



ŠKODA
SIMPLY CLEVER

PRESS KIT

Page 1 of 14

Mladá Boleslav, 19 September 2022

Press Kit Sustainability

Contents

Introduction	2
Materials	4
Production	6
Procurement	9
Batteries	11
Outlook	12



ŠKODA
SIMPLY CLEVER

PRESS KIT

Page 2 of 14

ŠKODA presents roadmap for sustainable mobility

- › **2030 targets: consistently pursue climate-neutral mobility, reduce CO₂ fleet emissions by more than 50% compared to 2020**
- › **The focus is on electromobility, climate-neutral production and reusable & recycled materials**
- › **Newly established External Sustainability Council brings expertise to bear on important decisions**
- › **Sustainability among the central topics of the NEXT LEVEL – ŠKODA STRATEGY 2030**

Mladá Boleslav, 19 September 2022 – ŠKODA AUTO is forging ahead with decarbonising the company, supported by a holistic action plan under the NEXT LEVEL – ŠKODA STRATEGY 2030. In addition to accelerating the ramp-up of electromobility, the focus is on sustainably producing and operating battery-electric vehicles, including supply chains. To achieve this, ŠKODA is committed to using, for example, recyclable materials in its cars and consistently recycling the high-voltage batteries from e-vehicles.

Sustainability at the heart of the NEXT LEVEL – ŠKODA STRATEGY 2030

The car manufacturer has defined sustainability as a key area of its NEXT LEVEL – ŠKODA STRATEGY 2030 and has set itself ambitious targets to effectively reduce the CO₂ footprint of its business activities along the entire value chain. Over the past year, ŠKODA AUTO's investments in this area – along with comprehensive, transparent communication on the topics of environment, social affairs, governance and finance – have helped the Volkswagen Group to become the first automotive company in the world to meet the reporting requirements of the European Union's Sustainable Finance Action Plan and the EU Taxonomy.

Expanding electromobility

ŠKODA AUTO will be launching three new all-electric models by 2026. Further models are in the pipeline. ŠKODA aims to increase the all-electric share of its European vehicle sales to over 70% by 2030. ŠKODA AUTO aims to reduce the CO₂ emissions of its fleet by more than 50% by 2030 compared to 2020 through the continuous expansion of electromobility.

Decarbonising production

ŠKODA AUTO is increasingly turning to renewable energy to manufacture vehicles, and in doing so is significantly reducing CO₂ emissions in production. This means that all three Czech plants will be operating with net-zero carbon emissions by 2030; the production plants in India will be completely CO₂-neutral by 2025. The component plant in Vrchlabí had met this target by the end of 2020. In addition to using renewable energies, the comprehensive measures also include recycling waste, using resource-efficient materials and processes and predominantly green logistics. ŠKODA AUTO is also supporting the construction of a wind farm in Moravice-Melč in the east of the Czech Republic in collaboration with ŠKO-ENERGO.

Sustainable material cycle and second life cycle for batteries

ŠKODA AUTO is increasingly opting for natural, recycled and recyclable materials such as those used in the ŠKODA VISION 7S concept car. In addition to metals and glass, recycled plastics are already being incorporated into new vehicles. In the ŠKODA ENYAQ iV, for example, the seat covers are made of virgin wool and recycled PET bottles. The next steps involve composite materials made from plastic and fibres from sugar beet or the reed plant Miscanthus.



ŠKODA
SIMPLY CLEVER

PRESS KIT

Page 3 of 14

The use of rice husks, hemp, cork and coconut fibres is also being researched. ŠKODA is deploying used high-voltage batteries from electric vehicles in stationary energy storage systems before they are recycled. This second life cycle effectively reduces the batteries' CO₂ footprint.

Climate-neutral operation of e-vehicles

ŠKODA AUTO's holistic approach to sustainability not only includes CO₂-neutral production but also running electric cars with virtually zero emissions. ŠKODA ENYAQ iV cars are already delivered to customers with a carbon-neutral balance sheet. ŠKODA AUTO compensates for currently unavoidable CO₂ emissions during production by purchasing certified carbon credits. In addition, the company is supporting the expansion of renewable energy sources in Europe. For example, the car manufacturer is involved in constructing a new wind farm in Finland. With a calculated energy volume of 570 GWh per year, the plant will produce enough green energy in the future to supply around 150,000 households with electricity – or power ŠKODA electric vehicles with zero local emissions.

Newly established External Sustainability Council with international experts

ŠKODA AUTO established its own External Sustainability Council in November 2021. The external, independent panel consists of five internationally renowned experts who advise the Board of Management on the implementation of planned sustainability measures and also provide new perspectives, impetus and approaches. This makes the car manufacturer one of the first companies in the Czech Republic to draw on the expertise of its own committee in this area.

Extensive training for ŠKODA dealers and additional sustainability activities

On its path towards greater sustainability, ŠKODA is systematically involving its 3,200 dealers worldwide. One thing is clear: Even small measures can reduce the carbon footprint, for example offering bicycles as replacement vehicles for customers at servicing appointments. Alongside GreenRetail in the retail sector, GreenProduct focuses on vehicles that are as environmentally friendly as possible, and GreenFactory is dedicated to sustainable production.

The company's sustainability measures build on the Volkswagen Group's environmental mission statement 'goTOzero'. The policy encompasses the topics of climate change, resources, air quality and environmental compliance.

As part of this, the #Project1Hour initiative calls on the Volkswagen Group's 660,000 employees to consider their own contribution to sustainability and climate protection to mark Earth Day each year on 22 April. In 2022, employees of ŠKODA AUTO and its subsidiaries SAVWIPL India as well as ŠKODA AUTO Germany and ŠKODA AUTO Slovakia took part in the campaign.



ŠKODA
SIMPLY CLEVER

PRESS KIT

Page 4 of 14

Materials: Environmentally friendly and recyclable

- › Almost one-third of the materials in the current ŠKODA OCTAVIA are recycled
- › Homogeneous and biodegradable materials can be used several times over
- › New materials obtained from waste play an increasingly important role

Using recyclable materials, and preferably materials that have already been recycled once, is crucial to the sustainability of cars. This applies to a vehicle's body and chassis as well as its interior. According to EU Directive 2005/64/EC, at least 85% of a vehicle's weight must be recyclable and a further ten per cent recoverable at least in terms of energy. ŠKODA AUTO exceeds these requirements and is working within the Volkswagen Group on recovering more than 95% of the material and reusing it in-house.

Johannes Neft, ŠKODA AUTO Board Member for Technical Development, says: "Being able to almost completely recycle a car is an ideal scenario for a sustainably oriented manufacturer. At ŠKODA and in the Volkswagen Group, we have set ourselves the goal of recovering more than 95%, significantly more than the EU target of 85%. What we want above all is to reuse as many of the recycled materials as possible ourselves and keep them in a cycle. That's why we are continuously researching even more efficient recycling processes and new materials, preferably from natural, renewable sources or even waste products."

At the end of its life cycle, a vehicle is disassembled so that as many of its components as possible can be recycled. Metals are used to produce new steel and aluminium for new castings. Waste glass is turned into new panes or insulating material made of fibreglass. Plastics can be transformed into new everyday products such as clothes hangers or flower pots. Currently, around half of the material is extracted using pyrometallurgical technology in collaboration with external recycling companies. ŠKODA is also increasingly using recycled feedstock in constructing new vehicles; at present, almost one-third of the materials in a ŠKODA OCTAVIA are recycled. In addition to steel, aluminium and glass, these include plastics and insulation materials, for example, for underbody panelling, wheel arch liners and boot mats.

Selecting materials with recyclability in mind

As early as the material selection stage for a new vehicle, ŠKODA AUTO's Technical Development department takes into account the recyclability of the feedstock and is involved in research with the Technical University of Liberec. One goal is to increase the proportion of monomaterials that are most easily and efficiently recycled due to their homogeneity. Monomaterials are used, for example, in the interior trim, air ducts and as copper conductors in cable harnesses. After recycling, they can be turned into seat covers or interior carpets. Due to demanding technical requirements, the majority of parts in a new vehicle are now made of composite materials. An example of this is the door trim of an OCTAVIA, where 50% of the composite material is made from renewable feedstock. Biodegradable materials are generally easy to recycle: ŠKODA AUTO has developed a compostable film made from corn starch to package vehicle parts that are shipped from the Czech Republic to the plant in Pune, India. This is applied as a soil conditioner and organic fertiliser after three to six months of use at the logistics park in Pune. This saves 500 kilogrammes of conventional plastic film every month.



ŠKODA
SIMPLY CLEVER

PRESS KIT

Page 5 of 14

Sustainably processing and in some cases completely eliminating animal leather

Animal leather is traditionally used for car interiors. To improve the environmental footprint of the leather, ŠKODA AUTO is shifting to sustainable processes to treat it; the company uses an extract from olive tree leaves to tan the leather used in the ENYAQ iV. In addition, ŠKODA's interior designers are increasingly opting for textile upholstery in the interior where leather would otherwise be used, for example, on the dashboard. Depending on the model, leather is used exclusively for the centre section of the seats, on the steering wheel and sometimes on the gear stick and handbrake.

Fabrics made of PET bottles and a by-product of sugar production used as fill material

Fabrics made from up to 70% recycled PET bottles are now available for the ŠKODA ENYAQ iV and the ŠKODA KAROQ. These are processed into yarns after recycling. The seat covers included in the Lodge Design Selection for the ENYAQ iV are made from a combination of these yarns and natural virgin wool. ŠKODA AUTO is also working on developing sustainable materials with natural constituents that will enter series production in the future. These include sugar beet fibres, a by-product from a sugar factory in Dobruška, not far from ŠKODA AUTO's headquarters in Mladá Boleslav. The beet fibres will be used to create fill material for plastic parts. ŠKODA engineers will also be making the most of the sugar beet pulp; it is dyed in a special process and used to create design accents in the interior. ŠKODA AUTO has applied for a patent for the process.

New technologies to improve the sustainability of tyres and reduce energy consumption

ŠKODA is also specifically addressing the issue of sustainability in tyre development. In future, tyres with a high proportion of sustainable material or FSC-certified tyres may be used, providing they meet stringent quality and safety requirements. To this end, the company is engaged in close discussions with its tyre partners. Continental, for example, offers tyres with a higher recycled content and is researching the use of natural rubber from dandelions. Bridgestone already supplies ŠKODA with lighter and lower rolling resistance tyres for the ENYAQ iV. New technologies, such as efficient LED lighting on and in the vehicle, optimised drive programmes for the engine and transmission and continuously fine-tuning the vehicle software through over-the-air updates, also ensure lower energy consumption and therefore lower emissions in current ŠKODA vehicles. In addition, an optional heat pump enhances the efficiency of the heating and air conditioning in the ENYAQ iV family.



ŠKODA
SIMPLY CLEVER

PRESS KIT

Page 6 of 14

Production: Net-zero CO₂ emissions in Czechia by 2030

- › ŠKODA AUTO's component plant in Vrchlabí has been CO₂-neutral since 2020
- › Vrchlabí and Kvasiny plants use up to 90% renewable electricity
- › ŠKODA consistently strives for sustainability in raw material extraction, processes and logistics

ŠKODA AUTO is increasingly using renewable energy to sustainably manufacture vehicles, thereby significantly reducing CO₂ emissions in production. The aim is for all three Czech plants to be operating with net-zero carbon emissions by 2030. The component plant in Vrchlabí had achieved this goal by the end of 2020. In addition to using renewable electricity, the comprehensive measures also include recycling waste, using resource-efficient materials and processes and predominantly green logistics.

Michael Oeljeklaus, ŠKODA AUTO Board Member for Production and Logistics, explains: "At ŠKODA AUTO, we take a holistic approach to the issue of sustainability, and we are comprehensively and effectively reducing our carbon footprint. In production, we largely rely on electricity from renewable sources and use our own photovoltaic systems or the combined heat and power (CHP) plant in Mladá Boleslav. We are also setting standards with state-of-the-art production facilities, such as our innovative and resource-efficient paint shop in Mladá Boleslav. Our explicit goal is to operate our three Czech plants with CO₂-neutral energy by 2030; in India, we will achieve this target as early as 2025.

The Vrchlabí plant has been CO₂-neutral since the end of 2020. Optimised production processes, consistently lowering energy consumption and switching to renewable energies have made this possible. The share of electricity from renewable sources was around 90% in 2020, which reduced CO₂ emissions from 45,000 to 3,000 tonnes annually. The remaining emissions were offset by compensation measures and corresponding certificates from global climate protection projects. In 2020 alone, effective energy management in Vrchlabí saved more than 2,000 MWh of energy for heating and almost 1,500 MWh of electricity. The use of CO₂-neutral methane from biogas plants instead of natural gas reduced emissions by around 2,700 tonnes. Since the beginning of 2019, all waste from the production process at the site has been either materially or thermally recycled, and since the beginning of 2020, this has also been the case at the other two production sites in the Czech Republic, Mladá Boleslav and Kvasiny.

The Czech Republic's third-largest photovoltaic roof system in Mladá Boleslav

In partnership with the energy service provider ČEZ, the company will be commissioning the Czech Republic's third-largest rooftop photovoltaic system at its main plant in Mladá Boleslav in late 2022/early 2023. Almost 6,000 latest-generation solar modules will deliver a nominal output of 2,300 kW, generating more than 2,200 MWh of electricity per year. A smaller system on the roofs of the service centre in Kosmonosy with a peak output of 441 kWp has already been in use since the end of 2019. Along with the ŠKO-ENERGO CHP plant in Mladá Boleslav, it contributes almost 20% of the green energy required at ŠKODA AUTO's headquarters. More than 30% is renewable electricity from external sources. At the CHP plant, 30% of the fuel is biomass, i.e. renewable raw materials. By the end of the decade, only CO₂-neutral biomass and biogas will be used at the power plant.



ŠKODA
SIMPLY CLEVER

PRESS KIT

Page 7 of 14

At the Kvasiny site, more than 90% of the electricity now comes from renewable sources and in Moravice-Melč, in the east of the Czech Republic, ŠKODA AUTO is supporting the construction of a wind farm in partnership with its subsidiary ŠKO-ENERGO. Four wind turbines will be generating 26.3 GWh of energy a year there in the future.

ŠKODA ENYAQ iV delivered to customers with net-zero carbon emissions

The ŠKODA ENYAQ iV is leading the way in vehicle production and is already being delivered to customers with a CO₂-neutral balance sheet. ŠKODA AUTO compensates for currently unavoidable CO₂ emissions during production by purchasing certified carbon credits. The car manufacturer is reducing its CO₂ footprint in vehicle development and production and is also consistently supporting the expansion of renewable energy sources in Europe. For example, the company is involved in constructing a new wind farm in Finland. With a calculated energy volume of 570 GWh per year, the plant will produce enough green energy in the future to supply around 150,000 households with electricity – or power ŠKODA electric vehicles with zero local emissions.

Reducing weight thanks to innovative materials

ŠKODA AUTO offers customers sustainable vehicles that are produced in an environmentally friendly ISO-certified production process and excel in terms of energy consumption, material use and recyclability. Thanks to their lightweight construction with high-strength steels and modern composite materials, which are lighter without sacrificing stability, the cars are also more economical to drive. The composites combine, for example, plastics with sugar beet fibres, fibreglass or mineral fillers. Foamed plastics also reduce the vehicle's weight, which in turn reduces energy consumption and extends the car's range.

Modern paint shop conserves resources

Sustainability also plays a key role at the production plants, in raw material extraction and in individual processes. Recently, the car manufacturer developed an innovative paint with BASF, allowing for one of the four paint layers to be applied much thinner while maintaining the same quality and durability. This enables ŠKODA AUTO to save 720 tonnes of paint a year at its Czech production sites.

The modern paint shop in Mladá Boleslav also sets standards in eco-friendliness; except for the final clear coat, ŠKODA AUTO uses water-soluble coatings, and up to 20% less energy is used in the curing and drying processes alone compared to the past. ŠKODA focuses on avoiding waste from the outset. For example, around 210 grams less solvent and 17% less clear lacquer are used per vehicle in the paint shop than at conventional facilities. In addition, no paint sludge is produced as waste and the exhaust air purification system reduces paint residues by over two kilograms per car body. Since the beginning of 2020, all landfillable waste generated across the various production processes has been recycled materially or thermally.

Smart logistics and carefully planned recycling

Smart logistics can also contribute to improving sustainability. In addition to automation and digitalisation, optimising routes and maximising the capacity utilisation of transport vehicles also enhance efficiency. At the Mladá Boleslav plant, ŠKODA AUTO uses two electric trucks for internal transport; these have replaced trucks with combustion engines, cutting CO₂ emissions by 60 tonnes



ŠKODA
SIMPLY CLEVER

PRESS KIT

Page 8 of 14

a year. Moreover, the company uses lorries that run on alternative fuels, such as CNG and LNG. Recyclable packaging is used when transporting parts and components. At the end of a vehicle's life cycle, mechanical and chemical processes, such as special melting processes for metals, are being developed for external partners and recycling companies to recover valuable resources. A high recycling rate along with the widespread use of already recycled or recyclable materials helps to further reduce emissions.



ŠKODA
SIMPLY CLEVER

PRESS KIT

Page 9 of 14

Procurement: Working with external partners to maximise sustainability

- › **Realigning procurement with sustainability criteria and circular economy principles**
- › **Code of conduct and S-rating for suppliers as well as continuously monitoring supply chains**
- › **Direct collaboration with external partners to source sustainable materials and components**

The Czech carmaker has realigned its purchasing under the banner of ‘NEW PROCUREMENT’ as part of its NEXT LEVEL – ŠKODA STRATEGY 2030. Sustainability criteria play a decisive role in procuring materials and components. ŠKODA AUTO is increasing its use of recycled and recyclable raw materials in line with circular economy principles. The basis for this is a code of conduct, clear specifications and a comprehensive assessment system for suppliers, including regular checks.

Karsten Schnake, ŠKODA AUTO Board Member for Procurement, says: “ŠKODA recognises its responsibility for the world we all live in – and that’s why sustainability is so important to us. In this context, we’re not just focusing on producing engines with the lowest possible emissions but also looking at the bigger picture. After all, everything produced anywhere in the world has an ecological footprint. Throughout our company and in close collaboration with our partners, we are therefore committed to developing sustainable technical solutions for current and future models for our customers.”

As a car manufacturer, ŠKODA AUTO is acutely aware of its responsibility for the climate and the environment and is committed to achieving even greater sustainability in procurement. In the context of responsible supply chain management, this applies to the materials purchased as well as how they are manufactured and transported. ŠKODA AUTO selects suppliers who primarily use recycled and recyclable feedstock to manufacture sustainable products and who have a low carbon footprint. In addition, the company engages in intensive and detailed discussions with its partners on innovative ideas for new models. These include, for example, sustainable interior and exterior materials, alloy wheels with an increased recycled content, environmentally friendly front masks and door panels.

Assessing and monitoring suppliers

A code of conduct and sustainability rating (S-rating) from the Volkswagen Group form the basis for collaboration between ŠKODA AUTO and its suppliers and business partners. The code of conduct defines binding specifications for environmental protection, human rights, labour rights, transparent business relationships, fair market conduct, due diligence to promote responsible feedstock supply chains and the integration of sustainability requirements into the organisation and processes. The S-rating is based on a self-disclosure questionnaire for suppliers and must have a positive result for a business relationship to be established. Nine large international automotive groups collaborated in the ‘Drive Sustainability Initiative’ to develop this questionnaire.

The Volkswagen Group’s S-rating also includes an on-site inspection of an applicant if required. While working with a partner, compliance with the specifications can be checked at any time. For example, suppliers of high-voltage batteries must use at least 20% renewable energy in their



ŠKODA
SIMPLY CLEVER

PRESS KIT

Page 10 of 14

manufacturing processes. In some cases, compliance with sustainability requirements is also verified by accredited certification. At its Czech plants, for example, ŠKODA AUTO used 1,469 tonnes of certified 'green' X-CARB- steel from Arcelor Mittal in 2021, cutting 3,104 tonnes of CO₂. These savings are expected to increase significantly over the coming years.

Exemplary partnerships: Fabrics made from PET bottles and repairable umbrellas.

Many product innovations are the result of fruitful partnerships with major international and regional suppliers. For example, global suppliers Sage Automotive and Aunde Interiors produce the upholstery for the ŠKODA ENYAQ iV family. The covers are made from up to 70% recycled PET bottles. With the aim of increasing its sustainability in procurement, ŠKODA is also taking a closer look at the details: The future generation of umbrellas, which are one of the best-known Simply Clever features in a ŠKODA vehicle, will be made entirely from recycled materials and have a handle made of hemp fibres. If necessary, they can be repaired at the Austrian umbrella manufacturer Doppler and then reused. Another example of a successful and innovative partnership is with the internationally active Trèves Group: The company cleans, disinfects and shreds old mattresses that would otherwise end up in landfill to produce acoustic insulation.



ŠKODA
SIMPLY CLEVER

PRESS KIT

Page 11 of 14

Batteries: Second life cycle in stationary energy storage systems

- › Second-hand batteries from ŠKODA iV vehicles are used in energy storage systems; flexible use of the electricity generated, e.g. at ŠKODA dealerships
- › Extending the service life to up to 15 years significantly reduces CO₂ footprint
- › Production of MEB battery systems at ŠKODA AUTO headquarters in Mladá Boleslav

ŠKODA AUTO has come up with a clever idea to extend the service life of batteries from electric vehicles and reduce their carbon footprint. In a second life cycle, the batteries are installed in stationary energy storage systems. ŠKODA dealers can use these energy storage systems, for example, as charging stations and for lighting and air conditioning in showrooms and workshops. The company manufactures battery systems for MEB-based models at its main plant in Mladá Boleslav, thus ensuring short delivery distances.

Batteries from the all-electric ENYAQ iV family, as well as the plug-in hybrids SUPERB iV, OCTAVIA iV and OCTAVIA RS iV, enter a second life cycle after being used in the car; they supply ŠKODA dealers with sustainably produced electricity in stationary energy storage units, which can be used for charging stations, lighting and air conditioning in showrooms and workshops, among other applications. The capacity of the stationary storage units is up to 300 kWh so fast charging stations with a transmission power of up to 150 kW can also be supplied. In addition, the systems can store surplus green electricity that is generated, for example, by a dealer's photovoltaic system. This electricity is then available at any time, regardless of the weather or the current load of the local power grid. Each stationary energy storage unit is scalable, and the batteries can be replaced in a few simple steps if necessary. More than 4,000 of these sustainable storage units will be built in the coming years.

Service life of batteries extended to up to 15 years

The results of a pilot project in Prague revealed that the capacity of the batteries in stationary systems drops by only about two per cent per year. The useful life of the batteries thus increases to up to 15 years while the CO₂ footprint improves significantly. Once the second life cycle in the storage stations has ended, ŠKODA AUTO feeds the batteries into a controlled recycling process. The recovered raw materials are then used to produce new batteries.

Battery production at the main plant in Mladá Boleslav

ŠKODA AUTO has been manufacturing battery systems for vehicles based on the Volkswagen Group's Modular Electrification Toolkit (MEB) in Mladá Boleslav since May 2022. The current capacity of more than 250,000 units a year is set to increase to 380,000 units by the end of 2023. They are installed in ENYAQ iV models on an assembly line in the adjacent hall. The batteries are also used in Volkswagen, Audi and SEAT vehicles. By producing this key component at the Mladá Boleslav site, the company has reached an important milestone in its transformation towards electromobility.



ŠKODA
SIMPLY CLEVER

PRESS KIT

Page 12 of 14

Outlook: Specific approaches for a sustainable future

- › Seven-seater ŠKODA VISION 7S concept car presents ŠKODA's new design language
- › ŠKODA showcases many sustainable interior materials in the IVET show car
- › The three pillars of ŠKODA's Sustainability Strategy 2030 – Environment, Social Responsibility and Governance & Economy – are an integral part of the NEXT LEVEL – ŠKODA STRATEGY 2030

The electric VISION 7S concept study provides a clear outlook on the Czech carmaker's future models. Based on the current OCTAVIA, ŠKODA AUTO's IVET show car demonstrates the kind of sustainable materials that may feature in the interiors of future vehicles.

The recently presented VISION 7S concept study introduces ŠKODA's new design language and points the way to a more sustainable future: Parts of the front and rear aprons, the wheel arch linings and the interior floor are made from recycled tyres, while the fabric on the door panels, dashboard and seat centre sections is made from recycled polyester yarns.

The powerful appearance of the VISION 7S with its solid underbody, broad shoulders and high tornado line combines with the symmetrically designed interior, which embraces the passengers, creating a feeling of safety and security. The battery-electric SUV is particularly sustainable and energy-efficient, offering a range of more than 600 kilometres in the WLTP cycle. The high-voltage battery can be charged from 10 to 80% in just 25 minutes with a peak charging power of 200 kW.

Sustainable IVET study

ŠKODA AUTO's IVET interior study provides a glimpse of the sustainable materials that may shape the interiors of future vehicles. Based on the current OCTAVIA, the show car's A, B, C and D pillar trims and the lower section of the door panels are made from a composite of polypropylene and the rapidly regrowing grass miscanthus. A composite of ABS plastic and sugar beet fibres, which ŠKODA obtains from a nearby sugar factory in Dobruška, is used for the decorative trims on the doors, dashboard and centre console. These fibres are a by-product of sugar production. The fabric for the dash and seat centre sections is made from natural alpaca and virgin wool combined with recycled PET bottles. ŠKODA AUTO's Development department is testing fibres and coconut husks, nut shells, rice, cork and hops as well as coffee grounds as potential natural fillers for composite plastic materials. The storage compartment in the door trim also contains a small bin with a holder and lid made of compostable plastic. The replaceable waste bags are biodegradable. A vegan material with high recycled content is used for the steering wheel, while the fabric used for the headliner is made from 100% recycled PET bottles. The bumpers were manufactured entirely from old, discarded bumpers by car recycling companies. Working closely with a recycling company near Mladá Boleslav ensures the necessary quality and supply stability.

New sustainability strategy for the coming years and biodiversity projects

The three pillars of ŠKODA's Sustainability Strategy 2030 – Environment, Social Responsibility and Governance & Economy – are firmly anchored in the NEXT LEVEL – ŠKODA STRATEGY 2030. The car manufacturer's Board members are responsible for implementing the strategy in close cooperation with the independent External Sustainability Council.



ŠKODA
SIMPLY CLEVER

PRESS KIT

Page 13 of 14

Among other measures, the Environmental pillar includes transforming the plants into zero-impact factories, which, in the medium term, will no longer impact the environment in any way during production. This pillar also includes promoting biodiversity projects, such as the 'One Tree for Every Car' initiative. Through this project, ŠKODA is supporting reforestation in the Czech Republic; since 2007, the company has planted a tree for every vehicle delivered in its domestic market. By the end of 2021, the car manufacturer had planted one million seedlings. The total area of new forest created at 170 locations amounts to 347 football pitches or 227 hectares. Thanks to a foundation and the support of its employees, ŠKODA AUTO also promotes other biodiversity projects surrounding its Czech sites. Examples include constructing and recultivating gardens and parks as well as establishing nature-oriented recreational facilities.

The company also supports numerous projects to preserve biodiversity and promote sustainability near its plants in India. Besides an eco-park close to the Chakan site, current initiatives include an oxygen park at the Aurangabad plant, where around 25,000 trees have been planted since 2019 to produce oxygen and sequester carbon dioxide. In 2020, ŠKODA supported a development project near Chakan to plant 10,000 fruit trees, which will serve as a source of income for local farmers in years to come. Another project will see more than 580,000 mangrove trees planted by 2027. The aim is to protect marine life and prevent coastal erosion.

Promoting education and diversity

The Social pillar focuses on training and development measures for employees based on ŠKODA AUTO's code of conduct, which was updated in November 2019. The company also presented its Diversity Strategy 2030 last May. The content of the programme is guided by changing social expectations of forward-looking employers and clear objectives in the fields of diversity and inclusion to be achieved by the end of the decade. ŠKODA AUTO thus underlines its commitment to diversity, equal opportunities and tolerance as key elements for successfully implementing its ambitious strategic corporate goals.

Responsible and transparent leadership

The Governance & Business pillar covers the issue of integrity. Corporate governance ensures responsible, qualified and transparent corporate management.



ŠKODA
SIMPLY CLEVER

PRESS KIT

Page 14 of 14

Further information:

Vítězslav Kodym
Head of Product Communications
T +420 326 811 784
vitezslav.kodym@skoda-auto.cz

Zbyněk Straškraba
Product Communications
T +420 326 811 785
zbynek.straskraba@skoda-auto.cz

ŠKODA Media Room

skoda-storyboard.com

Download the ŠKODA Media Room app



Follow us at twitter.com/skodaautonews for all the latest news. You can find all the content related to sustainability at ŠKODA AUTO at [#sustainableSKODA](https://twitter.com/sustainableSKODA).

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.
- › is emerging as the leading European brand in important growth markets such as India and North Africa.
- › currently offers its customers twelve passenger-car series: the FABIA, RAPID, SCALA, OCTAVIA and SUPERB as well as the KAMIQ, KAROQ, KODIAQ, ENYAQ iV, ENYAQ COUPÉ iV, SLAVIA and KUSHAQ.
- › delivered over 870,000 vehicles to customers around the world in 2021.
- › 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 not only vehicles but also components such as engines and transmissions in association with the Group.
- › operates at three sites in the Czech Republic; has additional production capacities in China, Russia, Slovakia and India primarily through Group partnerships, as well as in Ukraine with a local partner.
- › employs 45,000 people globally and is active in over 100 markets.