.7%	11.3%
India	30,005	20,019	49.9%	1.3%	0.9%
France	22,356	20,394	9.6%	1.0%	0.9%
Austria	21,208	18,803	12.8%	5.9%	5.7%
Netherlands	20,879	15,408	35.5%	3.8%	3.2%
Belgium	18,900	15,756	20.0%	3.3%	2.9%
Italy	17,345	18,276	-5.1%	1.0%	0.9%
Switzerland	16,298	14,320	13.8%	5.1%	4.8%
Spain*	15,873	18,944	-16.2%	2.1%	2.0%
Slovakia	15,182	13,650	11.2%	22.1%	21.2%

* excludes Canary Islands

Deliveries to customers by model

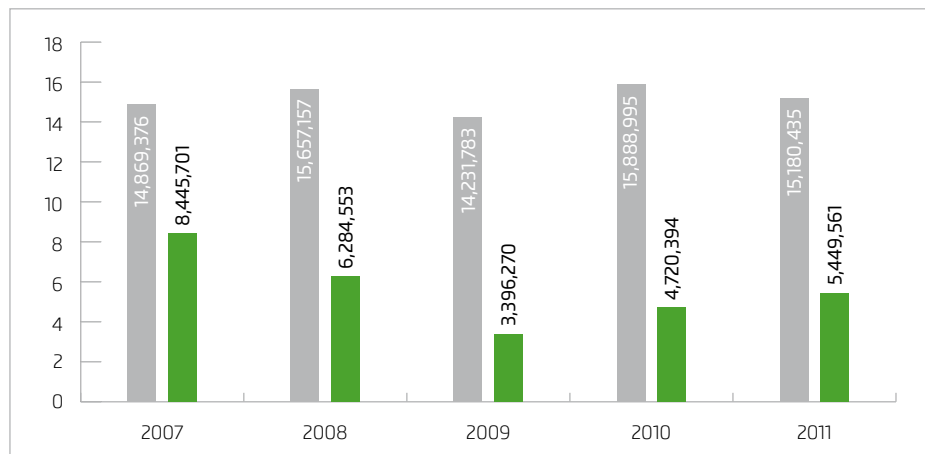
GRI 2.2

	2011	2010	2011/2010
Citigo	510	-	-
Fabia	192,852	161,358	19.5%
Fabia Combi	73,911	67,687	9.2%
Fabia total	266,763	229,045	16.5%
Rapid	1,671	-	-
Roomster	33,005	29,514	11.8%
Roomster Praktik	3,005	2,818	6.6%
Roomster total	36,010	32,332	11.4%
Octavia	261,572	235,735	11.0%
Octavia Combi	125,611	114,011	10.2%
Octavia total*	387,183	349,746	10.7%
Yeti	70,321	52,604	33.7%
Superb	-	5	-
Superb II	73,125	63,146	15.8%
Superb Combi	43,601	35,722	22.1%
Superb total	116,726	98,873	18.1%
Total ŠKODA brand	879,184	762,600	15.3%

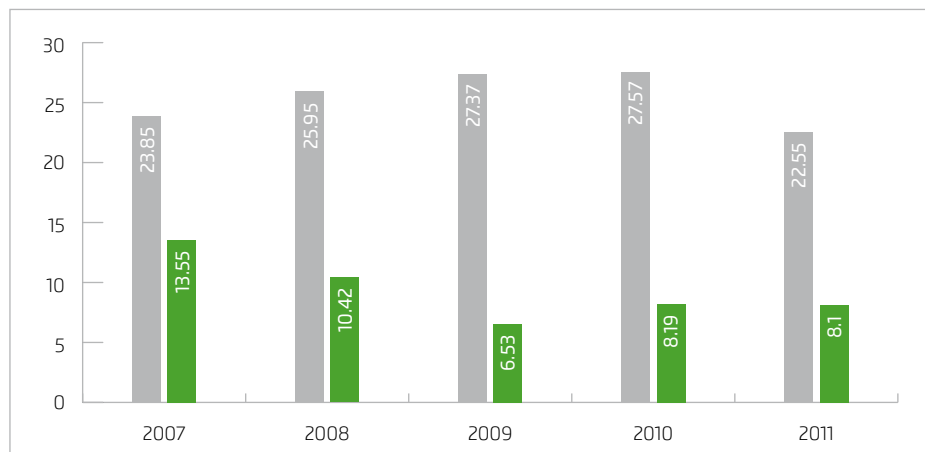
* includes Octavia, Octavia Tour I and Octavia Tour II; production of the Octavia Tour I was suspended in 2010.

Environment

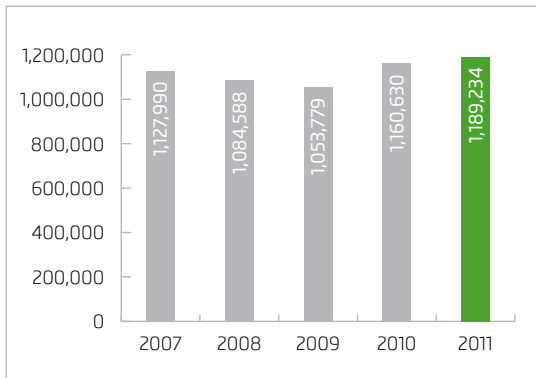
GRI EN 26 Environmental protection costs
(■ operating costs // ■ investment costs in EUR)



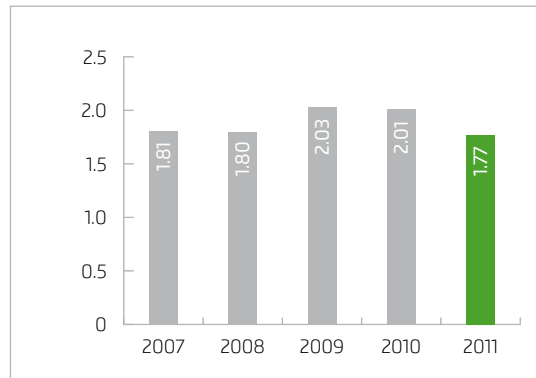
Environmental protection costs per vehicle
(■ operating costs // ■ investment costs in EUR)



Total energy consumption (in MWh)



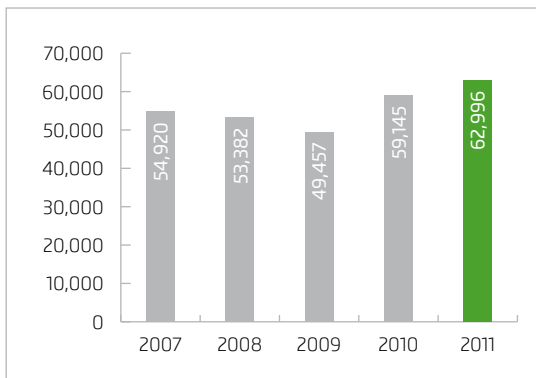
Energy consumption/vehicle (in MWh)



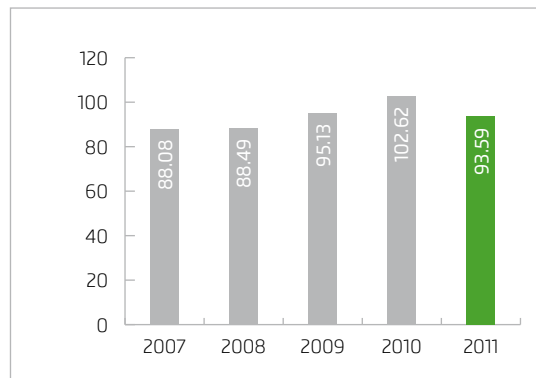
GRI EN 3
EN 4

The energy consumption per vehicle produced was reduced significantly. As a result, total energy consumption increased only slightly, despite much higher production figures.

Direct CO₂ emissions (in t)

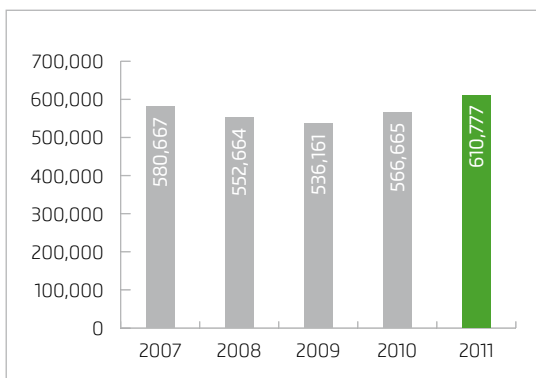


Direct CO₂ emissions/vehicle (in kg)

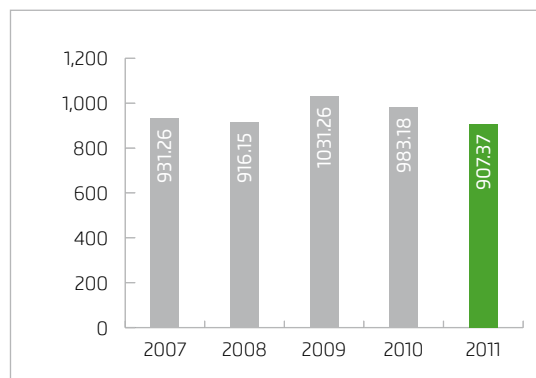


GRI EN 16
EN 19

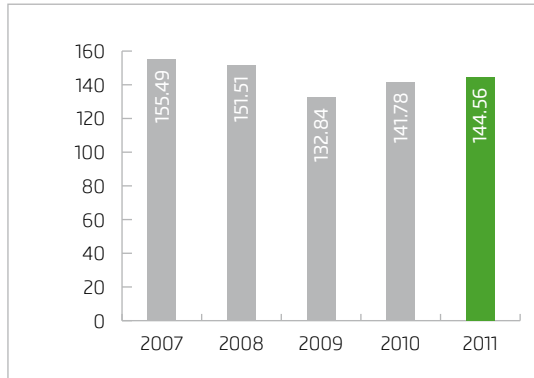
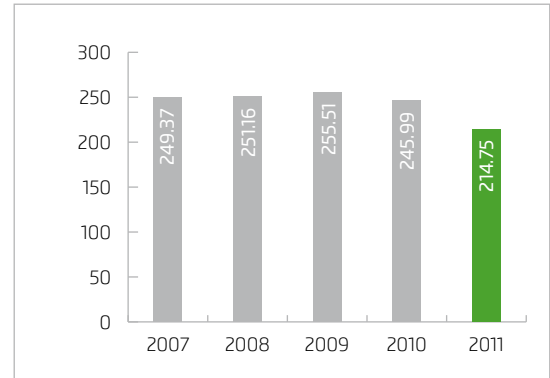
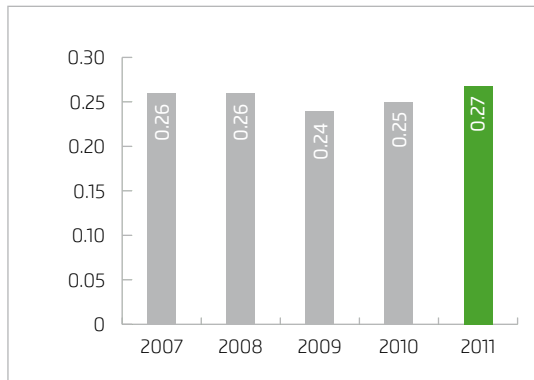
Total CO₂ emissions (in t)



Total CO₂ emissions/vehicle (in kg)

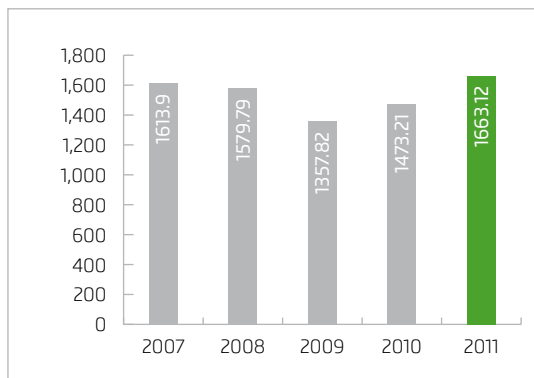


Efficient CO₂-reduction measures enabled an 8% decrease in total CO₂ emissions per vehicle produced between 2010 and 2011. Despite higher production volumes, only a slight increase in total CO₂ emissions from production was reported. The extreme winter of 2010 also had an impact.

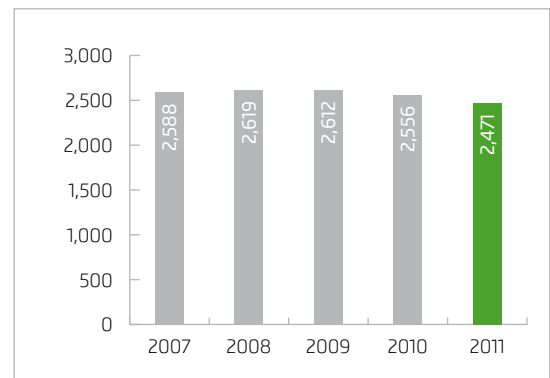
GRI EN 20
EN 17Direct NO_x emissions (in t)Direct NO_x emissions/vehicle (in g)Direct SO₂ emissions (in t)Total SO₂ emissions/vehicle (in g)

Direct NO_x emissions per vehicle produced decreased by 13% from 2010 to 2011; total SO₂ emissions per vehicle produced for the same period were also 7% lower. Despite higher production volumes, direct NO_x emissions increased by only 2%. Direct SO₂ emissions rose by 8%. The extreme winter of 2010 also had an impact.

Total VOC emissions (in t)

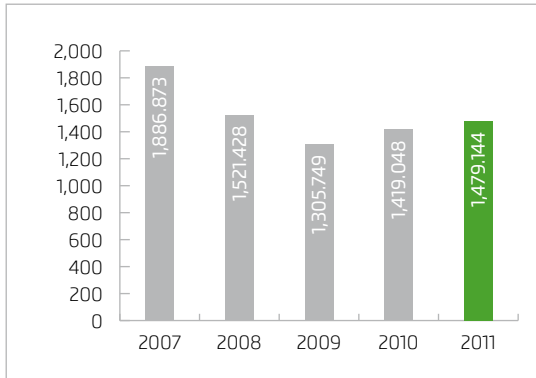


Total VOC emissions/vehicle (in g)

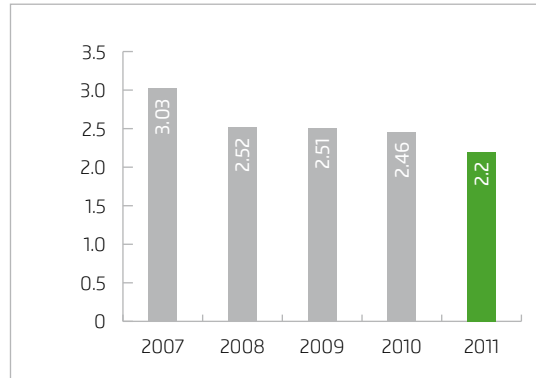


VOC emissions per vehicle were reduced by 3% from 2010 to 2011. Higher production volumes resulted in an increase in total VOC emissions of 13% for the same period.

Freshwater (in m³)

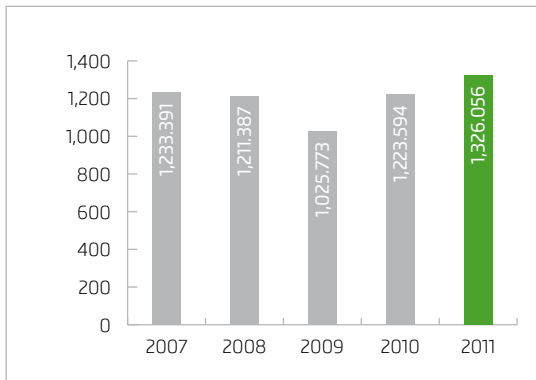


Freshwater/vehicle (in m³)

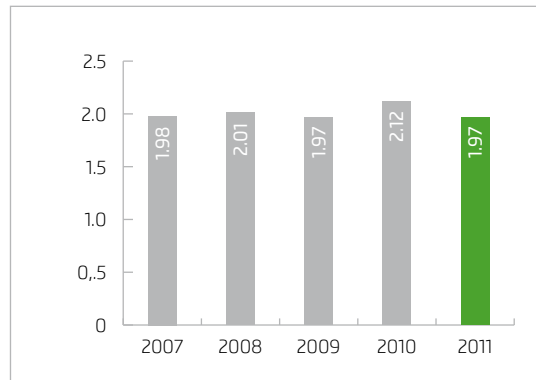


GRI EN 3
EN 8
EN 21

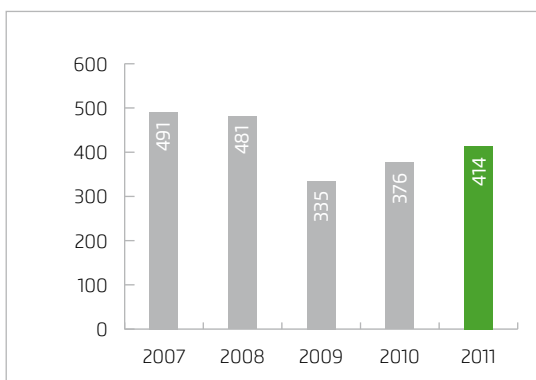
Wastewater (in m³)



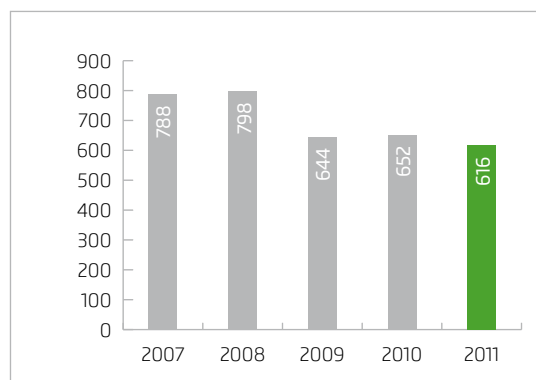
Wastewater/vehicle (in m³)



Chemical oxygen demand (in t)



Chemical oxygen demand/vehicle (in g)

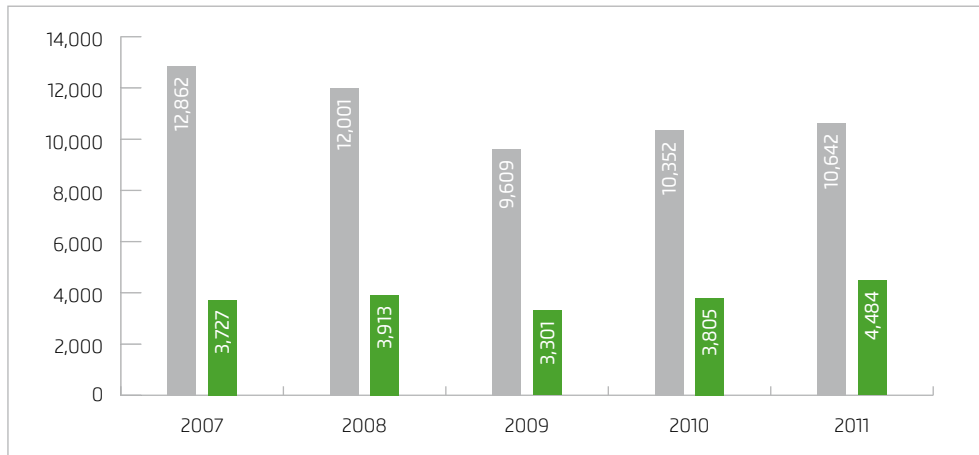


GRI EN 21

Water consumption, waste volumes and chemical oxygen demand per vehicle produced were reduced significantly. Fresh water consumption was lowered by 10%, waste volumes by 7% and chemical oxygen demand by 5%. The absolute increase in consumption figures is due to higher total production volumes.

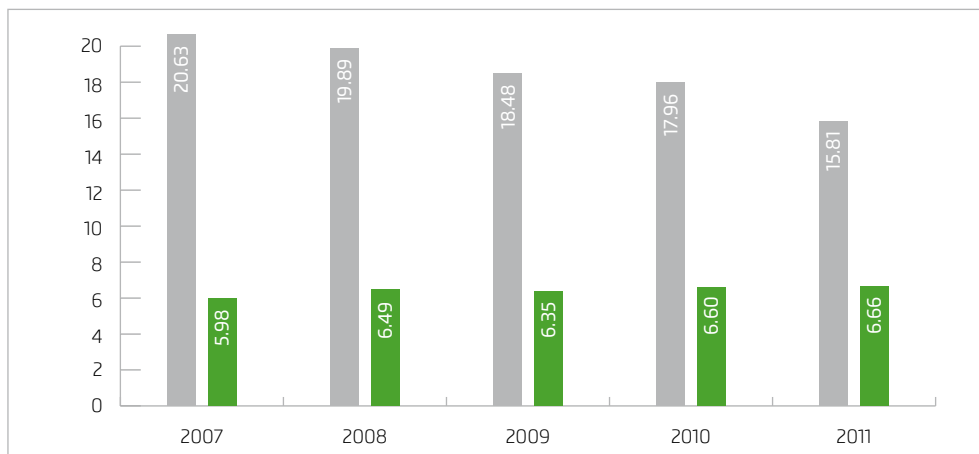
GRI EN 2
EN 22

Other waste for disposal and recycling (in t)*



GRI EN 2
EN 22

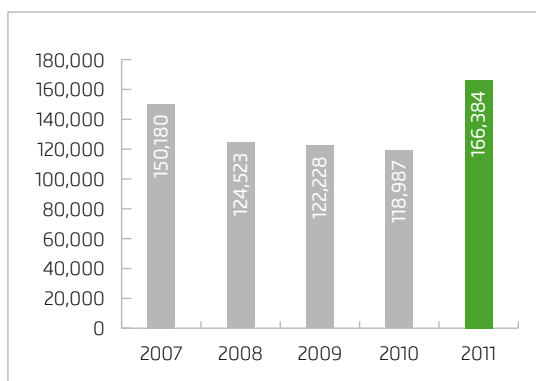
Other waste for disposal and recycling/vehicle (in kg)*



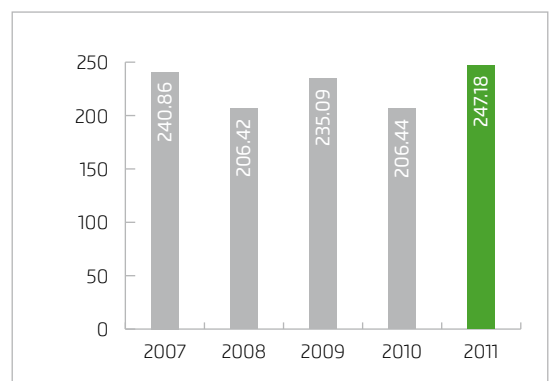
* without metallic waste

The implementation of measures to improve waste sorting increased the percentage of recyclable waste.

Metallic waste (in t)

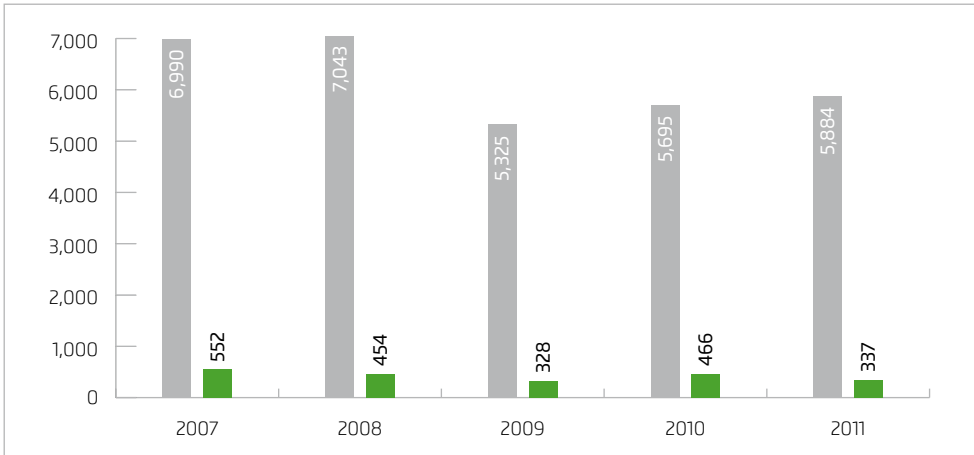


Metallic waste/vehicle (in kg)



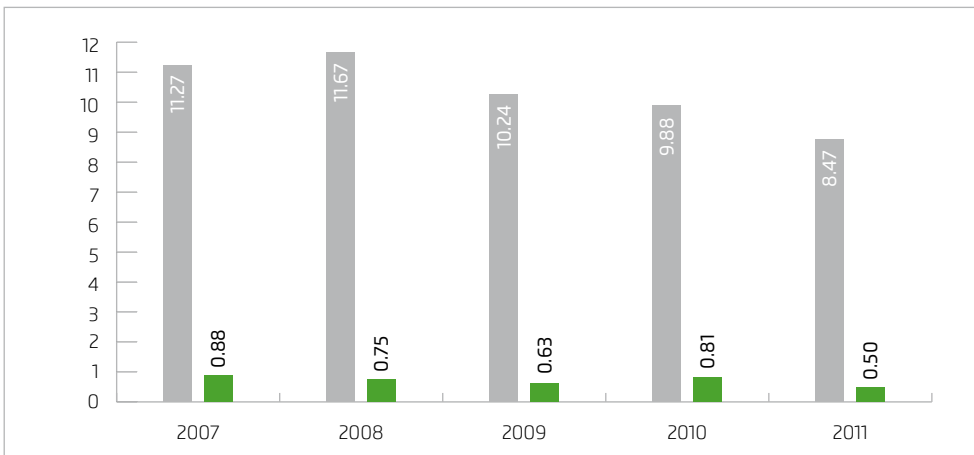
Hazardous waste for disposal and recycling (in t)*

GRI EN 2



Hazardous waste for disposal and recycling/vehicle (in kg)*

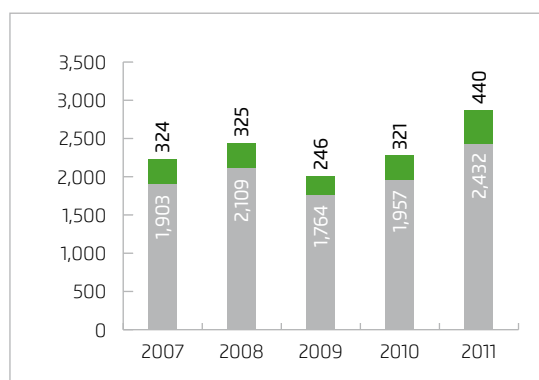
GRI EN 2



* without metallic waste

The amount of hazardous waste materials remained at 2010 levels, despite higher production volumes. The volume of hazardous waste per vehicle produced was reduced by about 16% within one year.

The volume of metallic waste increased by about 38% in 2011 due to the higher number of vehicles produced and various construction and expansion measures.

GRI EN 27 ■ Paper and ■ plastic foil separated for packaging recycling (in t)


The efforts of ŠKODA AUTO to make waste sorting and packaging recycling in production as efficient as possible produced positive results: 20% more packaging material was sent for recycling in 2011.

**GRI EN 16
EN 17**
Fuel consumption and CO₂ emissions of ŠKODA models

Model	Engine	Transmission	Fuel	Consumption [l/100km]	CO ₂ [g/km]
Citigo					
	1.0l 44 kW MPI	MQ100-5F	Super	4.5	105
	1.0l 55 kW MPI	MQ100-5F	Super	4.7	108
	1.0l 44 kW MPI Green Tec	MQ100-5F	Super	4.1	96
	1.0l 55 kW MPI Green Tec	MQ100-5F	Super	4.2	98
	1.0l 44 kW MPI	SQ100-5F	Super	4.4	103
	1.0l 55 kW MPI	SQ100-5F	Super	4.5	105
	1.0l 50 kW MPI CNG	MQ100-5F	Natural gas	4.4 m ³ /100 km	79
Fabia					
	1.2l 44 kW MPI 4V	MQ200-5F	Super	5.5	128
	1.2l 51 kW MPI 4V	MQ200-5F	Super	5.5	128
	1.2l 51 kW MPI 4V Green Tec	MQ200-5F	Super	5.1	119
	1.4l 63 kW MPI	MQ200-5F	Super	5.9	139
	1.2l 63 kW TSI	MQ200-5F	Super	5.2	121
	1.2l 63 kW TSI	MQ200-5F	Super	5.1	119
	1.2l 63 kW TSI Green Tec	MQ200-5F	Super	4.9	114
	1.2l 77 kW TSI	MQ200-5F	Super	5.3	124
	1.2l 77 kW TSI Green Tec	MQ200-5F	Super	5.1	117
	1.2l 77 kW TSI	DQ200-7F	Super	5.3	124
	1.4l 132 kW TSI RS	DQ200-7F	Super	6.4	148

Model	Engine	Transmission	Fuel	Consumption [l/100km]	CO ₂ [g/km]
Fabia					
	1.2l 55 kW TDI-CR	MQ200-5F	Diesel	3.8	99
	1.2l 55 kW TDI-CR	MQ200-5F	Diesel	3.9	102
	1.2 55 kW TDI-CR GreenLine	MQ250-5F	Diesel	3.4	89
	1.6l 55 kW TDI-CR	MQ250-5F	Diesel	4.2	109
	1.6l 66 kW TDI-CR	MQ250-5F	Diesel	4.2	109
	1.6l 66 kW TDI-CR Green Tec	MQ250-5F	Diesel	3.8	99
	1.6l 77 kW TDI-CR	MQ250-5F	Diesel	4.2	109
Fabia Combi					
	1.2l 44 kW MPI 4V	MQ200-5F	Super	5.5	128
	1.2l 51 kW MPI 4V	MQ200-5F	Super	5.5	128
	1.2l 51 kW MPI 4V Green Tec	MQ200-5F	Super	5.1	119
	1.4l 63 kW MPI	MQ200-5F	Super	5.9	139
	1.2l 63 kW TSI	MQ200-5F	Super	5.2	121
	1.2l 63 kW TSI	MQ200-5F	Super	5.1	119
	1.2l 63 kW TSI Green Tec	MQ200-5F	Super	4.9	114
	1.2l 77 kW TSI	MQ200-5F	Super	5.3	124
	1.2l 77 kW TSI Green Tec	MQ200-5F	Super	5.1	117
	1.2l 77 kW TSI	DQ200-7F	Super	5.3	124
	1.4l 132 kW TSI RS	DQ200-7F	Super	6.4	148
	1.2l 55 kW TDI-CR	MQ200-5F	Diesel	3.8	99
	1.2l 55 kW TDI-CR	MQ200-5F	Diesel	3.9	102
	1.2 55 kW TDI-CR GreenLine	MQ250-5F	Diesel	3.4	89
	1.6l 55 kW TDI-CR	MQ250-5F	Diesel	4.2	109
	1.6l 66 kW TDI-CR	MQ250-5F	Diesel	4.2	109
	1.6l 66 kW TDI-CR Green Tec	MQ250-5F	Diesel	3.8	99
	1.6l 77 kW TDI-CR	MQ250-5F	Diesel	4.2	109
Praktik					
	1.2l 51 kW MPI 4V	MQ200-5F	Super	6.2	143
	1.4l 63 kW MPI	MQ200-5F	Super	6.4	149
	1.2l 63 kW TSI	MQ200-5F	Super	5.8	134
	1.2l 55 kW TDI-CR	MQ200-5F	Diesel	4.5	119
	1.6l 66 kW TDI-CR	MQ250-5F	Diesel	4.7	124
Roomster					
	1.2l 51 kW MPI 4V	MQ200-5F	Super	6.2	143
	1.4l 63 kW MPI	MQ200-5F	Super	6.4	149
	1.2l 63 kW TSI	MQ200-5F	Super	5.8	134
	1.2l 63 kW TSI Green Tec	MQ200-5F	Super	5.3	124
	1.2l 77 kW TSI	MQ200-5F	Super	5.8	134
	1.2l 77 kW TSI Green Tec	MQ200-5F	Super	5.3	124
	1.2l 77 kW TSI	DQ200-7F	Super	5.8	134
	1.2l 55 kW TDI-CR	MQ200-5F	Diesel	4.5	119

Model	Engine	Transmission	Fuel	Consumption [l/100km]	CO ₂ [g/km]
Roomster					
	1.2 55 kW TDI-CR GreenLine	MQ250-5F	Diesel	4.2	109
	1.6l 66 kW TDI-CR	MQ250-5F	Diesel	4.7	124
	1.6l 77 kW TDI-CR	MQ250-5F	Diesel	4.7	124
Octavia					
	1,2l 63 kW TSI	MQ200-5F	Super	5,2	119
	1,2l 77 kW TSI	MQ200-6F	Super	4,9	114
	1,4l 103 kW TSI	MQ250-6F	Super	5,2/5,3	119/121
	1,4l 103 kW TSI	DQ200-7F	Super	5,0	116
	1,8l 132 kW TSI	MQ250-6F	Super	6,1	141
	1,8l 132 kW TSI	DQ200-7F	Super	5,7	132
	1,6l 66 kW TDI-CR	MQ250-5F	Diesel	4,1	109
	1,6l 77 kW TDI-CR	MQ250-5F	Diesel	3,8	99
	1,6l 77 kW TDI-CR	DQ200-7F	Diesel	3,9	102
	2,0l 110 kW TDI-CR	MQ350-6F	Diesel	4,1	106
	2,0l 110 kW TDI-CR	DQ250-6F	Diesel	4,5	119
Octavia Combi					
	1.4l 59 kW MPI	MQ200-5F	Super	6.4	149
	1.6l 75 kW MPI	MQ200-5F	Super	7.2	168
	1.6l 75 kW MPI FLEX FUEL	MQ200-5F	Super/E85	7.2/9.8	167/162
	1.6l 75 kW MPI LPG	MQ200-5F	Super/LPG	7.1/9.2	168/149
	1.2l 77 kW TSI	MQ200-6F	Super	5.9	136
	1.2l 77 kW TSI	DQ200-7F	Super	5.9	136
	1.4l 90 kW TSI	MQ200-6F GA	Super	6.3	148
	1.4l 90 kW TSI Green Tec	MQ200-6F GA	Super	5.8	134
	1.4l 90 kW TSI	DQ200-7F	Super	6.3	147
	1.8l 118 kW TSI	MQ250-6F	Super	6.9	158
	1.8l 118 kW TSI	DQ200-7F	Super	6.6	155
	1.8l 118 kW TSI 4x4	MQ350-6A	Super	7.7	180
	1.8l 118 kW TSI Scout 4x4	MQ350-6A	Super	7.8	182
	2.0l 147 kW TSI RS	MQ350-6F	Super	7.5	175
	2.0l 147 kW TSI RS	DQ250-6F	Super	7.7	180
	1.6l 77 kW TDI-CR	MQ250-5F	Diesel	4.5	119
	1.6l 77 kW TDI-CR Green Tec	MQ250-5F	Diesel	4.1	107
	1.6l 77 kW TDI-CR Green Tec	MQ250-5F	Diesel	4.2	109
	1.6l 77 kW TDI-CR	DQ200-7F	Diesel	4.7	123
	1.6l 77 kW TDI-CR 4x4	MQ350-6A	Diesel	5.4	141
	2.0l 81 kW TDI-CR	MQ350-6F	Diesel	4.9	129
	2.0l 103 kW TDI-CR	MQ350-6F	Diesel	4.9	129
	2.0l 103 kW TDI-CR	DQ250-6F	Diesel	5.4	143

Model	Engine	Transmission	Fuel	Consumption [l/100km]	CO ₂ [g/km]
Octavia Combi					
	2.0l 81 kW TDI-CR 4x4	MQ350-6A	Diesel	5.6	148
	2.0l 103 kW TDI-CR 4x4	MQ350-6A	Diesel	5.6	148
	2.0l 103 kW TDI-CR 4x4	DQ250-6A	Diesel	5.9	156
	2.0l 103 kW TDI-CR Scout 4x4	MQ350-6A	Diesel	5.9	155
	2.0l 103 kW TDI-CR Scout 4x4	DQ250-6A	Diesel	6.2	162
	2.0l 125 kW TDI-CR RS	MQ350-6F	Diesel	5.7	149
	2.0l 125 kW TDI-CR RS	DQ250-6F	Diesel	6.0	159
Yeti					
	1.2l 77 kW TSI	MQ200-6F GA	Super	6.4	149
	1.2l 77 kW TSI	DQ200-7F	Super	6.4/6.6	149/154
	1.4l 90 kW TSI	MQ200-6F	Super	6.8	159
	1.4l 90 kW TSI Green Tec	MQ200-6F	Super	6.4	148
	1.8l 118 kW TSI 4x4	MQ350-6A	Super	8.0	189
	1.8l 112 kW TSI 4x4	DQ250-6A	Super	8.0	189
	1.6l 77 kW TDI-CR GreenLine	MQ250-5F	Diesel	4.6	119
	2.0l 81 kW TDI-CR	MQ250-5F	Diesel	5.4	140
	2.0l 81 kW TDI-CR 4x4	MQ350-6A	Diesel	6.1	159
	2.0l 103 kW TDI-CR Green Tec	MQ350-6F	Diesel	5.1	134
	2.0l 103 kW TDI-CR 4x4	MQ350-6A	Diesel	6.0	157
	2.0l 103 kW TDI-CR 4x4	DQ250-6A	Diesel	6.4	169
	2.0l 125 kW TDI-CR 4x4	MQ350-6A	Diesel	5.9	155
Superb					
	1.4l 92 kW TSI	MQ200-6F GA+	Super	6.8	157
	1.4l 92 kW TSI Green Tec	MQ200-6F GA+	Super	6.0/6.2	139/143
	1.8l 118 kW TSI	MQ250-6F	Super	7.2	169
	1.8l 118 kW TSI	DQ200-7F	Super	7.1	168
	1.8l 118 kW TSI 4x4	MQ350-6A	Super	8.1	189
	2.0l 147 kW TSI	DQ250-6F	Super	7.6	178
	3.6l 191 kW FSI 4x4	DQ250-6A	Super	10.1	235
	1.6l 77 kW TDI-CR	MQ250-5F	Diesel	5.0	130
	1.6l 77 kW TDI-CR CO2-Version	MQ250-5F	Diesel	4.8	124
	1.6l 77 kW TDI-CR GreenLine	MQ250-5F	Diesel	4.4	114
	2.0l 103 kW TDI-CR	MQ350-6F	Diesel	5.4	143
	2.0l 103 kW TDI-CR Green Tec	MQ350-6F	Diesel	4.9	128
	2.0l 103 kW TDI-CR	DQ250-6F	Diesel	5.8	154
	2.0l 103 kW TDI-CR 4x4	DQ250-6A	Diesel	6.1	162
	2.0l 125 kW TDI-CR	MQ350-6F	Diesel	5.6	149
	2.0l 125 kW TDI-CR	DQ250-6F	Diesel	5.9	157
	2.0l 125 kW TDI-CR 4x4	MQ350-6A	Diesel	6.2	163

Model	Engine	Transmission	Fuel	Consumption [l/100km]	CO ₂ [g/km]
Superb Combi					
	1.4l 92 kW TSI	MQ200-6F GA+	Super	6.9	159
	1.4l 92 kW TSI Green Tec	MQ200-6F GA+	Super	6.1/6.3	141/146
	1.8l 118 kW TSI	MQ250-6F	Super	7.3	171
	1.8l 118 kW TSI	DQ200-7F	Super	7.3	170
	1.8l 118 kW TSI 4x4	MQ350-6A	Super	8.2	191
	2.0l 147 kW TSI	DQ250-6F	Super	7.7	180
	3.6l 191 kW FSI 4x4	DQ250-6A	Super	10.2	237
	1.6l 77 kW TDI-CR	MQ250-5F	Diesel	5.2	133
	1.6l 77 kW TDI-CR CO ₂ -Version	MQ250-5F	Diesel	4.9	126
	1.6l 77 kW TDI-CR GreenLine	MQ250-5F	Diesel	4.4	114
	2.0l 103 kW TDI-CR	MQ350-6F	Diesel	5.5	145
	2.0l 103 kW TDI-CR	DQ250-6F	Diesel	6.0	158
	2.0l 103 kW TDI-CR Green Tec	MQ350-6F	Diesel	4.9	128
	2.0l 103 kW TDI-CR 4x4	DQ250-6A	Diesel	6.3	166
	2.0l 125 kW TDI-CR	MQ350-6F	Diesel	5.7	151
	2.0l 125 kW TDI-CR	DQ250-6F	Diesel	6.0	159
	2.0l 125 kW TDI-CR 4x4	MQ350-6A	Diesel	6.3	165
Rapid EU					
	1.2l 55 kW SRE	MQ200-5F	Super	6.0/6.1	134/137
	1.2l 63 kW TSI	MQ200-5F	Super	5.1	119
	1.2l 63 kW TSI Green Tec	MQ200-5F	Super	4.9	114
	1.2l 77 kW TSI	MQ200-6F	Super	5.4	125
	1.2l 77 kW TSI Green Tec	MQ200-6F	Super	5.0/5.1	116/118
	1.4l 90 kW TSI	DQ200-7F	Super	5.8	134
	1.4l 90 kW TSI Green Tec	DQ200-7F	Super	5.4/5.5	125/127
	1.6l 77 kW TDI-CR	MQ250-5F	Diesel	4.4	114
	1.6l 77 kW TDI-CR Green Tec	MQ250-5F	Diesel	3.9/4.0	104/106

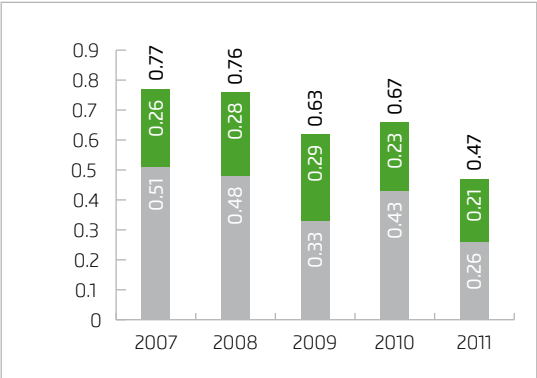
Social Area

GRI LA 1 Number of employees according to type of employment and subsidiaries

All figures from 31 Dec.	2007	2008	2009	2010	2011
Permanent staff – ŠKODA brand	24,461	24,936	24,118	23,905	25,799
of which: ŠKODA AUTO	23,559	23,622	22,831	22,506	24,177
of which: subsidiaries	902	1,314	1,287	1,399	1,622
Total permanent staff + apprentices ŠKODA brand / excl. temporary workers	25,392	25,843	24,948	24,714	26,565
of which: ŠKODA AUTO	24,485	24,524	23,655	23,308	24,936
of which: subsidiaries	907	1,319	1,293	1,406	1,629
of which: SAD	241	265	264	269	311
of which: SAP	102	108	105	100	105
of which: SAS	81	77	78	76	76
of which: SAIPL	478	864	840	954	1,130
Total permanent staff + temporary workers + apprentices – ŠKODA brand	30,072	27,602	26,983	27,488	29,134
of which: ŠKODA AUTO	28,679	26,233	25,641	26,029	27,456
of which: subsidiaries	1,393	1,369	1,342	1,459	1,678
Temporary workers – ŠKODA brand	4,680	1,759	2,035	2,774	2,569
of which: ŠKODA AUTO	4,194	1,709	1,986	2,721	2,520
of which: subsidiaries	486	50	49	53	49
of which: SAD	23	23	21	23	21
of which: SAP					
of which: SAS					
of which: SAIPL	463	27	28	30	28
Apprentices – ŠKODA brand	931	907	830	809	766
of which: ŠKODA AUTO	926	902	824	802	759
of which: subsidiaries	5	5	6	7	7

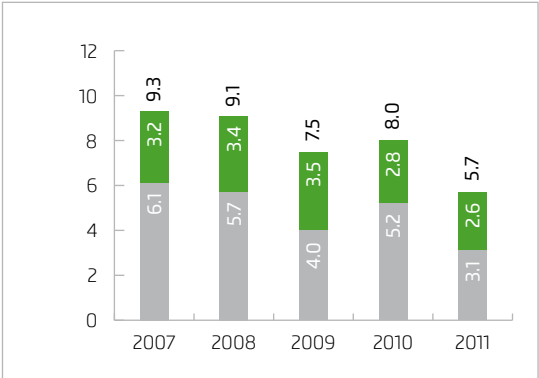
Average monthly employee turnover rate (in %)

■ adjusted fluctuation
■ other fluctuation

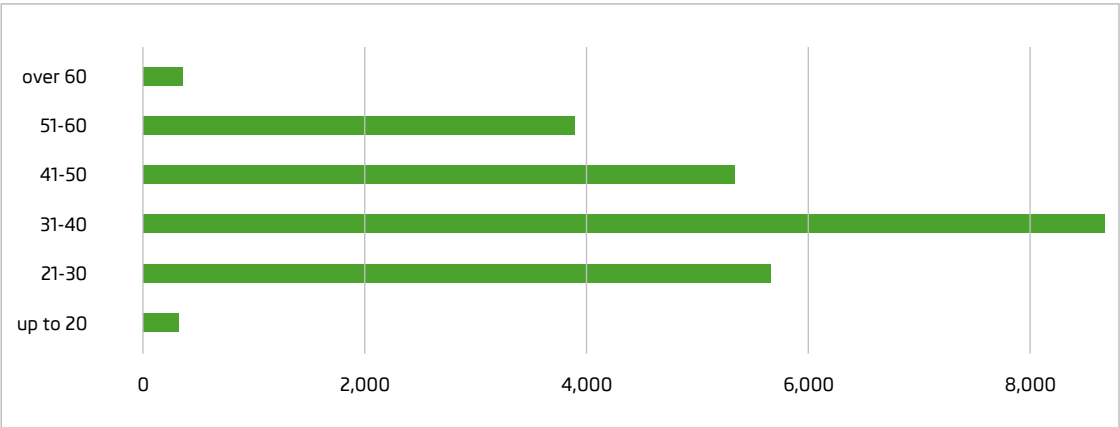


Average annual employee turnover rate (in %)

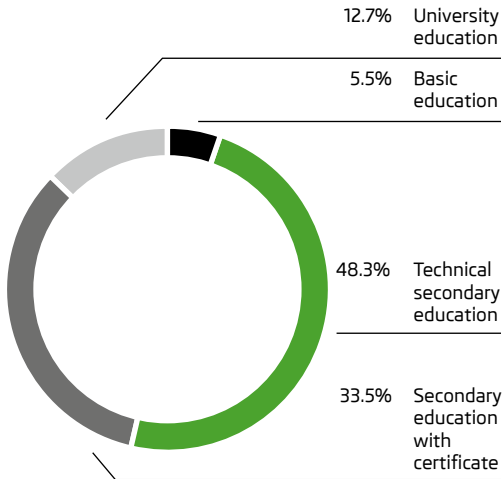
■ adjusted fluctuation
■ other fluctuation



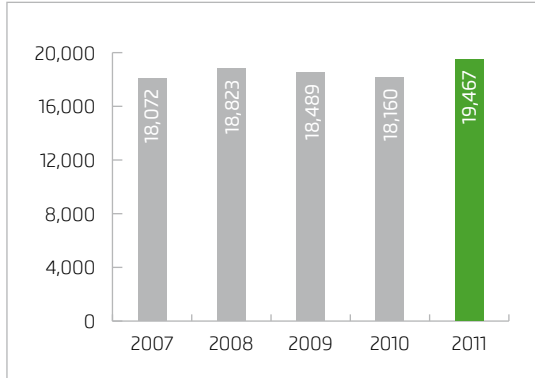
Age structure of the Company's core employees



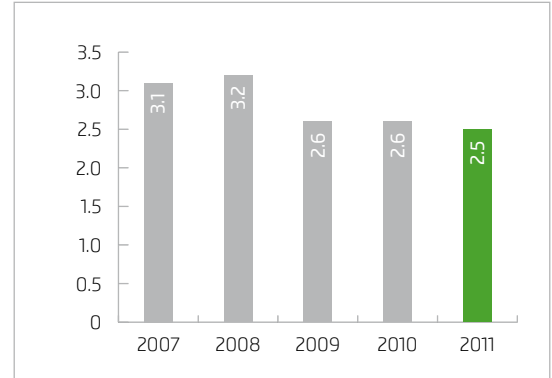
Qualification structure of the Company's core employees



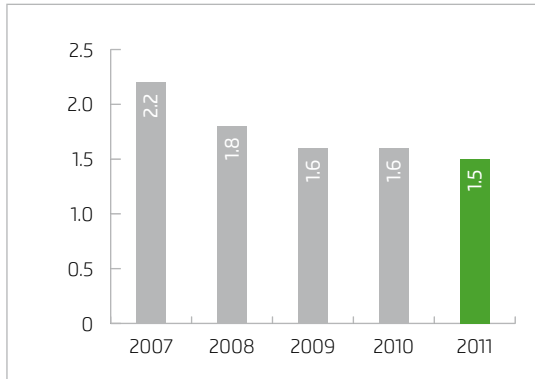
GRI EC 3 Supplementary company pension paid to employees



Sick leave trends (in %)

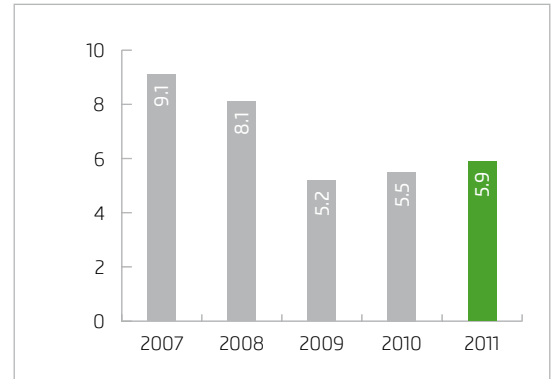


**GRI LA 7
LA 8** Accident rate *



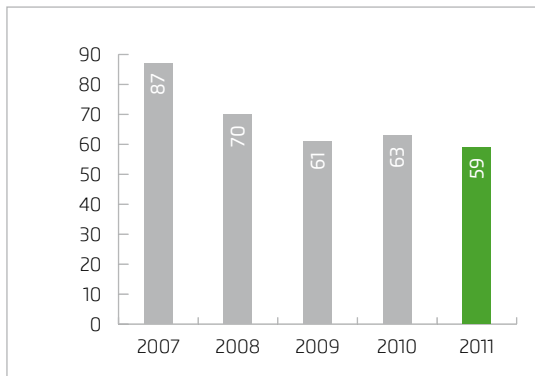
* Number of accidents per million working hours

Impact from accidents *

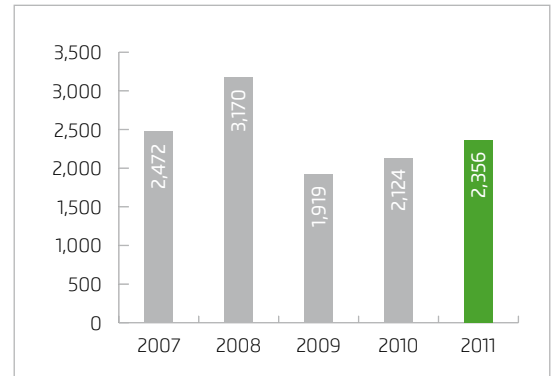


* Number of working days lost x 100,000/number of working hours

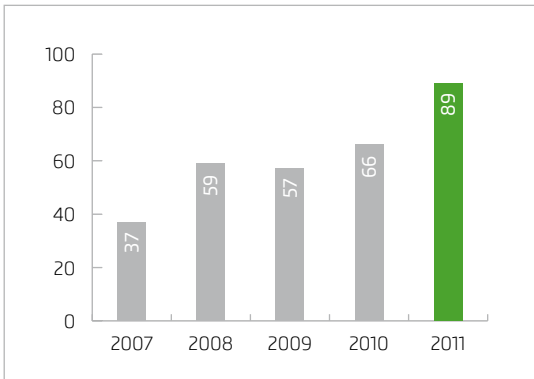
Number of occupational accidents



Number of working days lost

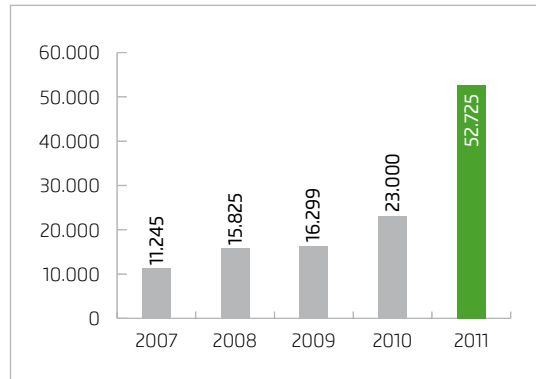


Total number of WBTs for 5 groups

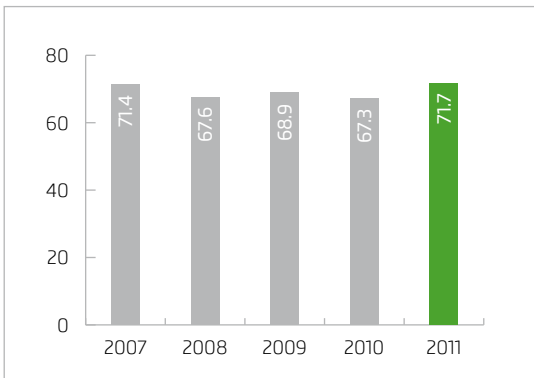


Number of completed training courses

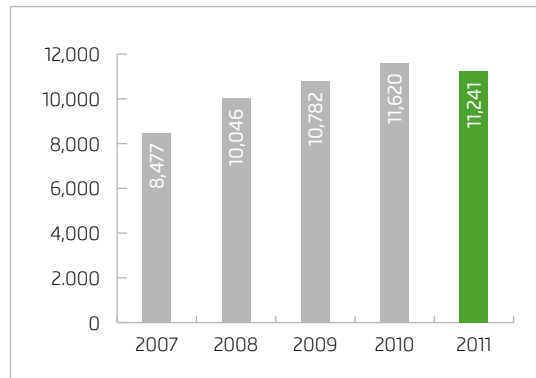
GRI LA 10



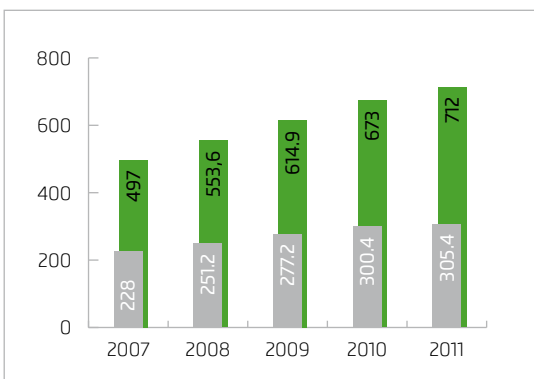
Success rate of proposals submitted to the Z.E.B.R.A. programme (in %)



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



Benefits (in CZK) from Z.E.B.R.A. proposals
 ■ in the first year and ■ subsequent years



Organisation of stakeholder dialogue

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

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

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

ŠKODA AUTO goals

	Deadline
Strategy and sustainability management	
Support of the Volkswagen Group in meeting defined Group objectives:	
Volkswagen Group global economic and environmental leader among automobile manufacturers. Top customer satisfaction and profitability rankings.	2018
Volkswagen Group most attractive employer in automotive sector.	2018
Expand sustainability management at ŠKODA AUTO.	on-going
Economy	
Growth and internationalisation: sales of at least 1.5 million cars per year. Focus on growth markets of Asia and Eastern Europe.	2018
Model offensive: launch of a new or revised model every six months on average.	2018
Improve customer satisfaction through employee training at newly-opened Service Training Centre.	2018
Support in the enhancement of a responsible supply chain management throughout the whole Volkswagen Group.	2013
Environment	
Support of the Volkswagen Group's environmental targets:	
30% reduction in CO ₂ emissions of the Volkswagen Group's new vehicle fleet overall.	2015
10-15% efficiency increase in each new vehicle generation.	2015
Specific environmental targets for ŠKODA AUTO production as part of GreenFuture: 25% reduction in energy and water consumption, 25% less waste and 25% lower emissions compared with 2010.	2018
Emission-free vehicles ready for series production as soon as possible.	on-going
Expand environmental protection activities throughout the sales network and at the end of the product life-cycle through environmental standards.	late 2012
Increase number of electrically-powered trailers in the Czech Republic to 25.	2014
Complete environmental risk evaluation for plant sites.	late 2012
Social area	
Support of the Volkswagen Group's targets:	
Volkswagen Group most attractive employer worldwide in the automotive sector.	2018
Expand employee training in light of increasing internationalisation of ŠKODA AUTO.	on-going
Reduce number of working days lost due to illness, especially among older employees.	on-going
Improve work-life balance, especially for women in management positions.	on-going
Increase percentage of women in management functions.	on-going
Intensify cooperation with the city of Mladá Boleslav. Medium-term focus on expanding infrastructure and improving air quality.	on-going

Awards

GRI 2.10 ŠKODA automobiles perform consistently well in internationally-renowned automotive press awards. The winners are not just the different ŠKODA models, but also the ŠKODA AUTO company itself - not only in the Czech Republic, where ŠKODA AUTO has always

played a leading role, but also in other European countries, such as Germany and the UK. ŠKODA AUTO also distinguished itself in the important growth market of China, where it received the "Best Branding Award 2011".

Model	Publication	Award	Category	Country	Year
Yeti	ET Zigwheels	SUV of the year		India	2011
Yeti	BBC Top Gear	Car of the year		India	2011
Yeti	CNBC Overdrive	SUV of the year		India	2011
Yeti	auto motor a sport	Best cars		Czech Republic	2011
Yeti	Auto Express's Driver Power	Best car		UK	2011
Yeti	Auto Express	Best crossover		UK	2011
Yeti	4x4 Magazine	4x4 of the year		UK	2011
Yeti	Total 4x4 Magazine	4x4 of the year		UK	2011
Yeti	Auto Zeitung	Auto Trophy		Germany	2011
Yeti	Automóvil Panamericano, Tacómetro, Poder & Negocios, Bólide.com	SUV of the year 2012	Car tested by several magazines	Chile	2011
Yeti	auto motor a sport	Best cars		Czech Republic	2012
Superb	Auto Bild	All-wheel-drive car 2011	All-wheel passenger car EUR 25,000-40,000	Germany	2011
Superb	Taxi heute	Taxi of the year		Germany	2011
Superb	Firmenauto, DEKRA	Company car of the year	Import, compact class	Germany	2011
Superb	auto motor und sport	Best cars of 2011	1st place import, mid-sized	Germany	2011
Superb	4x4 Auto	4x4 car of 2011		Czech Republic	2011
Superb	auto motor a sport	Best cars		Czech Republic	2011
Superb	Best Car	Auto Express's Driver Power		UK	2011
Superb	Auto Express	Best family car		UK	2011
Superb	Auto Express	Best estate		UK	2011
Superb	West China Metropolis Daily	Model of the year	Superb Hoarui	China	2011
Superb	Der Gelbe Engel 2012	Quality Award of ADAC		Germany	2012
Superb	auto motor und sport	Best car 2012	Import, Middle Class	Germany	2012
Superb	auto motor a sport	Best cars 2012		Czech Republic	2012
Superb	Auto Express	Best family car		UK	2012
Superb	Auto Express	Best estate car		UK	2012
Fabia	auto motor und sport	Best cars of 2012	2nd place import, small car	Germany	2011
Fabia	auto motor und sport	Best car 2012	Import, subcompact cars	Germany	2012
Fabia	auto motor a sport	Best cars 2012	2nd place	Czech Republic	2012

Model	Publication	Award	Category	Country	Year
Octavia	Firmenauto, DEKRA	Company car of the year 2011	Import, compact class	Germany	2011
Octavia	auto motor und sport	Best cars of 2011	2nd place, import, compact class	Germany	2011
Octavia	auto motor a sport	Best cars		Czech Republic	2011
Octavia	Auto Espress's Driver Power	Best car	4th place	UK	2011
Octavia	Auto.163.com	Most reliable a-class model of the year	Octavia Mingrui	China	2011
Octavia	Youth Daily	Best sports model of the year	Octavia RS	China	2011
Octavia	China Auto Market Media Award	Well selling intermediate model	Octavia Mingrui	China	2011
Octavia	auto motor und sport	Best car 2012	Import, Compact cars	Germany	2012
Octavia	auto motor a sport	Best cars 2012		Czech Republic	2012
Roomster	Auto Zeitung	Auto trophy		Germany	2011
Roomster	auto motor und sport	Best cars 2011	3rd place, import, van	Germany	2011
Roomster	auto motor a sport	Best cars		Czech Republic	2011
Roomster	auto motor und sport	Best car 2012	Import, Van	Germany	2012
Citigo	KMN (Czech Motoring Journalist Club)	Car of the year 2011	3rd place	Czech Republic	2011
Citigo	SDA (Association of Automobile Importers)	Car of the year 2012	1st place, best city car	Czech Republic	2012
Citigo	Internet Car of the year 2012	Car of the year 2012		Czech Republic	2012
Citigo	Auto Express	Car of the Year 2012		UK	2012
Rapid	Top Gear Magazine	Family car of the year		India	2011
Rapid	ALD Automotive	Automotive fleet awards		Czech Republic	2012
ŠKODA AUTO	Auto Illustrierte	Best cars of 2011	Value for money	Switzerland	2011
ŠKODA AUTO	Zaměstnavatel roku (Employer of the year)	Employers without barriers		Czech Republic	2011
ŠKODA AUTO	"Comenius" Pan European Society for Culture, Education, Scientific & Technical Cooperation.	Czech 100 Best	Best company of the Czech Republic	Czech Republic	2011
ŠKODA AUTO	Business for Society	The best full responsibility enterprises	Socially worthwhile project of the year 2011	Czech Republic	2011
ŠKODA AUTO	SMEs and Association for the Promotion of Entrepreneurship in the Czech Republic, sponsored by the Chamber of Commerce of the Czech Republic.	Exporter of the year		Czech Republic	2011
ŠKODA AUTO	Czech Top 100	Czech Top 100	The 100 most significant companies	Czech Republic	2011
ŠKODA AUTO	Auto Express	Driver power award		UK	2011
ŠKODA AUTO	Auto Express's Driver Power	Best manufacturer		UK	2011
ŠKODA AUTO	Autovision	The film and multimedia festival for the automobile industry, IAA		Germany	2011
ŠKODA AUTO	China Times, Automotive Business	Best branding award 2011		China	2011
ŠKODA AUTO	Auto Bild	The best brands, small cars, compact cars, mid-sized, compact vans, quality		Germany	2012
ŠKODA AUTO	Czech Top 100	Czech Top 100	The 100 most significant companies	Czech Republic	2012
ŠKODA AUTO	Auto Express	Driver power award		UK	2012
ŠKODA AUTO	Employer Club charitable trust, Sodexo, PricewaterhouseCoopers	Employer of decade		Czech Republic	2012

GRI Content Index

ŠKODA sustainability reporting follows the internationally recognised G3 guidelines of the Global Reporting Initiative (GRI).

The guidelines require disclosure of information on management approaches, strategy and targets in the area of sustainability, as well as performance indicators for the topics of economics, product responsibility,

employment, environmental protection, society and human rights.

ŠKODA AUTO provides information on 82 of 140 required items below and therefore, according to its own assessment, complies with application level B of the GRI G3 guidelines.

GRI 3.12

Indicator	Description	Reference	Status
Strategy and Analysis			
1.1	Statement from the most senior decisionmaker of the organisation	Foreword (p. 4-5)	●
1.2	Key impacts, risks, and opportunities	Strategy/Materiality (p. 12-13), Economics/Corruption prevention (p. 22)	●
Organisational Profile			
2.1	Name of the organisation	Company overview (p. 6-7)	●
2.2	Brands, products, and/or services	Company overview (p. 6-7), Facts & Figures (p. 55)	●
2.3	Operational structure	AR 2011 (p. 63)	●
2.4	Location of organisation's headquarters	Company overview (p. 6-7)	●
2.5	Countries where the organisation operates	Company overview (p. 6-7)	●
2.6	Nature of ownership and legal form	Economics/Corporate governance (p. 21-22), Company overview (p. 6-7)	●
2.7	Markets served	Company overview (p. 6-7), Facts & Figures (p. 55), Economics/ Company's economic situation (p. 16-18)	●
2.8	Scale of the reporting organisation	Economics/Company's economic situation (p. 16-18), Facts & Figures/ Economics (p. 52 et seq.)	●
2.9	Significant changes regarding size, structure, or ownership	AR 2011, Company overview (p. 6-7)	●
2.10	Awards received	Awards (p. 74-75)	●
Report Parameters			
3.1	Reporting period	About this report (p. 2)	●
3.2	Date of most recent previous report	About this report (p. 2)	●
3.3	Reporting cycle	About this report (p. 2)	●
3.4	Contact point for questions	About this report (p. 2)	●
3.5	Process for defining report content	About this report (p. 2)	●
3.6	Boundary of the report	About this report (p. 2)	●
3.7	Specific limitations on the scope or boundary of the report.	About this report (p. 2)	●
3.8	Joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities	About this report (p. 2)	●
3.9	Data measurement techniques and the bases of calculations	About this report (p. 2)	●
3.10	Re-statements of information provided in earlier reports		●

AR 2011:
ŠKODA AUTO
Annual Report 2011

SR 2011:
Volkswagen Group
Sustainability Report 2011

Indicator	Description	Reference	Status
3.11	Significant changes from previous reporting periods	About this report (p. 2)	●
3.12	GRI Content Index	GRI Content Index (p. 76-79)	●
3.13	External assurance		●

Governance, Commitments and Engagement

4.1	Governance structure	AR 2011 (p. 60-61), Economics/Corporate governance (p. 21-23)	●
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	AR 2011 (p. 60-61)	●
4.3	Members of the highest governance body that are independent and/or non-executive members	AR 2011 (p. 60-61), Economics/Corporate governance (p. 21-23)	●
4.4	Mechanisms for shareholders and employees	Economics/Corporate governance (p. 21-23)	●
4.5	Compensation for members of the highest governance body, senior managers, and executives	Economics/Corporate governance (p. 21-23)	●
4.6	Avoidance of conflicts of interest	Economics/Corporate governance (p. 21-23)	●
4.7	Composition, qualifications, and expertise of the members of the highest governance body and its committees	AR 2011 (p. 60-61)	●
4.8	Internally developed statements of mission or values, codes of conduct, and principles	Economics/Corporate governance (p. 21-23)	●
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance	Economics/Corporate governance (p. 21-23)	●
4.10	Processes for evaluating the highest governance body's own performance	AR 2011 (p. 61-62)	●
4.11	Precautionary approach or principle by the organisation.	AR 2011 (p. 60-63, p. 95-97), Economics/Compliance (p. 21-22)	●
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives	Economics/Corporate governance (p. 21-23)	●
4.13	Memberships in associations and/or advocacy organisations	Economics/Corporate governance (p. 21-23)	●
4.14	List of stakeholder groups	Organisation of stakeholder dialogue (p. 72)	●
4.15	Identification and selection of stakeholders	Organisation of stakeholder dialogue (p. 72)	●
4.16	Approaches to stakeholder engagement	Organisation of stakeholder dialogue (p. 72)	●
4.17	Key topics and concerns that have been raised through stakeholder engagement	Organisation of stakeholder dialogue (p. 72)	●

Economic Performance

	Management approach	Strategy (p. 10-13)	●
EC 1	Direct economic value	Facts & Figures (p. 53)	●
EC 2	Financial implications due to climate change		●
EC 3	Organisation's defined benefit plan obligations	Social area/Responsibility towards employees (p. 40-45), Facts & Figures (p. 70)	●
EC 4	Financial assistance received from government	Economics/Relations with government and political institutions (p. 22)	●
EC 6	Locally-based suppliers	Economics/Sustainability throughout the value chain (p. 20), SR 2011	●

AR 2011:
ŠKODA AUTO
Annual Report 2011

SR 2011:
Volkswagen Group
Sustainability Report 2011

Indicator	Description	Reference	Status
EC 7	Local hiring and proportion of senior management		●
EC 8	Development and impact of infrastructure investments and services	Social commitment (p. 46-47)	●

Environmental

	Management approach	Environment/Environmental Management (p. 26-29)	●
EN 1	Materials used		●
EN 2	Materials used that are recycled input materials	Facts & Figures (p. 60-61), Environment/Recycling (p. 31)	●
EN 3	Direct energy consumption	Facts & Figures (p. 57), Environment/Energy (p. 35)	●
EN 4	Indirect energy consumption	Facts & Figures (p. 59), Environment/Energy (p. 35)	●
EN 8	Total water withdrawal	Facts & Figures (p. 59)	●
EN 11	Land in protected areas	Environment/Biodiversity (p. 35)	●
EN 12	Significant impacts of activities, products, and services on biodiversity	Environment/Biodiversity (p. 35)	●
EN 16	Total direct and indirect greenhouse gas emissions	Facts & Figures (p. 57-58), Environment/Environmental protection in production (p. 33-35)	●
EN 17	Other relevant indirect greenhouse gas emissions	Facts & Figures (p. 58), Environment/Environmental protection in production (p. 33-35)	●
EN 19	Emissions of ozone-depleting substances	Facts & Figures (p. 57), Environment/Environmental protection in production (p. 33-35)	●
EN 20	NO _x , SO _x and other significant air emissions	Facts & Figures (p. 58), Environment/Environmental protection in production (p. 33-35)	●
EN 21	Total water discharge	Facts & Figures (p. 59), Environment/Environmental protection in production (p. 33-35)	●
EN 22	Waste and disposal method	Facts & Figures (p. 60-61), Environment/Waste management (p. 34)	●
EN 23	Significant spills		●
EN 26	Mitigation of environmental impacts of products	Environment/Sustainable mobility (p. 30-32), Facts & Figures (p. 56)	●
EN 27	Packaging materials that are reclaimed		●
EN 28	Compliance with environmental laws and regulations	Economics/Compliance (p. 21-22)	●

Labour Practices and Decent Work

	Management approach	Social area/Management approach (p. 38-39), Responsibility towards employees (p. 40-45)	●
LA 1	Total workforce	Social area/Responsibility towards employees (p. 40-45), Facts & Figures (p. 68)	●
LA 2	New employee hires and employee turnover	Social area/Responsibility towards employees (p. 40-45), Facts & Figures (p. 69)	●
LA 4	Employees covered by collective bargaining agreements		●
LA 5	Minimum notice period(s)		●
LA 7	Injury, occupational diseases, lost days and absenteeism, and number of workrelated fatalities	Social area/Responsibility towards employees (p. 40-45), Facts & Figures (p. 70)	●

Indicator	Description	Reference	Status
LA 8	Education, training, counseling, prevention, and risk-control programs	Social area/Responsibility towards employees (p. 40-45), Facts & Figures (p. 70)	●
LA10	Training	Social area/Responsibility towards employees (p. 40-45), Facts & Figures (p. 71)	●
LA 13	Composition of governance bodies and breakdown of employees		●
LA 14	Ratio of basic salary and remuneration of women to men		●

Human Rights

	Management approach		●
HR 1	Investment agreements and contracts		●
HR 2	Suppliers, contractors and other business partners that have undergone human rights screening	Economics/Corporate governance (p. 21-23), Social area/Management approach (p. 38-39)	●
HR 4	Incidents of discrimination and corrective actions	Economics/Corporate governance (p. 21-23), Social area/Management approach (p. 38-39), Diversity (p. 44), Equal opportunities (p. 45)	●
HR 5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights. ((Risk of human rights))	Social area/Management approach (p. 38-39)	●
HR 6	Child labour	Social area/Management approach (p. 38-39)	●
HR 7	Forced or compulsory labour	Social area/Management approach (p. 38-39)	●

Society

	Management approach	Social area/Management approach (p. 38-39)	●
SO1	Operations with implemented local community engagement, impact assessments, and development programs.	Social area/Social commitment (p. 46-47), Cultural commitment (p. 47), Road safety (p. 48-49)	●
SO 2	Business units analysed for risks related to corruption	Economics/Corporate governance (p. 21-23)	●
SO 3	Employees trained in organisation's anti-corruption policies	Economics/Corporate governance (p. 21-23)	●
SO 4	Actions taken in response to incidents of corruption	Economics/Corporate governance (p. 21-23)	●
SO 5	Public policy positions and lobbying	Economics/Relations with government and political institutions (p. 22)	●

Product Responsibility

	Management approach	Environmental/Sustainable mobility (p. 30-32), Road safety (p. 48-49)	●
PR 1	Customer health and safety	Social area/Road safety (p. 48-49)	●
PR 3	Product and service information required by procedures		●
PR 6	Adherence to laws, standards, and voluntary codes	Economics/Corporate governance (p. 21-23), Social area/Management approach (p. 38-39)	●
PR 9	Compliance with laws and regulations	Economics/Corporate governance (p. 21-23)	●

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