

## Škoda Auto's 2023 Sustainability Report: Updated ESG strategy and advancements towards a more sustainable future

- › The 2023 Škoda Auto Sustainability Report provides a comprehensive overview of the company's progress in Environmental, Social, and Governance (ESG) initiatives
- › **GreenProduct:** Further increasing the use of recycled and recyclable materials
- › **GreenProduction:** Advancing towards CO<sub>2</sub>-neutral production, new photovoltaic systems are installed at the Mladá Boleslav plant
- › **Social Responsibility:** Providing humanitarian aid to war refugees from Ukraine and earthquake victims in Turkey
- › Škoda Auto's Sustainability Report is available to download from [Škoda Reporting 2023](#) and the [Sustainability Microsite](#)

Mladá Boleslav, 20 March 2024 – The 2023 Škoda Auto Sustainability Report provides a comprehensive overview of the Czech carmaker's updated sustainability strategy, detailing initiatives and advancements across all Environmental, Social, and Governance (ESG) areas. Škoda Auto is dedicated to systematically reducing the environmental impact of its operations. At the same time, the company is committed to enhancing local ecosystems and offering international humanitarian aid, supporting individuals, communities, and regional development in Mladá Boleslav, Vrchlabí, and Kvasiny, where its sites are located. In addition to these efforts, the report includes insights into corporate governance, corporate culture policies, and the implementation of integrity tools.

**Karsten Schnake, Škoda Auto Board Member for Procurement and Sustainability Board Representative**, explains: "This year marks the first time we are publishing our Sustainability Report alongside our Annual Report. This approach standardises our reporting cycles and draws more attention to our sustainability targets and social commitments. Moreover, it emphasises the importance of consistent, transparent, and detailed reporting on key ESG topics to all stakeholders."

**GreenProduction: Extensive measures to reduce the company's environmental impact**  
Škoda Auto is making significant progress towards achieving carbon-neutral production at its three Czech plants by 2030. In autumn 2023, the company commissioned a rooftop solar power system at its main plant in Mladá Boleslav. This system is capable of producing over two gigawatt hours (GWh) of emission-free electricity annually, covering an area exceeding 10,000 m<sup>2</sup>.

To accurately assess the environmental footprint of its manufacturing processes, Škoda Auto has introduced a key metric known as the 'Reducing the Environmental Impact of Production (UEP)' indicator. This is designed to measure reductions in energy use, CO<sub>2</sub> emissions, water usage, waste generation, and the emission of volatile organic compounds (VOC) per manufactured vehicle. This metric confirms that in 2023, water consumption per car in Czech plants has decreased by 37.7% compared to 2010 and energy consumption has decreased by 38.8% to 1.38 MWh over the same period. By 2025, Škoda Auto aims to lower the overall UEP by 52.5% compared to 2010.

**GreenProduct: Increasing the use of recycled materials**

In line with circular economy principles and through close collaboration with its suppliers, Škoda Auto is systematically increasing the use of natural, recycled, and recyclable materials in its vehicles. For example, in the new Superb, all textile materials on the seats and door trim are made from 100% recycled polyester. The ice scraper in the tank cap and the umbrella in the door, which the Superb was the first to feature, are now also made from sustainable materials. Škoda Auto plans to progressively increase the ratio of recycled materials in future models. Starting in 2025, the company aims to double the amount of recycled plastics to approximately 40 kg of net material weight per vehicle

**GreenRetail: Enhancing sustainability across the sales and service network**

As a member of the Volkswagen Group, Škoda Auto is engaged in the goTOzero retail initiative, which serves as a roadmap for decarbonising the sales and service network. By 2030, Škoda Auto aims to decrease the carbon footprint of its authorised sales and service networks by a minimum of 30% relative to 2020 levels. Specifically, the strategy focuses on maximising waste recovery, reducing energy consumption, and using rainwater.

**The S-Rating System: A framework for responsible sourcing**

In its collaboration with suppliers, Škoda Auto employs the S-rating system that defines mandatory framework conditions across critical areas, including environmental protection, human rights, labour rights, transparent business practices, fair market conduct, and the integration of sustainability criteria into organisational operations and processes. In 2023, 90% of Škoda Auto's turnover (based on the past 12 months' total turnover) was achieved with suppliers that attained the highest sustainability rating.

**Strong social engagement with people and communities**

Škoda Auto actively engages in corporate social responsibility, particularly through initiatives supporting local ecosystems. For example, the Krakonoš Gardens programme, established by the Škoda Auto Endowment Fund, promotes biological diversity in the areas surrounding its facilities in Mladá Boleslav, Kvasiny, and Vrchlabí. Under the banner of #ŠkodaAutoHelps, the automaker has extended humanitarian aid to war refugees from Ukraine. In addition, following a devastating earthquake that impacted parts of Turkey and Syria in February 2023, the Volkswagen Group, including Škoda Auto and its sister brands, donated one million

euros in immediate humanitarian aid. Later expanding this support in collaboration with Volkswagen and regional partners, they provided 75 container homes to assist families of their importers in the affected regions of Turkey.

**Fostering respect, diversity and inclusion**

Škoda Auto actively fosters a culture of acceptance, equitable opportunities, diversity and respectful cooperation. The company has anchored its commitment to diversity and inclusion in its Next Level - Škoda Strategy 2030 and has detailed additional measures in its Diversity Strategy 2030. In 2023, the Škoda Enyaq Coupé Respectline project highlighted the company's dedication to promoting diversity, equal rights, fairness, and inclusion. The car was developed collaboratively by Škoda Auto employees from across the company.

The results across other key areas – such as Technical Development, Procurement, Production, Logistics, Sales and Marketing, and Škoda Auto's financial performance are summarised in the company's Annual Report.

Škoda Auto's latest Sustainability Report and 2023 Annual Report are available to download from the Škoda Reporting 2023 site and sustainability microsite.

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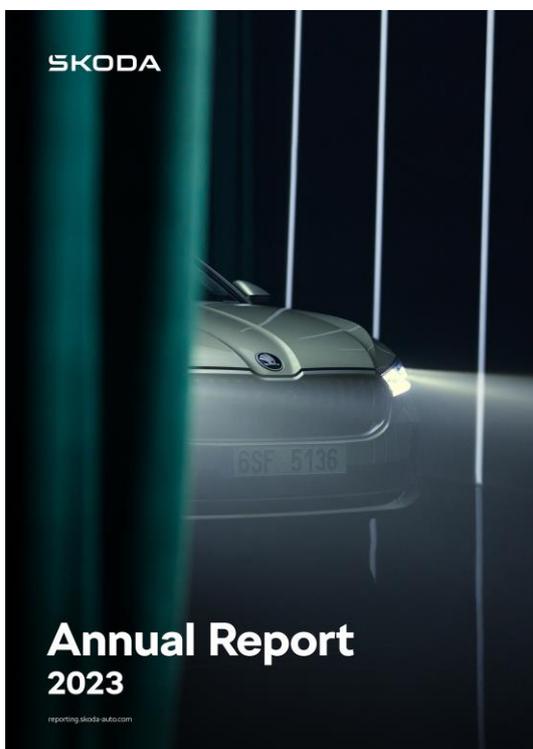
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Source: Škoda Auto



**Annual Report 2023**

Source: Škoda Auto

**Škoda Auto**

- › is successfully steering through the new decade with the Next Level – Škoda Strategy 2030.
- › aims to be one of the five best-selling brands in Europe by 2030 with an attractive line-up in the entry-level segments and additional e-models.
- › effectively leverages existing potential in important growth markets such as India, North Africa, Vietnam and the ASEAN region.
- › currently offers its customers eleven passenger-car series: the Fabia, Scala, Octavia and Superb as well as the Kamiq, Karoq, Kodiaq, Enyaq, Enyaq Coupé, Slavia and Kushaq.
- › delivered over 866,000 vehicles to customers around the world in 2023.
- › has been a member of the Volkswagen Group for 30 years. The Volkswagen Group is one of the most successful vehicle manufacturers in the world.
- › independently manufactures and develops components such as MEB battery systems, engines and transmissions as part of the Volkswagen Group; these components are also used in vehicles of other Group brands.
- › operates at three sites in the Czech Republic; has additional production capacity in China, Slovakia and India primarily through Group partnerships, as well as in Ukraine with a local partner.
- › employs over 40,000 people globally and is active in around 100 markets.