

**SKODA**



**Annual Report**

**2025**

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**Dear Readers,**

In 2025, Škoda Auto demonstrated its robust capacity for profitable growth by increasing market share and improving financial performance through a customer-focused strategy. The successes achieved in 2025 mark a significant milestone in our 130-year history, accomplished amid ongoing market challenges. Our success is a testament to the dedication of Škodians, our partner KOVO, our supplier and dealer networks, and the customers who drive our progress.

Our operating profit rose by 8.1% to an all-time high of €2.3 billion, with strong net cash flow and a Return on Sales of 8.2%. This confirms the resilience of our business model and the impact of our Next Level Efficiency+ programme. Within the Brand Group Core – the Volkswagen Group’s alliance of volume brands – we continue to unlock efficiencies, including in the development and production of the upcoming all-electric Epiq SUV crossover.

With its broad and modern portfolio, Škoda Auto is accelerating the electrification of its drivetrains – from highly efficient combustion engines to hybrid solutions and battery electric vehicles. We are expanding and upgrading our range of electrified models to make future-proof mobility broadly accessible and to strengthen the Czech Republic’s role as a leading European automotive hub. The all-electric Elroq compact SUV and the renewed Enyaq family demonstrate this progress. In 2026, we will further extend our BEV offering with the Epiq, our most affordable BEV, and the Peaq, a seven-seat, all-electric SUV that will become our new flagship.

Our strategy is rooted in Škoda’s values and a sharp focus on customer needs. By leveraging synergies within the Volkswagen Group, our internationalisation programme positions Škoda Auto as the lead brand for the Group’s strategy in India and as a gateway to the ASEAN region via Vietnam. The new production facility in Vietnam and our entry into the Saudi Arabian market underscore our ambition to grow internationally.

At Škoda, sustainability is a transformative process integrated into our strategy. We aim to minimise our environmental footprint, drive sustainable growth, and create a positive impact on society. By 2030, we plan to expand our electric model range and significantly reduce our carbon footprint across the value chain. Our approach is guided by the three ESG pillars – Environment, Social, and Governance – which steer our actions along the value chain, in our communities, and in our ethical standards.

We integrate sustainability into our procurement practices, complying with regulations while pursuing responsible, financially feasible sourcing and environmental protection with partners who share our values.

We are working towards CO<sub>2</sub>-neutral production and zero landfill waste at our plants, guided by circular-economy principles. We apply innovative materials, such as recycled PET bottles for seat fabrics, and extend our responsibility beyond production to road safety, technical education, and improving living standards in all regions where we operate.

At Škoda, economic and social progress are interconnected. By applying our skills and expertise, we create value for our company, employees, customers, suppliers, communities, and the environment. Our focus on People & Communities and Diversity & Inclusion reinforces this shared-value approach.

For the first time, we are publishing our Sustainability Statement as an integral part of our annual report. This is more than a formal change: it reflects how deeply sustainability is embedded in our business model and how closely it is linked to long-term economic success. It also reaffirms our commitment to transparency and openness.

Together, as the Škoda team, we will continue to turn challenges into opportunities, advancing innovation, sustainability, and excellence – and confidently building on our 130-year legacy.

Kind regards,

**Klaus Zellmer**  
Chair of the Board of Management  
Škoda Auto a.s.



#### Dear Readers,

2025 was once again a challenging year for the automotive industry. Global markets faced persistent headwinds: geopolitical uncertainty, subdued demand in key regions, and a slower-than-expected ramp-up of e-mobility. Against this backdrop, Škoda Auto delivered the most successful year in its 130-year history – a remarkable achievement that underscores the resilience and strength of the brand.

Škoda remains a key pillar of the Brand Group Core – the Volkswagen Group's alliance of volume brands – by delivering solid financial performance and pursuing a clear, accessible product strategy. From my time at Škoda, I know that the company thrives on a pragmatic, can-do culture – a spirit clearly reflected in the success of the Elroq, which emerged as one of Europe's best-selling battery-electric vehicles in 2025.

Soon, it will be joined by the Škoda Epiq as one of the four models – alongside the CUPRA Raval, VW ID.Polo, and ID.Cross – in our Electric Urban Car Family. This is one of the most significant projects we are delivering together within the Brand Group Core. With a focus on affordability and innovation, it will open the door to e-mobility for millions of people.

This focus on affordability goes hand in hand with Škoda's broader commitment to efficiency and customer-centricity – principles that have laid a solid foundation for sustainable success as competition intensifies and market dynamics evolve. Within the Brand Group Core, Škoda plays a vital role – not only through robust returns, but also through its pragmatic approach to delivering value. As part of this strategy, we are consistently transferring key platform responsibilities – such as MQB – to Škoda, further reinforcing the brand's position and capabilities.

Looking ahead, 2026 will be a year of bold moves and decisive action. Together – within the Brand Group Core – we will unlock further synergies by streamlining our networks and sharpening governance to become even leaner and more competitive. Škoda will remain a key pillar in this transformation, contributing its strength, its culture, and its ability to turn challenges into opportunities.

Kind regards,

**Thomas Schäfer**

Chair of the Supervisory Board  
Škoda Auto a.s.



Management Report

# About the Company



Purpose

**We will help the world live smarter.**

Mission

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

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# Company Profile



Škoda Auto is one of the oldest continually active car manufacturers in the world. The Company's history dates back to 1895, when Václav Laurin and Václav Klement laid the foundations for what has become a globally successful company. Starting with bicycles 130 years ago, followed by motorcycles, the Company launched passenger car production in Mladá Boleslav in 1905. In the following decades, the Company first developed into a domestic market leader, subsequently becoming a competitive global player after its integration into the Volkswagen Group in 1991. Today, Škoda has never had a broader portfolio of models when it comes to body variants and powertrain options. The line-up encompasses fully electric models (BEVs), plug-in hybrids (PHEVs), and efficient ICE models.

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

Škoda Auto has a robust and healthy business model underpinned by a versatile, contemporary vehicle portfolio and an efficient cost structure. The Company is accelerating its push to expand the electrification of its line-up by broadening and upgrading its range of electric vehicles and making e-mobility accessible to a wider customer base. Škoda Auto is actively shaping the transformation of the automotive industry at home and abroad, while recognising its responsibility to strengthen the Czech Republic's position as a forward-looking hub of European car manufacturing. The Company's successful electric mobility is being developed at its very heart in its home country. The Company is delivering on its clearly defined e-mobility strategy, which includes the launch of new electric models in the years ahead. Following the successful launch of the Elroq, an all-electric compact SUV, and the new Enyaq family on international markets in 2025, the Czech carmaker is moving ahead with the electrification of its portfolio: in 2026, it will unveil the Epiq, a fully electric urban SUV crossover, and a large family SUV Peaq, complementing the BEV portfolio at both ends. At the same time, the Company continuously enhances its combustion-engine models to maximise their efficiency and ensure compliance with even the strictest emission standards.

The Company's success is rooted in long-standing Škoda values and a strong focus on customer needs. At the same time, the brand benefits from structures within the Volkswagen Group and from Brand Group Core teamwork. As an integral part of this cluster of high-volume brands, Škoda taps potential in price-sensitive growth markets for the Volkswagen Group.

Škoda Auto has taken on responsibility for the Volkswagen Group's activities and brand operations in India – a key market for Škoda Auto's internationalisation plans and a future export hub. The Company has also expanded its footprint within the Association of Southeast Asian Nations (ASEAN) by entering Vietnam, one of the fastest-developing markets in the region. Vietnam now serves as a strategic gateway to the broader Indo-Pacific region.

In March 2025, Škoda Auto, together with a regional partner and investor, opened a new production facility in Vietnam. Also in 2025, it entered the Saudi Arabian and Omani markets. These steps underscored the Company's ambition to strengthen its international presence and build a strong second pillar beyond its European home market.





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# 130 Years of Škoda Auto



In terms of models, Škoda Auto's 130th anniversary celebrations brought the Fabia 130 special edition, offering 130 kW of power and design features inspired by motorsport. The Company plans to build 6,000 units by 2027. Even more exclusive was the Elroq RS 130, limited to 800 units and featuring an exclusive matte-grey exterior. On the Czech market, Škoda offered the 130 Years and 130 Years Premium editions of selected models, featuring upgraded equipment at a competitive price.

The celebrations also included collaborations with Czech craft brands. Watchmaker Prokop & Brož created the mechanical Laurin & Klement 130 Limited Edition, inspired by the rare 1908 Laurin & Klement BSC. Only 130 watches were produced, including 30 prestige pieces with 18-carat gold detailing.

A partnership with Czech brand Botas delivered unique footwear combining Botas craftsmanship with Škoda's Modern Solid design language. The Milan Design Week Limited Edition was unveiled at the Milan design festival and produced in a run of 130 pairs. This was followed by 1,300 pairs of Iconic 130 shoes, 1,000 pairs of Škoda x Botas Iconic trainers, and additional models available through the Škoda e-shop.

In 2025, Škoda Auto marked 130 years since its founding, alongside the centenary of the merger between Laurin & Klement and the Škoda industrial group. The anniversary activities took many forms, including preparing anniversary visuals and communication style, publishing thematic articles on Škoda Storyboard, organising events for employees, and developing products for customers.



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To mark Škoda Auto's 130th anniversary, a series of employee events was held throughout 2025 in cooperation with the KOVO trade-union organisation. February began with the KOVO & Škoda Auto Ball at the Škoda Museum in Mladá Boleslav. The event featured a wide-ranging accompanying programme, including a raffle with a Škoda Elroq Selection 85 as the main prize.

The Škoda Auto & KOVO Music Festival in May 2025 featured performances by Calin, Ewa Farna, and the employee band Wotazník. The highlight of the event was a show by the band Kabát. The event also hosted the Czech premiere of the Škoda Elroq Respectline, a model reflecting Škoda's core brand values of mutual respect, diversity, and inclusion.

In June, the Time Flies! family day offered entertainment for all ages. The extensive stage programme was complemented by a wider range of accompanying activities, including Škoda test drives, entry to the Metoděj Vlach Aviation Museum, sightseeing flights, aerobatic displays, a themed trail with tasks, creative workshops, and many other attractions.

In 2025, the Company also celebrated its 130th anniversary with the Czech Philharmonic, whom it has partnered since 1993. To mark this milestone, a festive gala evening was held in September at Prague's Rudolfinum, with vintage Laurin & Klement and Škoda vehicles displayed outside the venue.

November 2025 saw the Škoda Museum in Mladá Boleslav host a unique fashion show, Driving Style – Fashion Inspired by Tradition and Sustainability. The evening presented collections from leading ateliers of Czech universities and fashion styles from the past thirteen decades.

The Company, in cooperation with KOVO trade-union, rounded off the landmark anniversary year of 2025 with Advent Skating events in Mladá Boleslav, Solnice, and Vrchlabí, where the hosts set up fully equipped ice rinks, including skate hire and refreshments. These events offered a welcoming festive atmosphere for employees, their families, and the general public.



SKODA



Hudební festival

Škoda Auto & Odbory KOVO



ODBORY KOVO  
VR + MB + K

Hudební festival Škoda Auto & Odbory KOVO

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# Corporate Governance

The Company has a sole shareholder, VOLKSWAGEN FINANCE LUXEMBURG S.A., having its registered office in Strassen, Grand Duchy of Luxembourg. The powers of the general meeting are exercised by the sole shareholder. The other governing bodies of the Company are the Supervisory Board and the Board of Management. The sole shareholder of VOLKSWAGEN FINANCE LUXEMBURG S.A. is VOLKSWAGEN AKTIENGESELLSCHAFT ("VW AG"), having its registered office in Wolfsburg, Federal Republic of Germany.

**Supervisory Board**

As at 31 December 2025, the Supervisory Board had the following members:

**Thomas Schäfer** (\* 1970)

- Chair of the Supervisory Board since 15 July 2022 (Member from 1 July 2022)
- Member of the Board of Management of VW AG, Head of the Brand Group Core
- Appointed by the sole shareholder

**Jaroslav Povšík** (\* 1955)

- Vice-Chair of the Supervisory Board since 12 May 2021 (Member since 16 April 1993)
- Chairman of the Trade Union Works Council, Odbory KOVO MB (Trade Unions Mladá Boleslav)
- Elected by the employees of the Company

**Daniela Cavallo** (\* 1975)

- Member of the Supervisory Board since 1 May 2021
- Member of the Supervisory Board of VW AG; Chair of the General and Group Works Councils of VW AG
- Appointed by the sole shareholder

**Dirk Große-Loheide** (\* 1964)

- Member of the Supervisory Board since 1 March 2023
- Former Chief Purchasing Officer Volkswagen Group (until 1 November 2025)
- Appointed by the sole shareholder

**Miloš Kovář** (\* 1964)

- Member of the Supervisory Board since 1 May 2015
- Coordinator in Industrial Engineering; Odbory KOVO MB (Trade Unions Mladá Boleslav)
- Elected by the employees of the Company

**Martin Lustyk** (\* 1965)

- Member of the Supervisory Board since 14 January 2019
- Chair of Odbory KOVO KV z.s. (Trade Unions Kvasiny)
- Elected by the employees of the Company

**Peter Daniell Porsche** (\* 1973)

- Member of the Supervisory Board since 1 January 2015
- Entrepreneur and owner of PDP GmbH holding
- Appointed by the sole shareholder

**David Powels** (\* 1962)

- Member of the Supervisory Board since 1 October 2024
- Member of the Board of Management of the Volkswagen Brand responsible for Finance
- Appointed by the sole shareholder

**Melanie Leonore Wenckheim** (\* 1967)

- Member of the Supervisory Board since 9 November 2018
- Entrepreneur and shareholder of Porsche Piëch Holding GmbH
- Appointed by the sole shareholder

**Board of Management**

As at 31 December 2025, the Board of Management had the following members:

**Klaus Zellmer** (\* 1967)

- Chair of the Board of Management since 1 July 2022, responsible for Central Management
- previous position: Board Member for Sales, Marketing and After Sales at Volkswagen Passenger Cars (2020–2022)

**Andreas Dick** (\* 1971)

- Member of the Board of Management since 1 September 2023, responsible for Production and Logistics
- previous position: Technical Vice-President at FAW- Volkswagen

**Maren Gräf** (\* 1969)

- Member of the Board of Management since 1 March 2021, responsible for People and Culture
- previous position: Head of Group Human Resources Top Management (2018–2021)

**Martin Jahn** (\* 1970)

- Member of the Board of Management since 1 March 2021, responsible for Sales and Marketing
- previous position: Vice-President, Sales, Marketing and Aftersales and Managing Director of the Volkswagen Brand, FAW-VW, China (2016–2020)

**Johannes Neft** (\* 1969)

- Member of the Board of Management since 1 January 2021, responsible for Technical Development
- previous position: Head of Vehicle Body Development, VW AG (2016–2020)

**Holger Peters** (\* 1968)

- Member of the Board of Management since 1 June 2023, responsible for Finance, IT and Legal Affairs
- previous position: Chief Representative at Volkswagen Bank GmbH

**Karsten Schnake** (\* 1968)

- Member of the Board of Management since 1 July 2020, responsible for Procurement
- previous position: Executive Vice-President of Volkswagen Group China (2018–2020)

As at 31 December 2025, **Dirk Große-Loheide** left the Supervisory Board.

As at 31 December 2025, **Karsten Schnake** resigned from his position as a member of the Board of Directors.



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# Business Operations



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In 2025, Škoda Auto continued to deliver on its Next Level Škoda Strategy, which responds to emerging external challenges, the strategy in place for the high-volume brands within the Volkswagen Group's Brand Group Core, and the overarching Group Strategy. A central element of the Next Level Škoda Strategy is the commitment to combine innovation, responsibility, and long-term growth. Its effectiveness is reflected in record financial results, the rising appeal of the Škoda brand, and the Company's continued leadership positions across key markets.

The Company's strategic direction is built on three pillars: Brand and Market, Product and Customer, and People and Company. These pillars have ensured a strong market share in EU, and delivered new electrified and fully electric vehicles into the Škoda portfolio, along with innovations in design and digitalisation. In 2025, Škoda secured its position as the third best-selling automotive brand in Europe, consolidated its presence in India and overseas and made further progress in its sustainability and community initiatives.

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# Strategy





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# Brand and Market



## Most attractive brand for Everyday Explorers

The Company targets Everyday Explorers with a distinctive communication style grounded in curiosity and the desire to explore. The core principle of its communication is the **GLocal approach**, which combines a unified global strategy with locally relevant content and supports Škoda's ambition to be a brand that people instantly recognise, that draws them into the experience, and that presents itself consistently worldwide.

The creative strategy, drawing on nature-based metaphors also boldly presented at Milan Design Week, raised the brand's profile, increased interest, and contributed to a shift in public perception.

Under the Brand and Market pillar, the Company aims to become the most attractive brand for Everyday Explorers, secure a position among the three best-selling automotive brands in Europe, raise brand awareness on key new markets, and grow its business in India and overseas.



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## Top-three market share in Europe

In 2025, Škoda Auto became one of the three best-selling car manufacturers in Europe. This notable achievement reflects strong sales performance in traditional markets and record market shares in selected electrified countries, as well as in France, Italy, and the United Kingdom.

The positive trend in orders gives further momentum to Škoda Auto to increase its market share and maintain its position among Europe's best-selling carmakers in the years to come.



# 6.3%

Škoda's market share in Europe in 2025.





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## Growing business in India and overseas

In 2025, Škoda Auto recorded significant achievements in India, the member countries of the Association of Southeast Asian Nations (ASEAN), and the Middle East, deepening its regional presence across these markets.

In **India**, the Škoda brand posted substantial sales and production gains. In 2025, it delivered 70,551 vehicles, up 96% on 2024. A major share of this performance came from the Kylaq, with almost 44,000 units delivered. These results underscore the strategic importance of the Indian market for Škoda's global expansion.

# 500k

Vehicles produced in India since Škoda began operating in the region.

Further important progress was made in production in 2025. Škoda Auto Volkswagen India (SAVWIPL) passed the milestone of two million locally built vehicles over 25 years of operations in the Indian market, half a million of which were made in the past three and a half years alone. Of all vehicles manufactured here, more than 500,000 are based on the MQB-A0-IN platform, which was designed and developed by a local development team in India. Models on this platform include the Škoda Kushaq, Slavia, and Kylaq, as well as the Volkswagen Taigun and Virtus. Škoda Auto also exports from India, having shipped more than 700,000 vehicles to date, and now supplies components for vehicle assembly in Vietnam. These milestones and records are driven by a strong portfolio tailored to the needs of the Indian market and by deep localisation, strengthening the Company's long-term strategy and its commitment to the region.

Škoda Auto entered the **Vietnamese** market in 2023. In March 2025, the Company began vehicle assembly in Vietnam in partnership with the Thanh Cong Group, a major step in its internationalisation strategy and a further expansion of its presence in ASEAN markets. By the end of 2025, the dealer network had grown to 20 outlets offering five models: the Slavia, Kushaq, Octavia, Karoq, and Kodiaq. The Slavia and Kushaq are assembled from kits imported from India (the Kushaq was the first Škoda model to be built in Vietnam), with the remaining models imported from Europe. In 2026, the Vietnamese portfolio will be expanded to include the new-generation Superb.

In February 2025, as part of its expansion strategy in the **Middle East**, the Škoda brand entered the market in Oman. The local line-up encompasses all combustion-engine models produced in Europe, along with the Kushaq SUV imported from India. In the final quarter of 2025, the Company opened its first showrooms in Saudi Arabia. This completed Škoda's coverage of all member countries of the Gulf Cooperation Council (GCC), consolidating its regional presence and positioning the brand for long-term sustainable growth. In Turkey, the Company delivered strong performance, delivering 45,090 vehicles to customers. This 6.8% year-on-year increase (up on the 42,209 vehicles in 2024) was a clear sign of an ongoing growth trajectory.

Škoda Auto made further headway in the **Commonwealth of Independent States (CIS)**. In Kazakhstan, where the brand returned in 2024, it continued working with a local partner to advance the expansion plan. At the Allur plant in Kostanai, five models were assembled from kits imported from the Czech Republic: the Kamiq, Karoq, Kodiaq, Octavia, and new Superb.





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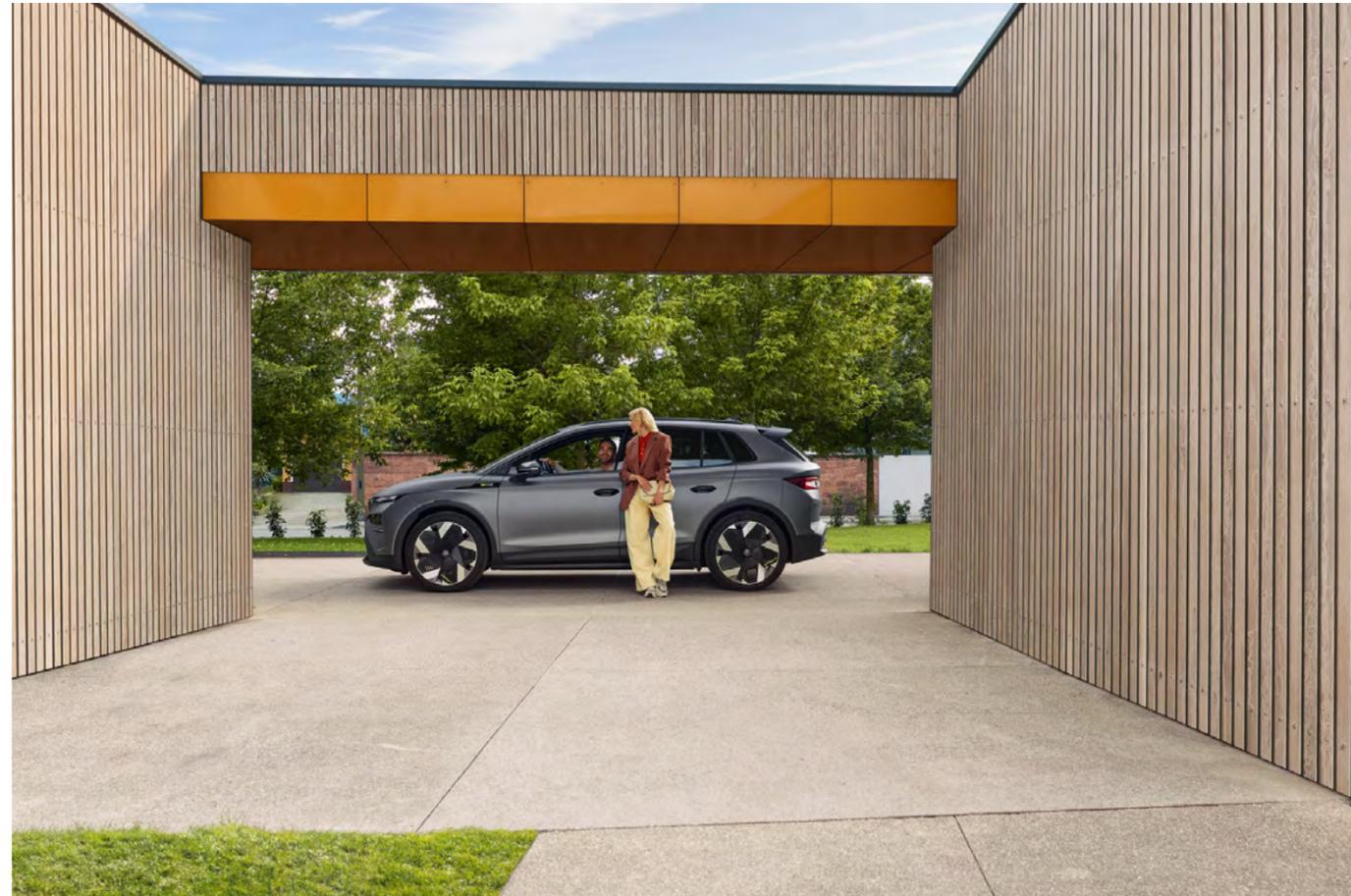
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# Product and Customer



The Product & Customer pillar is built around three goals: to offer desirable and accessible products and services, to provide a Simply Clever customer experience, and deliver customer-centric quality.

### Desirable and accessible products and services

In 2025, Škoda Auto continued to build on its commitment to offer desirable and accessible mobility solutions, focusing on portfolio flexibility, regional growth, and cutting-edge design. The Company also made significant progress in the development of future models. The result is an attractive, flexible model portfolio covering mild-hybrid (mHEV), plug-in hybrid (PHEV), and fully electric (BEV) vehicles.

The Company raised its standards for new-model development in response to increasing technical and market expectations, focusing on shorter lead times and on ensuring that new vehicles anticipate and meet technological trends and evolving customer needs. For electric vehicles, this includes improvements in range and charging speed and reflects a customer-centric approach. Since design excellence is another defining factor, future products are influenced not only by customer feedback, but also by the new Modern Solid design language and a holistic approach to design.



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## Simply Clever customer experience

Customer considerations remain central to Škoda Auto's decision-making processes. By embedding the needs of Everyday Explorers into product and service development, the Company is working towards its goal of becoming a leader in customer experience and satisfaction.

Digitalisation played a central role in 2025, with the MyŠkoda app becoming a fully fledged tool for Škoda users. Artificial-intelligence features built on Google Gemini technology were introduced.

Škoda Auto actively adopts the customer's perspective and works with feedback on a regular basis. One such initiative is the Škoda EV Lounge community, which provides the Company with a comprehensive view of customer behaviour and opinions in the field of electromobility. The community grew significantly in 2025 and its ambassadors meet directly with Škoda Auto specialists to share their experiences.

## Customer-Centric Quality

Škoda Auto also identifies achieving Customer-Centric quality as a strategic objective, with a strong emphasis on customer satisfaction. The Company pursues this objective through a comprehensive approach, drawing primarily on customer perceptions and feedback, as well as on new technologies and processes based, inter alia, on artificial intelligence (AI).

The focus is on integrating advanced software solutions and smart functions both directly into vehicles and into vehicle testing processes. In this context, quality also entails a clear focus on customer satisfaction, accelerated handling of feedback, and reduced response times. Consequently, this requires process automation and digitalisation, together with the collection, analysis, and use of data, particularly to support effective communication with customers.

In manufacturing, this approach is reflected in the introduction of automated quality inspections relying on computer-vision and machine-learning technologies, predictive analytics applied across the entire production flow, and AI use, all of it to raise quality and meet customer demands. As a result, Škoda vehicles stand out for their reliability, elegance, innovative design, advanced safety features, comfort, and distinctive, intelligently engineered solutions.







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# People and Company



The third pillar, People and Company, brings together objectives centred on the High Performance Organisation concept, the advancement of employees' digital capabilities and agile mindset, the delivery of smart sustainability, and the rollout of the Next Level Efficiency+ programme.

## High Performance Organisation 2.0

From 2025, the Company is advancing its efficiency and agility through the High Performance Organisation 2.0 programme. The aim is to create a fast, flexible, and sustainably robust organisation that can respond to shifting market conditions while delivering continuous performance improvement. HPO 2.0 leverages digitalisation, automation, and artificial intelligence to simplify structures and speed up decision-making. Its end-to-end (E2E) approach increases process transparency, strengthens cross-functional collaboration, and systematically removes traditional organisational silos.

Škoda Auto also invests heavily in enhancing its employees' digital skillset and agile mindset. In 2025, it launched Skill Management, an initiative designed to bring together knowledge across four strategic skill areas: working with Microsoft 365, working with data, using artificial-intelligence (AI) tools, and agile thinking.

The Company defined five core agility principles to guide the development of an agile mindset among the workforce: autonomy, adaptability, flexibility, transparency, and collaboration. The Agile Mindset Booster Programme helped managers to optimise their projects and processes. The Company also ran two in-house hackathons, focusing on efficiency, customer orientation, and cross-departmental collaboration.

In alignment with these initiatives and to support its ongoing development, the Company conducts an annual assessment of its corporate culture using the Cultural Mindset Index (CMX).



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#### Smart Sustainability

The Company's sustainability ambition is to deliver on all ESG priorities through measures that are fully compliant, effective in execution, and focused on creating value. Škoda Auto continues to advance the reuse of resources through sustainable solutions, places a sustained emphasis on developing and supporting its people, and aspires to set the standard in ethical conduct. At the same time, it proactively and pragmatically strengthens local communities and systematically enhances its resilience.

On the environmental front, the Company develops sustainable innovations, minimises the impact of its production processes, and encourages business partners to reduce their environmental footprint. Over the past year, it carried out a strategically important project to advance the circular economy and material recycling. The aim was to prepare for future legislative requirements, explore new business opportunities, and strengthen both the sustainability and competitiveness of the brand.

On the social side, the Company applies a shared-value approach, supporting its employees and the communities in the regions where it operates. In corporate governance, it acts responsibly and transparently and expects the same standards from its business partners.

In 2025, the Company's sustainability efforts were recognised in an independent ESG rating, and it retained its position for the third time in the "Top 10 ESG Excellence" ranking organised by the Prague University of Economics and Business. For its sustainability reporting, Škoda Auto received the ESG Transparency Award, presented by EUPD Research Sustainable Management GmbH.

Further information on Škoda Auto's sustainability activities can be found under the Sustainability Statement in this Annual Report.



#### Next Level Efficiency+

Under the Next Level Efficiency+ programme, the Company is working to secure sustainable financial results, setting ambitious goals for its return on sales and net cash flow. Targeted measures are reducing costs in production, development, sales, and management, delivering substantial, steady savings across the business and streamlining processes. This, in turn, releases the resources needed for investment, underpinning the Company's ongoing transformation and future prosperity.

# ESG

Škoda Auto is recognised for its commitment to sustainability.



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For Škoda Auto, 2025 was a landmark year. The Company marked 130 years since its founding and a century since joining forces with the Škoda Works (Škodové závody) in Plzeň. To celebrate its 130th anniversary, Škoda Auto introduced a series of special-edition models, including a dedicated version of the Fabia.

The brand's portfolio was expanded to include new Enyaq and Enyaq Coupé models featuring the Modern Solid design language and upgraded technologies. The fully electric Enyaq and the new Elroq also debuted in sporty RS versions.

As a result, 2025 brought together tradition and innovation for Škoda Auto – from proven models to a new generation of electric vehicles, and from European heritage to global expansion.

# Product Portfolio



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**Škoda Octavia**



**Škoda Fabia**



**Škoda Kylaq**



**Škoda Elroq**



**Škoda Superb**



**Škoda Scala**



**Škoda Kushaq**



**Škoda Enyaq**



**Škoda Kodiaq**



**Škoda Kamiq**



**Škoda Octavia PRO**



**Škoda Enyaq Coupe**



**Škoda Karoq**



**Škoda Slavia**



**Škoda Kamiq GT**



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# 5.4 s

0-100 km/h acceleration of the Elroq RS.

## Škoda Elroq

The compact SUV Elroq, unveiled towards the end of 2024, quickly became Škoda's most successful electric vehicle. In 2025, the line-up was expanded to include the Elroq 85x and Elroq RS variants, both with all-wheel drive. The Elroq RS, delivering 250 kW and offering a WLTP range of more than 550 km, features generous standard equipment, signature black exterior accents, an illuminated front grille, and an RS Suite interior trimmed in Suedia microfibre and artificial leather, finished with lime-green high-contrast stitching. Its equipment package includes black 20-inch Draconis alloy wheels with new matte-black trims, or new 21-inch Vision alloy wheels in anthracite with a decorative Mamba Green accent. This colour, reserved exclusively for RS models, is also available for the bodywork. Together with the Enyaq RS and Enyaq Coupé RS, the Elroq RS is among the fastest-accelerating models in the Škoda range, reaching 0–100 km/h in just 5.4 seconds.

The Elroq's qualities were underscored by the awards it collected in 2025, including a Red Dot Award for outstanding product design and several Auto Express Awards – Car of the Year, Mid-size SUV of the Year, and Best Electric Family Car.





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## Škoda Enyaq and Škoda Enyaq Coupé

The new Enyaq and Enyaq Coupé models launched in early 2025 feature the Modern Solid design language, enhanced digital functions, and upgraded driver-assistance systems. They are available in three power variants: the 60, delivering up to 150 kW and fitted with rear-wheel drive; the 85 (210 kW) with rear-wheel drive; and the 85x (210 kW) with all-wheel drive. Depending on the version, the Enyaq offers a range of up to 580 km (WLTP) on a single charge, and the Enyaq Coupé achieves up to 590 km (WLTP).

Inside, both models stand out with their timeless design, refined ergonomics, and intuitive controls. Several interior options are available, including the new Lounge interior with dark-grey seats upholstered in a blend of artificial leather and Suedia microfibre. The Enyaq also offers a generous luggage capacity of 585 to 1,710 litres, or 570 to 1,610 litres in the case of the Enyaq Coupé.

In mid-2025, the line-up of both models was expanded to include the RS version, featuring a system output of 250 kW, 0–100 km/h acceleration in 5.4 seconds, and a WLTP range of more than 560 km. Signature RS design cues include black exterior detailing and black 20-inch Draconis alloy wheels with matte-black trims, or anthracite 21-inch Vision alloy wheels with a decorative Mamba Green accent. The sport-oriented interior is offered in two versions: RS Lounge, trimmed in black Suedia microfibre and black artificial leather with lime-green high-contrast stitching, and RS Suite, upholstered in a combination of leather and artificial leather with grey stitching.



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## Škoda Octavia

The Octavia has long been Škoda's best-selling model. In 2024, the current fourth generation was revised to introduce updated design features, more advanced technologies, and an even higher level of safety. As ever, the Octavia offers a spacious interior with a generous luggage compartment and a range of Simply Clever features, with customers able to choose between liftback and estate body styles.

The powertrain line-up includes petrol, diesel, and mild-hybrid engines ranging from 85 to 195 kW. The most powerful unit is reserved for the sporty Octavia RS, while the popular Octavia 4x4 is equipped with the 2.0 TSI engine (150 kW). Both models come with a seven-speed DSG automatic transmission.

In 2025, Škoda Auto introduced two special-edition models: the Classic and the Dynamic. The Classic builds on the Selection trim level, adding features such as a 10-inch Virtual Cockpit and heated seats, steering wheel, and windscreen, while also extending the model's safety equipment with additional assistance systems. The Dynamic is based on the Top Selection trim and adds LED Matrix beam headlights, a sports chassis, 18-inch Vega Aero wheels, a 13-inch infotainment display, and further comfort- and sport-oriented features.



## Škoda Superb

Škoda's flagship model, the fourth-generation Superb, offers customers a choice of liftback or estate body styles. The latest generation has grown in size and pairs its elegant design with a broad range of new technologies. With six modern powertrains and improved aerodynamics, the Superb is more efficient than ever. The engine line-up ranges from 110 kW (150 PS) to 195 kW (260 PS) and includes a plug-in hybrid with an all-electric range of up to 120 km, as well as a 1.5 TSI four-cylinder with mild-hybrid technology, featured on the Superb for the first time. The spacious interior has a clean, contemporary look and more intuitive controls, including Smart Dials and AI-powered ChatGPT functions. The model also makes greater use of sustainable materials.

In 2025, the Škoda Superb received several notable awards. It was named Best Family Car in the UK Car of the Year awards, while British media also recognised it as Best Estate Car and Most Comfortable Car of the Year. In Germany, Auto Straßenverkehr honoured the Superb with an award for Best value for money.



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## Škoda Kodiaq

The second generation of Škoda's flagship SUV, the Kodiaq, was unveiled in 2023 with a new design incorporating elements of the Modern Solid language. Its larger dimensions deliver increased interior space, while sustainability and safety have been taken to a new level. The model also introduced a redesigned interior concept with individual design themes, alongside new generations of the DCC+ adaptive chassis and LED Matrix beam headlights offering significantly higher light output. The Kodiaq features a modern infotainment system with a touchscreen of some 13 inches, a head-up display, and voice control with an integrated chatbot powered by ChatGPT artificial intelligence. Standard equipment includes innovative Smart Dials that combine physical and digital controls, as well as a 10-inch Virtual Cockpit.

The powertrain range comprises six options from 110 kW (150 PS) to 195 kW (260 PS), all paired with a DSG automatic transmission. These include a plug-in hybrid with an electric range of more than 100 km and an entry-level mild hybrid. The three most powerful engines (including the RS version) come with all-wheel drive as standard.

In 2025, the Škoda Kodiaq received multiple awards, including Large SUV of the Year from Auto Express in the UK and Best Large Family Car from the automotive portal Carbuyer.

## Škoda Karoq

The revised Škoda Karoq remains a consistently successful model, delivering outstanding sales results. The model also stands out with its exceptionally spacious luggage compartment, advanced assistance systems, and the versatile VarioFlex rear seats. Its powertrain range features efficient new-generation Evo engines, including the 1.5 TSI four-cylinder with active cylinder control. All-wheel drive is available with the 2.0 TDI (110 kW) and 2.0 TSI (140 kW) engines, the latter reserved for the Sportline trim and paired with a DSG automatic transmission.

In 2025, Škoda Auto introduced two special-edition models: the Classic and the Dynamic. The Classic builds on the Selection trim level and adds features such as a 10-inch Virtual Cockpit, heated seats, wireless smartphone charging, KESSY, and front parking sensors with a camera. The Dynamic is based on the Top Selection trim and adds the Lounge interior, LED Matrix beam headlights, DCC adaptive chassis, and further sporty elements.



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## Škoda Fabia

The fourth-generation Škoda Fabia continues to attract strong customer interest, offering modern technology, efficient petrol engines, and a spacious interior with an infotainment display of some 9 inches. Built on the MQB-A0 platform, this compact model also stands out for its high level of safety and its range of practical Simply Clever features.

In 2025, Škoda Auto marked its 130th anniversary and celebrated the occasion by introducing a special-edition Fabia. The Škoda Fabia 130 is based on the Monte Carlo trim and powered by the 1.5 TSI Evo2 engine. Both the power unit and the seven-speed DSG transmission have been tuned to heighten performance and underline the car's sportiness. The result is 0–100 km/h in 7.4 seconds and a top speed of 228 km/h, making it the fastest production Fabia to date.

The Fabia 130 also features a lowered sports chassis, 18-inch Libra wheels, revised steering, and two-stage traction control with a Sport+ mode. Exterior details include black accents, 130-edition badging, and a twin exhaust outlet. Inside, the model offers sports seats, a sports steering wheel and pedals, a 10-inch Virtual Cockpit, and an optional 9-inch infotainment system with navigation. The body can be finished in one of four colours, each paired with a black roof.



## Škoda Scala

The Škoda Scala continues to enjoy strong customer appeal, combining compact exterior dimensions with a spacious interior, high levels of active and passive safety, and attractive pricing. This model offers modern, fuel-efficient petrol engines with outputs ranging from 70 to 110 kW, as well as a sport-oriented Monte Carlo trim level.

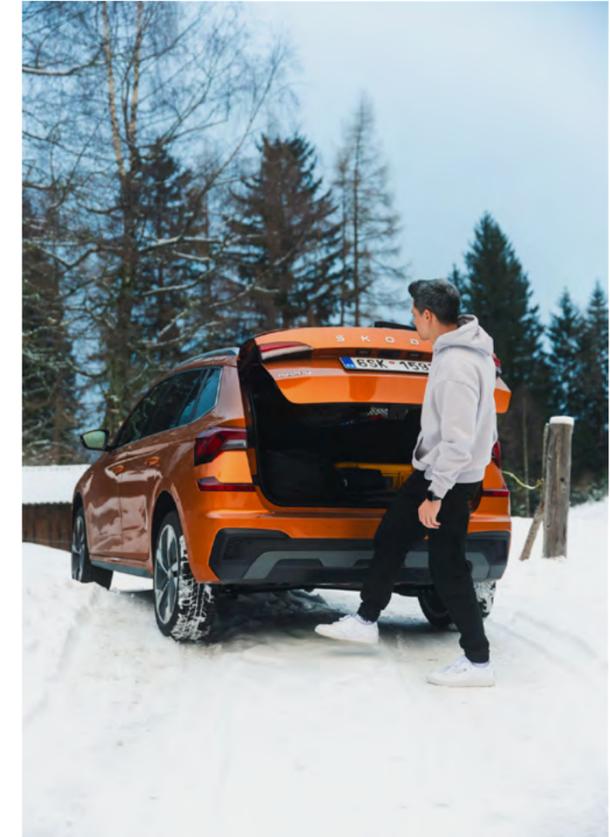
The Scala's equipment list includes a range of standard and optional features, such as a sport-styled interior, sport-design steering wheel and pedals, a 10-inch Virtual Cockpit, Driving Mode Select, 18-inch alloy wheels, black-finished wing mirrors and grille, an adjustable-damping chassis, a Virtual Pedal, KESSY keyless entry and start, an alarm system, front parking sensors, a rear-view camera, and Side Assist (blind-spot monitoring).



## Škoda Kamiq

The revised Škoda Kamiq is a compact SUV that stands out with its striking design and high levels of active and passive safety, supported by a wide range of assistance systems. Built on the MQB-A0 platform, it offers modern, efficient TSI engines delivering between 70 and 110 kW. The sporty Monte Carlo trim, with its distinctive black design accents, is also available.

The Kamiq's equipment list includes a range of standard and optional features, such as a sport-styled interior, sport-design steering wheel and pedals, a 10-inch Virtual Cockpit, Driving Mode Select, 18-inch alloy wheels, black-finished wing mirrors and grille, an adjustable-damping chassis, a Virtual Pedal, KESSY keyless entry and start, an alarm system, front parking sensors, a rear-view camera, and Side Assist.







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## Škoda Slavia

Developed specifically for the Indian market, and also manufactured there, the Škoda Slavia is an A0-segment saloon built on the MQB-A0-IN platform. It stands out for its spacious interior and strong emphasis on safety. The powertrain line-up consists of two petrol engines: the 1.0 TSI (85 kW) with a choice of six-speed manual or automatic transmission, and the 1.5 TSI (110 kW) with either a six-speed manual or a seven-speed DSG. The model also features LED headlights with crystalline elements, two-tone alloy wheels, and chrome-plated detailing. Two paint colours – Tornado Red and Crystal Blue – have been created exclusively for the Indian market.



## Škoda Kylaq

The Škoda Kylaq, a compact SUV, was introduced at the end of 2024. It is built on the MQB-A0-IN platform and measures under four metres in length. Developed specifically for the Indian market, and also manufactured there, the model adopts the new Modern Solid design language, featuring distinctive daytime running lights, pronounced wheel arches, and hexagonal motifs along the sides and rear. Its efficient 1.0 TSI engine (85 kW, 178 Nm) is available with either a six-speed manual or automatic transmission. Despite its compact footprint, the Kylaq offers the largest luggage capacity in its class at 446 litres. The interior incorporates sustainable materials, including bamboo fabric, while safety is supported by more than 25 active and passive features, such as six airbags and a multi-collision braking system. This equipment secured the model a full five-star rating in Bharat NCAP crash tests in 2025.

## Škoda Kushaq

The Škoda Kushaq is the brand's first series-production model to be developed and manufactured in India. Introduced in 2021, it is built on the MQB-A0-IN platform, adapted to local conditions. At 4,225 mm in length, it combines compact proportions with a spacious interior and a 385-litre luggage capacity. Available equipment includes advanced front and rear LED lighting and a modern infotainment system with a display of up to 10 inches. Power is provided by efficient, responsive TSI petrol engines delivering 85 or 110 kW. The Kushaq is also offered in the sporty Monte Carlo trim. In Global NCAP testing, the model achieved a five-star safety rating.



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# +64 mm

Difference in length between the Chinese Octavia Pro and the European version.

## Škoda Octavia Pro

The Škoda Octavia Pro is a dedicated version of the model developed for the Chinese market. Compared with the European variant, it is 64 mm longer (4,753 mm) and features a 2,730 mm wheelbase, providing additional rear-seat space. It is powered by a 1.4 TSI engine (110 kW, 250 Nm) paired with an electronically controlled (shift-by-wire) seven-speed DSG automatic transmission. Standard equipment includes a rear multi-link suspension, LED headlights, a 12-inch infotainment display, a sporty three-spoke steering wheel, and a wide range of assistance systems, including adaptive cruise control and Exit Warning.



## Škoda Kamiq GT

The Škoda Kamiq GT is derived from a dedicated version of the Kamiq developed exclusively for the Chinese market. This coupé-style SUV measures 4,409 mm in length – 19 mm longer than the base model and 668 mm longer than the European Kamiq. It is powered by either a 1.5 MPI engine (82 kW, 145 Nm) or a 1.2 TSI (85 kW, 200 Nm), both paired with an automatic transmission. Standard equipment includes LED headlights, 17-inch alloy wheels, a panoramic roof, sports seats, an 8-inch infotainment system, Climatronic air conditioning, KESSY keyless entry, a rear-view camera, and side and curtain airbags.



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Škoda Auto's financial results are prepared in accordance with IFRS Accounting Standards as adopted by the European Union.

In 2025, the Company achieved record sales revenues, operating profit, and net cash flow, maintaining strong financial performance and stability. This was mainly driven by higher sales volumes, and the successful implementation of cost-optimisation and efficiency measures.

# Financial Situation





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## Business Performance

A total of 1.04 million Škoda cars were delivered to customers worldwide in 2025 (2024: 927,000 cars).

Škoda Auto deliveries to sales organisations increased year on year by 6.3% to 1.01 million vehicles. Company revenue reached €27.8 billion (+9.1%). The share of car sales in total revenue rose slightly year on year to 83.9%. The best-selling models were the Octavia, Kodiaq, Kamiq, and Fabia. The most successful electric model was the Elroq, which achieved sales of 110,000 units. Deliveries of components and sets of disassembled cars, including MEB and PHEV batteries, accounted for 9.3% of total revenue (2024: 12.1%). Trade in genuine parts and accessories contributed 4.9% of total revenue (2024: 5.0%). The remaining 1.9% (2024: 2.1%) comprised revenue from the sale of services (e.g. Škoda Connect), licences, and other income.

The cost of sales increased year on year by 8.8% to €24.3 billion. The gross profit margin stood at 12.5% in 2025, representing a year-on-year increase of 0.3 percentage points.

Distribution costs amounted to €734 million, translating into a year-on-year increase of 8.1%, mainly due to higher transport and advertising expenses. Administrative costs slightly year on year by 2.5% to €483 million.

Operating profit in the reporting period increased year on year by 8.1% to a record high of €2.26 billion, surpassing the previous record of €2.09 billion set in 2024. Profit before tax stood at €2.29 billion (2024: €2.10 billion). Profit after tax totalled €1.85 billion (2024: €1.66 billion). The return on sales before tax held steady at 8.2%.

## Cash Flow

Net cash flow increased year on year to €2.19 billion as at 31 December 2025 (31 December 2024: €1.92 billion).

## Assets and Capital Structure

The Company's total assets as at 31 December 2025 amounted to €12.82 billion. Compared with the balance at the end of 2024, total assets increased by 12.7%. The value of non-current assets rose year on year to €8.22 billion, driven primarily by growth in intangible assets and in property, plant and equipment. Current assets totalled €4.60 billion as at the reporting date (as at 31 December 2024: €4.15 billion). Equity rose during 2025 by €506 million to a total of €5.15 billion. The equity ratio in 2025 stood at 40.2% (2024: 40.9%).

## Investment Activity

Investments (excluding development costs) totalled €1.14 billion in 2025 (2024: €0.84 billion). Of the total amount, the largest share of €0.7 billion was allocated to product investments in both new and existing models, of which €0.5 billion related to investments in electromobility and digitalisation. The Company spent €1.02 billion on research and development for new products in 2025 (2024: €0.97 billion).

Detailed information is available in the Financial Section of the Annual Report.



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In 2025, the Technical Development Division focused not only on advancing Škoda products, but also on enhancing its own facilities and internal processes. Standout developments included the launch of the Fabia 130, a model developed to mark the brand's 130th anniversary in record time, the all-new Škoda Vision O concept, signalling the near future of estate cars, and an updated iteration of the Škoda Enyaq RS Race electric racing concept. The current Škoda Fabia RS Rally2 also enjoyed another highly successful season. The year also involved intensive preparation for a broad set of legislative requirements essential to maintaining stability across the division's development pipeline.

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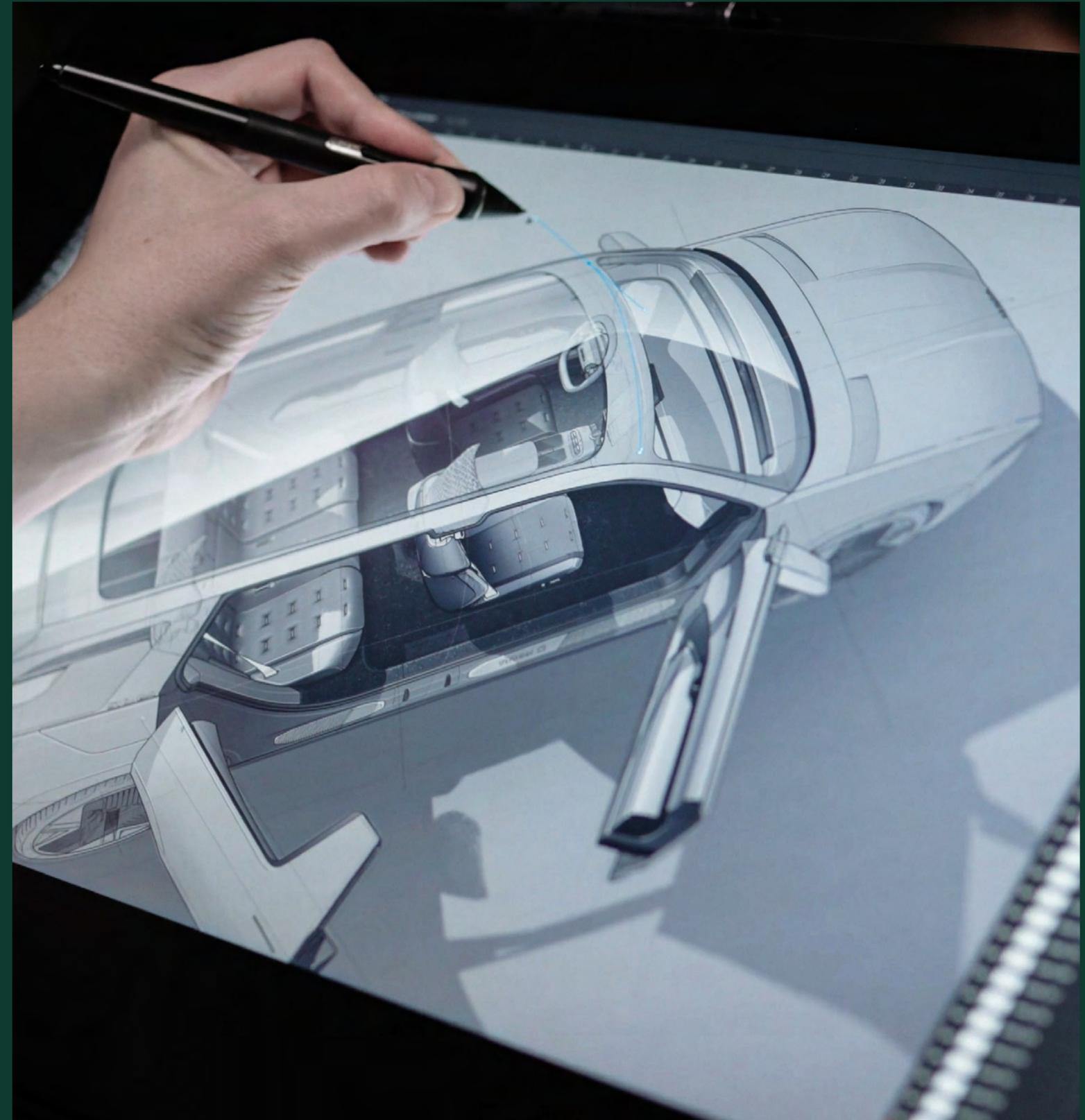
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# Technical Development





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# Modern Technologies



### 3D printing centre

Škoda Auto has been using 3D printing methods in development for more than 30 years and produces around 15,000 components a year for prototype construction and testing. Having in-house 3D printing capability enables the Company to make rapid adjustments without compromising confidentiality. Until recently, the equipment was spread across several buildings, prompting a decision to consolidate and modernise it. The result is the new 3D Printing Competence Centre, which supports development activities and is expected, in time, to be used for bespoke manufacturing as well.

# 15,000

Components produced annually using 3D printing.

### Augmented virtual reality

One of the Technical Development Division's key aims is to keep shortening and simplifying its processes so that new design and technical solutions reach the market as quickly as possible. In 2025, this included further rollout of virtual tools that enable faster and more efficient vehicle development. The principal innovation was a revised approval process for a vehicle's final form before series production or part production begins, in which individual surfaces are assessed from visual, technical, and quality standpoints.

The new process uses virtual reality enhanced by advanced 3D goggles with augmented-reality capability. Where a complete vehicle once had to be built for these assessments, simplified physical models can now be created and supplemented with digital imagery. In some cases, virtual reality on its own is sufficient.

### Simulation Centre

In mid-2024, Škoda Auto opened a new Simulation Centre, a major advance in technological development. In 2025, trial operations were successfully completed, confirming both the high effectiveness of the facility and its innovative approach to simulations. From 2026 onwards, the Simulation Centre will be fully integrated into multi-shift operation. This will further strengthen the Company's ability to respond to dynamic market requirements and increase its competitiveness in the automotive industry. It is one of the most advanced facilities of its kind in Europe and is unique even within the wider Volkswagen Group. The centre supports the comprehensive testing of powertrain systems and thermal management, with state-of-the-art equipment capable of precisely reproducing a broad range of conditions, including air temperature and humidity, altitude, solar load, driving stress, and vehicle speed.

### UX Product House

Customer focus is one of the Company's strategic priorities. This has led to the creation of the UX Product House, a hub that brings together specialists dedicated to the in-car user experience. It unites expertise in UX design, visual design, implementation, prototype development, and research. This interdisciplinary set-up supports knowledge-sharing and introduces working practices drawn from software development. The first innovations developed within the UX Product House will appear in Škoda production vehicles in the second half of 2026.



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# Emissions and Legislation

## Expansion of the emissions laboratory

The Company's emissions laboratory carries out type-approval, development, and conformity-of-production measurements for Škoda vehicles and other Volkswagen Group brands. In 2025, its technological equipment was expanded to meet the requirements of the Euro 7 (EU7) standard for both laboratory testing (WLTP) and real-driving emissions (RDE).

As the Company is responsible for the global development of the EA211 engine family for the entire Volkswagen Group, the measurement equipment was also updated to reflect the legislative requirements of the North American region. Another important addition was a 400 kW charging station installed within the climatic chamber, enabling electric vehicles to be tested at extreme temperatures. In 2025, the emissions laboratory also successfully renewed its ISO 17025 accreditation for a further five years.

## EU6 EB and EU7 emissions regulations

In 2025, Škoda Auto successfully completed the homologation of its portfolio under the updated Euro 6e (EU6 EB) standard. This underscores the Company's ongoing commitment to innovation in support of a more sustainable future, as well as its readiness for the forthcoming EU7 standard.

Although the legislative process for EU7 has been under way since 2023 and the standard will apply to all vehicles from November 2027, a number of final requirements are still unknown. The Euro 7 regulation was approved in 2024, after which work began on the implementing acts that define the detailed legal provisions and are essential for specifying the required technologies and the subsequent development work and type-approval activities.

The first implementing acts, covering exhaust emissions and the on-board emissions monitoring (OBM) system, were not finalised until 2025. A second package (covering, in particular, brake emissions, battery durability, and other electromobility-related topics) is expected to be completed in 2026. The later the final EU7 requirements are confirmed, the less time manufacturers will have to implement them and to carry out subsequent type approval, which is necessary for placing vehicles on the market. The limited time available for implementation has already been partially acknowledged by the European Commission, which introduced the option of EU7-Temp type approval for the interim period from November 2026 to November 2027. Under this regime, only exhaust emissions and OBM are taken into account. Discussions on the details of the EU7-Temp implementation are still ongoing.



## Expansion of software and powertrain development capabilities

In 2025, Škoda Auto further strengthened its Group-wide capabilities in powertrain software development, including on-board diagnostics for the EA211 engine family used both in conventional vehicles and in hybrids (mHEVs, PHEVs, and HEVs). Within the Volkswagen Group, it also assumed responsibility for the functional safety of engine software. The Company additionally worked on new powertrain functions, driven both by innovation and by the need to meet legislative requirements such as EU7.

## Development of new tyres

In 2025, Škoda Auto focused on reducing tyre noise in line with UNECE Regulation R51.03 on noise emissions. The stricter requirements lowered the limit from 70 dB(A) to 68 dB(A). To ensure that an entire vehicle remains below the 68 dB(A) threshold, the Volkswagen Group introduced an internal tyre limit of 66 dB(A). In response, Škoda Auto developed new tyres for both its own models and models of other Volkswagen Group brands on the MQB27 platform. Besides reducing noise levels, these tyres also meet high standards for driving dynamics, braking performance, and comfort.

## UK type approval

Following the United Kingdom's departure from the European Union, the UK market temporarily accepted vehicles approved under EU type-approval rules. However, all-new models launched since February 2024, and all vehicles sold as of February 2026, must obtain dedicated UK type approval. In 2025, Škoda Auto successfully completed the certification of its model portfolio, allowing it to continue offering and selling its vehicles in the UK.

## Patents

Škoda Auto's Technical Development Division has long been among the institutions with the highest number of patent applications in the Czech Republic. By filing patents and utility models, the Company protects its intellectual property and safeguards its competitiveness. In 2025, it filed 81 applications, of which 74 were priority applications and 7 were extensions abroad. Patents recently granted to the Company include the illuminated radiator grille assembly used in the second-generation Škoda Kodiaq. The Company's patent activity extends beyond Technical Development Division, with Production and Logistics also making a substantial contribution.



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# Safety



In 2025, the revised Octavia earned the maximum five-star Euro NCAP rating, with scores of 85% for adult occupant protection, 82% for child protection, 81% for vulnerable road user protection, and 80% for safety assist. The all-new Elroq and the new Enyaq also achieved five stars (both scoring 90% for adult occupant protection, 87% for child protection, 77% for VRU protection, and 78% for safety assist).

The Kylaq, developed specifically for the Indian market, was among the first vehicles tested by Bharat NCAP in 2025. Under the programme's methodology, it achieved the maximum five-star rating for both adult protection (96%) and child protection (91%).

Vehicle safety remains one of Škoda's core priorities. The Company's strong performance in this field is reflected in assessments by independent international organisations. Škoda models have long achieved outstanding results in Euro NCAP tests, and they are now beginning to receive similarly high ratings in India's Bharat NCAP programme, launched in 2023.

# 5 stars

The Octavia, Elroq, and Kylaq received the maximum rating in crash tests.



**SKODADESIGN**



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# The Škoda Vision O



The minimalist exterior stands out through its clean lines, refined aerodynamics, and the new Tech-loop front end. The interior, built around an innovative layout, likewise embraces minimalism, prioritising practicality, space, and simplicity. Comfort inside the car is enhanced by features such as bio-adaptive lighting, which adjusts the cabin's illumination to natural light cycles, and an integrated refrigerator.

The Vision O brings together advanced technologies, including autonomous-driving functions that allow the vehicle to handle all driving-related tasks on its own. This is complemented by Tranquil mode, which can reconfigure the seating for additional comfort or flexible use of space, while adapting the ambient lighting, music, and on-screen content. New AI-enabled functions for the Laura voice assistant further streamline interaction with the vehicle.

The concept also showcases circular materials, including plant-based solutions, that meet high standards of quality and aesthetics. Škoda Auto is likewise introducing zero-waste production methods along with the recycling and reuse of by-products.

The Vision O also highlights new features within Škoda Auto's mobile ecosystem, such as an AI-powered Loading Assistant that allows the vehicle's storage space to be prepared remotely for the transport of bulky items. The Vision O app offers expanded personalisation and further features tailored specifically to the car.

In 2025, Škoda Auto unveiled the Vision O concept, drawing on the brand's leading position in the European estate-car segment while signalling its electrified future and the next stage in the evolution of its Modern Solid design language.

The Vision O has been developed in line with principles of sustainability and a strong focus on customers. The vehicle was also developed from the inside out – entirely from the customer's perspective – to ensure that every aspect of the interior meets the highest standards of comfort, usability, and technological integration before shaping the exterior.

# Tech-loop

A new lighting element wrapping around the entire front section and mirrored at the rear.





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# Škoda Motorsport

## Success with customers and in rallies

In 2025, the Škoda Motorsport team continued to refine the Škoda Fabia RS Rally2, preparing a comprehensive upgrade package – Packet 25 – that delivered higher performance, improved reliability, and greater crew comfort. Enhancements included an optimised exhaust system, new engine control software, more durable gravel dampers, improved protection for powertrain and suspension components, a redesigned air intake channelling ventilation from the roof into the cabin, and new, lightweight seats.

Customer teams received 94 Škoda Fabia RS Rally2 cars in 2025, including the milestone 200th vehicle. This brought total sales within the Rally2 project to 716, allowing the Škoda brand to retain its leading position in the category. The fact that the programme remains commercially successful after ten years underlines the quality and competitiveness of Škoda's rally cars, as well as the strength of the technical support provided by Škoda Motorsport.

The performance and reliability of the Škoda Fabia RS Rally2 were again demonstrated in 2025 by customer teams in the World Rally Championship (WRC), the European Rally Championship (ERC), and national series such as the Czech Rally Championship (MČR). Over the course of the season, Škoda cars made 4,566 competitive starts.

Toksport WRT, running Škoda cars, reclaimed the WRC2 Teams title after missing out the previous season. In WRC2, Nikolay Gryazin and co-driver Konstantin Aleksandrov finished third overall. The same crew went on to claim the WRC2 Challenger title, while Robert Virves and Jakko Viilo came third in that category. In the WRC Masters Cup, Miguel Granados and co-driver Marc Martí took first place, with Uğur Soylu and Şener Güray finishing second. In the ERC, Mikołaj Marczyk and co-driver Szymon Gospodarczyk were crowned European champions. At national level, customer teams collected total 20 titles. In the Czech Rally Championship, Jan Kopecký and co-driver Jiří Hovorka, competing as one of Škoda's Dealer Teams, claimed the title, with the remaining crews in this programme all finishing inside the overall top ten.



## The Škoda Enyaq RS Race

In 2025, the Škoda Motorsport team unveiled an evolved version of the fully electric Enyaq RS Race concept, derived from the production Enyaq Coupé RS and building on the earlier 2024 study. The Škoda Enyaq RS Race is a pilot project for potential future performance models and marks an important step towards sustainable motorsport. Its revised front end reflects Škoda's new Modern Solid design language, while technical updates for this iteration include limited-slip differentials on both the front and rear axles. Compared with the production model, the Enyaq RS Race features not only a modified design and more advanced aerodynamics, but also an interior inspired by the Fabia RS Rally2 competition car, a weight reduction of more than 300 kilograms, bio-composite components, a redesigned chassis, and a host of further innovative solutions.



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Securing the raw materials, components, and services essential for production forms the foundation of the Company's core commercial activity, ensured by the Procurement Division. Its priorities are quality, cost efficiency, and sustainability. At Škoda Auto, the division's role is shifting from an operational focus to a strategic one – shaping the supplier landscape, driving innovation, strengthening supply-chain resilience, and delivering long-term value.

The Procurement Division is taking an active approach to its expanded role as a key partner to the Volkswagen Group, supporting the ambitions of the Next Level Škoda Strategy, and contributing to the Company's development through comprehensive supplier management, circular-economy principles, and an innovative approach to the market.

# Procurement





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## Support for series production and new launches

The Procurement Division played a pivotal role in launching production of the revised Enyaq and Enyaq Coupé electric SUVs. The team's unwavering commitment, paired with close cooperation across the Company, ensured a smooth ramp-up on the flexible production line, which also turns out the Elroq and the Octavia.

## Raw-material procurement for the entire Volkswagen Group

Since 2025, Škoda Auto has been responsible within the Volkswagen Group for harmonising and strategically managing supplier chains. Taking an innovation-led approach, the team identifies and validates new suppliers, enabling the Company to react swiftly to shifts in the global market and to reduce the risks associated with supply disruptions. Alongside sourcing and production capacities, raw-material procurement also links supplier chains vertically and uncovers new business opportunities. The division identifies materials of high strategic importance – with plastics currently at the forefront in view of planned EU legislation. Procured raw materials include rare metals, aluminium, magnesium, and copper. This centralised sourcing approach strengthens supply stability, improves the efficiency of supplier chains, and enhances the Company's ability to respond to global challenges. Looking ahead, the goal is to map material flows in detail, including through the use of artificial intelligence.

## Strategic foundations of a resilient supply chain

A resilient supply chain depends on close collaboration between Škoda Auto and its suppliers. The Procurement Division is continually strengthening its role to ensure that it can respond quickly and anticipate potential challenges across the supply chain. In 2025, this enabled the Company to secure sufficient capacities and to address possible shortfalls ahead of time as new projects entered production.

Proactive supplier management and process optimisation are underpinned by continuous monitoring and supplier audits, which facilitate timely and effective risk identification. Equally important is fast, transparent communication both within the Company and with suppliers, and the use of modern systems and advanced tools, including artificial intelligence.





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## Innovation

The Procurement Division is proactively adopting modern technologies to enhance its performance. A key driver is artificial intelligence (AI), which opens up new ways of looking at established processes and activities. In 2025, AI supported the division with data analysis, accelerating and refining decision-making. It is steadily being integrated into a broader range of activities – from employee training and supply-chain management to risk assessment and the improved long-term sustainability of Škoda Auto's operations.

One of the specific AI tools in use is Microsoft 365 Copilot, for which the Procurement Division serves as an ambassador across the entire Volkswagen Group. In this context, the division aims to take ownership of selected AI themes, including the concept of automated negotiation and a project aimed at eliminating hidden costs. Procurement's AI strategy focuses on areas where artificial intelligence can deliver genuine value, such as predicting the effects of geopolitical developments or analysing new legislative requirements more quickly.



## Offices of the future – inspired by nature, driven by sustainability

Building on the opening of the Laurin & Klement Campus in 2024, Škoda Auto opened innovative multifunctional office spaces in the AFI City building in Prague in 2025. The 17th floor has been reimagined as an environment that brings together organic design, sustainability, and modern technology. The interiors make extensive use of natural, recycled, and recyclable materials, along with 3D-printed elements. A particular highlight is the Crystal Eyes installation at the floor's entrance, featuring 50 lighting units sourced from the Superb. The fit-out also incorporates out-of-spec Škoda components such as seatbelts, airbag fabrics, and metal pressings.

Biophilic design introduces elements of nature through plentiful greenery and daylight, earthy tones, and organic forms. A soundscape of birdsong and distant city noise enhances the character of each part of the interior. The premises are equipped with modern audio-visual technology to support efficient work. As a result, these attractive, multifunctional spaces provide an ideal setting for corporate presentations, workshops, and Group meetings.



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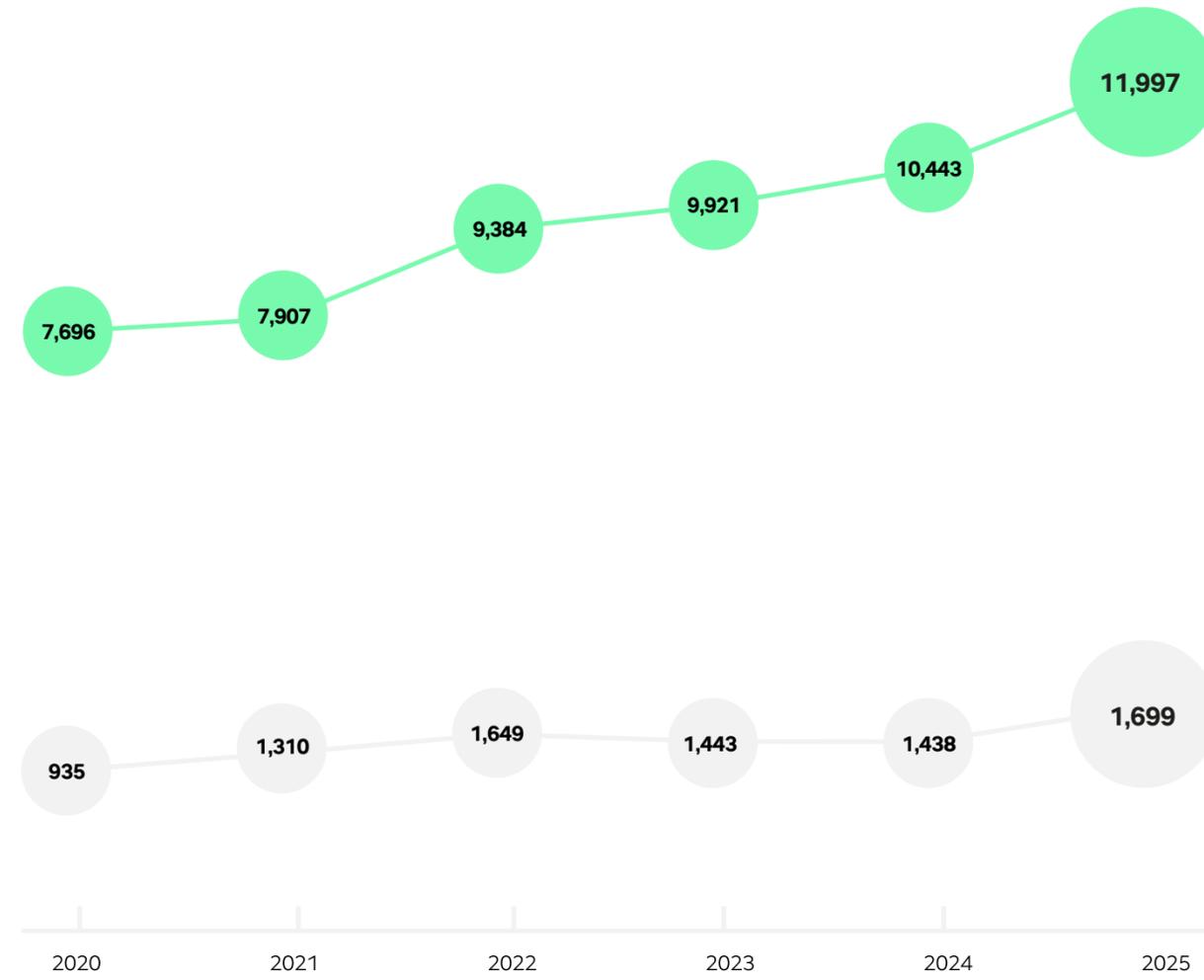
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## Procurement volume over time (€ million)



● Procurement of Production Materials

● General Procurement

## Total purchases by country in 2025



### Procurement spend

In 2025, the Company spent €12 billion on the **procurement of production materials**, a year-on-year increase of €1.6 billion. The largest share of expenditure went to the Czech Republic (34.8%), followed by Germany (11.6%) and Poland (11.2%).

Total spend in the **General Procurement** Department amounted to €1,699 million, matching the figure for 2023. The Production Procurement Department worked with 2,119 suppliers worldwide in 2025, while the General Procurement Department cooperated with almost 6,300.



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In 2025, Škoda Auto produced 1,065,058 vehicles worldwide (compared with 925,164 in 2024). The Company passed the significant milestone of four million SUVs manufactured since the launch of the Yeti in 2009. It also produced its five-millionth Fabia, making this model line the second most successful in Škoda's history after the Octavia.

Robust customer demand and effective cooperation with suppliers supported strong capacity utilisation and excellent manufacturing performance in 2025. This enabled Škoda Auto to prevent production disruptions and ensure smooth operations through stable supply.

**49 Production in Europe**

**51 Production outside Europe**

**53 Production Worldwide**

# Production and Logistics





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# Production in Europe



Škoda Auto's main production plants remain concentrated in the Czech Republic, specifically in Mladá Boleslav, Kvasiny, and Vrchlabí. Strategically important production of new vehicles and components also takes place in other European countries. At the Bratislava plant, for example, production of the Superb was expanded in 2025 to include the plug-in hybrid (PHEV) version, and a total of 69,453 Škoda vehicles were manufactured there, translating into a year-on-year increase of 27% (compared with 54,506 vehicles in 2024). In Pamplona, Spain, intensive preparations were under way in 2025 for the start of production of the new all-electric Epiq model.

## Mladá Boleslav

For Škoda Auto's main plant in Mladá Boleslav, 2025 was a year marked by major milestones. The Company expanded its production programme with the all-new Elroq and began manufacturing the revised Enyaq and Enyaq Coupé models. The Elroq swiftly became the most-produced electric vehicle, underscoring its central role in the electrification of the Škoda portfolio. Taken together, the electric SUV family achieved a record production rate of 890 vehicles per day.

During the year, the Elroq and Enyaq model lines were further complemented by the addition of the performance-oriented RS variants. The Elroq RS also received a limited 130 Edition featuring a matte exterior finish. The Company also began preparations for the start of series production of the Škoda Peaq, the new electric SUV derived from the Vision 7S study.

Alongside these electric developments, the plant continued to manufacture the Fabia, Scala, Kamiq, and Octavia. The smallest model gained a special Fabia 130 edition, created in part to celebrate Škoda's 130th anniversary. Preparations also advanced for the introduction of mild-hybrid (mHEV) versions of the Fabia, Scala, and Kamiq, due in 2027.

Thanks to the high flexibility of both assembly lines at the Company's main plant in Mladá Boleslav – one of which enabled the parallel production of both electric and combustion-engine vehicles – Škoda Auto has significantly increased its overall production capacity to 2,650 vehicles per day. This contributed to record performance against daily and weekly production targets throughout 2025.

Paint Shop B, whose remodelling was completed at the end of 2024, also increased its capacity to 1,000 vehicles per day. Construction began on the new Paint for Future facility and on a new high-bay warehouse, designed primarily for larger components and equipped with autonomous technology, which is scheduled to enter operation in 2027.

Logistics capacity was strengthened as well. The automated warehouse was expanded to 82,500 transport boxes, boosting readiness for future projects. One of the logistics halls underwent major modernisation to introduce new conveyor technology, expanded storage positions, and more advanced software, and in doing so doubled its overall capacity.

In May 2025, the Company marked the first anniversary of its Digital Control Room, now an essential centre for production management. Other highlights included the accelerated rollout of AI-enabled automated camera-inspection systems across manufacturing processes.

Škoda Auto also expanded the Mladá Boleslav site by constructing a new logistics centre and a hall dedicated to battery production for electric vehicles in the adjacent industrial zone. Covering 125,000 m<sup>2</sup>, the unified logistics centre serves as the central outbound hub for vehicles (accommodating more than 2,800 completed cars) and provides temporary storage for empty returnable packaging from all Škoda Auto plants before it is returned to suppliers. With its own direct connection to the D10 motorway, the industrial zone has also helped to ease traffic in the city.

# 2,650

Maximum daily vehicle production capacity at the Mladá Boleslav plant in 2025.

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## Kvasiny

In 2025, the Kvasiny plant saw a marked increase in Kodiaq production, including the start of manufacturing of the high-performance RS version. Assembly Line 1 underwent parallel structural modifications and technology upgrades to enable automated chassis installation. These enhancements support the planned start of Octavia Combi production, including its HEV and PHEV powertrains from 2026.

The plant produced 301,460 vehicles in total, while the paint shop handled a record 273,906 bodies. Its autonomy and the efficient use of its lines were further strengthened by bringing additional vehicle components into in-house production. Flexibility also improved as Kodiaq production, originally on Assembly Line 2,

was extended to Assembly Line 1. The capacity of Assembly Line 2 was increased from 410 to a record 480 vehicles per day, while the welding shop's capacity for Kodiaq production was gradually raised to 530 vehicles per day. These changes enabled the plant to produce more than 130,455 Kodiaq vehicles in 2025.

Further developments included expanding the automated warehouse and introducing a new digital material-ordering system in the internal warehouses to simplify and streamline processes. Another major project was the construction of a noise barrier, which, upon its completion in 2026, will help improve living conditions in the surrounding area.



## Component production

In 2025, Škoda Auto produced a total of 1,032,652 gearboxes, including 721,359 DQ200 units and 311,293 MQ200 units. The Company also reached a major milestone when the Vrchlabí plant manufactured its six-millionth DQ200 gearbox in February. During the year, 513,817 engines, 1,893,589 axles, and 329,911 batteries for fully electric vehicles were also produced.

Battery production for electric vehicles is a core focus of the new hall in Mladá Boleslav, completed in 2025, which subsequently began pre-series production of batteries for the Elroq and Enyaq models. This step enabled the Company to further increase the share of electric vehicles in its output and reduce overall fleet CO<sub>2</sub> emissions.

Škoda Auto manufactures components not only for its own models, but also for other Volkswagen Group brands. In 2025, this amounted to 159,162 engines (31% of total engine output), 650,205 gearboxes (63%), and 139,708 batteries (42%). The Company also received a mandate to produce aluminium housings for electric drive systems for Audi. This is a key capability within the Group and a significant step in the foundry's transition towards electromobility.



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# Production outside Europe



At the Indian plant in Chhatrapati Sambhajnagar, intensive preparations were under way in 2025 for production of the Volkswagen Tayron for the local market, for which Škoda assumed responsibility. In February, the plant also launched production of the new-generation Kodiaq. At the Pune plant, preparations progressed for the start of production of the new Slavia and Kushaq models, together with their technical counterparts – the Volkswagen Virtus and Taigun. Production of the all-new Kylaq was also running at full capacity. Across both Indian plants, 73,816 Škoda vehicles were produced in 2025, a 125% increase compared with 2024, when 32,849 vehicles were built.

In March 2025, assembly of the Slavia and Kushaq models began at a new facility in Ha Long, Vietnam, operated in cooperation with Thanh Cong Group. Vehicles for the local market are assembled from kits produced in India, with a total of 2,524 units completed by the end of the year.

In 2025, the Company also began assembling the Kodiaq and Superb in Kazakhstan. Production takes place from semi-knocked-down (SKD) kits at the Kostanay plant, which Škoda Auto operates jointly with Allur.

In partner plants in China, total production reached 12,087 vehicles in 2025, a 21% decrease compared with 2024, when 15,241 vehicles were made.

Strategically important production and assembly operations outside Europe continued to advance in 2025, especially in the dynamic growth markets India and Vietnam. In India, production more than doubled year on year, highlighting the country's development towards becoming Škoda's second strong pillar outside Europe. By leveraging synergies with its Indian activities, Škoda Auto aims to fully unlock the potential of Vietnam and subsequently the ASEAN region as well as the Middle East.

# 125%

Year on year growth in the number of vehicles produced in India compared with 2024.

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**Production of Škoda cars worldwide by model**

**1,065,058**

Number of Škoda vehicles produced worldwide in 2025.



**Škoda Octavia**  
Škoda's highest-volume model in 2025.  
**2025** — 186,141 (12.8%)  
**2024** — 213,477



**Škoda Kodiaq**  
Škoda's most spacious model offering up to seven seats.  
**2025** — 132,905 (13.8%)  
**2024** — 116,787



**Škoda Kamiq**  
Combines SUV strengths with compact agility.  
**2025** — 126,721 (2.1%)  
**2024** — 124,162



**Škoda Fabia**  
A spacious, safe model with low running costs.  
**2025** — 120,342 (0.2%)  
**2024** — 120,627



**Škoda Elroq**  
An accessible electric model designed in the Modern Solid visual language.  
**2025** — 112,474  
**2024** — 227



**Škoda Karoq**  
A practical family model with a versatile interior and a comfortable ride.  
**2025** — 104,522 (3.7%)  
**2024** — 108,495



**Škoda Superb**  
The brand's flagship, defined by elegance and comfort.  
**2025** — 75,551 (3.9%)  
**2024** — 72,735



**Škoda Enyaq**  
Škoda's first electric SUV, with a spacious interior and modern design.  
**2025** — 64,278 (5.1%)  
**2024** — 67,742



**Škoda Scala**  
A compact model offering generous interior space.  
**2025** — 52,304 (4.3%)  
**2024** — 54,652



**Škoda Kylaq**  
Production began in 2024 at the Pune plant in India.  
**2025** — 47,029  
**2024** — 115



**Škoda Slavia**  
India-developed model combines rich features and emotional design.  
**2025** — 13,822 (2.6%)  
**2024** — 14,194



**Škoda Kushaq**  
Škoda's first India-developed offers generous space and efficient engines.  
**2025** — 13,627 (24.5%)  
**2024** — 18,045



**Škoda Enyaq Coupe**  
An electric SUV with an elegantly dynamic silhouette.  
**2025** — 12,634 (3.6%)  
**2024** — 12,190



**Škoda Kamiq GT**  
Produced at the Nanjing/Yizheng plant in China.  
**2025** — 1,635 (77.5%)  
**2024** — 921



**Octavia Pro**  
A model manufactured specifically for the Chinese market.  
**2025** — 830 (13.2%)  
**2024** — 733

**Production of Seat/Cupra cars**  
The Seat Ateca and Cupra Ateca are produced at the Škoda Auto plant in Kvasiny.  
**2025** — 40,205 (46.1%)  
**2024** — 74,592

The total worldwide production also includes 243 vehicles from the ramp-up of new model production.



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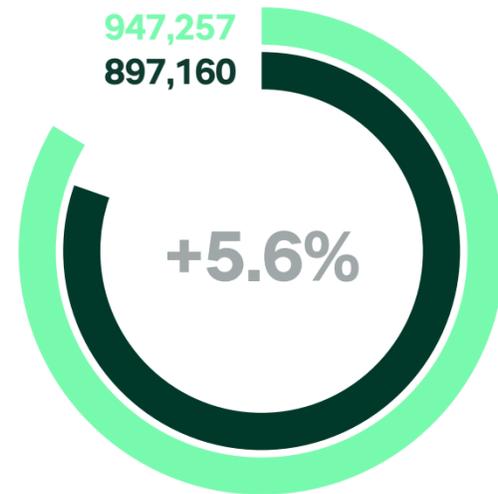
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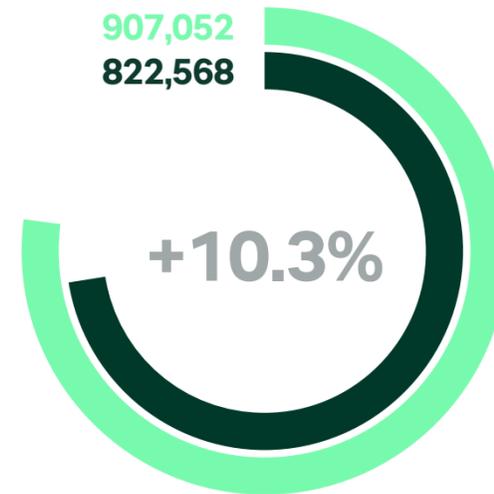
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**Total car production at Škoda Auto Company \***



**Production of Škoda cars**



● 2025  
● 2024

\* Production in the Czech Republic only at the Company's plants in Mlada Boleslav and Kvasiny.

## Production of Škoda cars worldwide

	2025	2024	Change (%) 2025 / 2024
<b>Production of Škoda cars in India</b>			
Škoda Kylaq	47,029	115	
Škoda Slavia	13,003	14,194	(8.4%)
Škoda Kushaq	11,922	18,045	(33.9%)
Škoda Kodiaq	1,862	495	276.2%
<b>Total Škoda in India</b>	<b>73,816</b>	<b>32,849</b>	<b>124.7%</b>
<b>Production of Škoda cars in Slovakia</b>			
Škoda Superb	69,453	54,506	27.4%
<b>Total Škoda in Slovakia</b>	<b>69,453</b>	<b>54,506</b>	<b>27.4%</b>
<b>Production of Škoda cars in China</b>			
Škoda Superb	6,098	6,897	(11.6%)
Škoda Karoq	1,949	1,770	10.1%
Škoda Kamiq GT	1,635	921	77.5%
Škoda Kamiq	987	2,717	(63.7%)
Škoda Octavia Pro	830	733	13.2%
Škoda Kodiaq	588	2,203	(73.3%)
<b>Total Škoda in China</b>	<b>12,087</b>	<b>15,241</b>	<b>(20.7%)</b>
<b>Production of Škoda cars in Vietnam</b>			
Škoda Kushaq	1,705	0	
Škoda Slavia	819	0	
<b>Total Škoda in Vietnam</b>	<b>2,524</b>	<b>0</b>	
<b>Production of Škoda cars in Spain</b>			
Škoda Epiq	126	0	
<b>Total Škoda in Spain</b>	<b>126</b>	<b>0</b>	
<b>Total Škoda brand worldwide **</b>	<b>1,065,058</b>	<b>925,164</b>	<b>15.1%</b>
<b>Total Škoda production worldwide, including other Group brands **</b>	<b>1,105,263</b>	<b>999,756</b>	<b>10.6%</b>

\*\* Includes the production of Škoda vehicles both at Škoda Auto and at international plants worldwide.

\*\*\* Including pre-series cars.



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In recent years, the Škoda brand has maintained a strong upward trajectory. This continued in 2025. Globally, it posted excellent sales results, with total deliveries rising 12.7% year on year to 1,043,938 vehicles. The brand also recorded record sales volumes and market shares in a number of countries.

**55 Sales**

**59 Marketing**

# Sales and Marketing





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In 2025, Škoda Auto became the third best-selling car manufacturer in Europe,\* with a market share of 6.3% (up 7.2% year on year). Total sales in Europe\* came to 836,206 vehicles, compared with 760,921 vehicles in 2024. By comparison, in 2019 the Škoda brand ranked eighth in the European market.

The Octavia remained the best-selling model, with 190,275 units sold in 2025. Strong results were also recorded by the Kodiaq (130,360 units), the Kamiq (125,859), and the Fabia (119,139). The brand's best-selling electric vehicle was the Elroq, with sales of 95,293 units. The Company also delivered outstanding results in sales to corporate customers, securing second place in this category in Europe.\*\*

\* EU Member States, the United Kingdom, Switzerland, Norway, and Iceland

\*\* Dataforce EU23 (EU27+4 excluding Bulgaria, the Canary Islands, Cyprus, Greece, Hungary, Iceland, Malta, Romania, and Slovenia)

## Sales

### Central Europe

In Central Europe, Škoda Auto delivered 205,539 vehicles to customers, an increase of 7.0% on 2024, corresponding to a market share of 17.2%. In the domestic Czech market, customer deliveries rose year on year by 8.7% to 91,791 vehicles (84,476 in 2024). The Czech Republic thus confirmed its position as the brand's second-largest market, with a market share of 36.9% (up 1.2% year on year).

Sales also increased across other markets in the region. In Croatia in particular, the Company posted record deliveries for the second consecutive year, delivering 9,249 vehicles (up 6.7% on the 8,670 delivered in 2024). Škoda's market share in Croatia stood at 13.1% in 2025 (13.2% in 2024). The Czech, Slovak, and Croatian markets were also significant in that Škoda was the best-selling brand in all three.

### Western Europe

In Western Europe, 599,320 Škoda vehicles were sold in 2025, an increase of 11.4% compared with 2024 (538,094 vehicles). In Germany, the largest market worldwide for Škoda Auto, sales totalled 211,070 units (up 12.8% on the 187,078 units sold in 2024). For the third consecutive year, the United Kingdom ranked as the third-largest market, with sales of 83,274 vehicles (a 5.9% year-on-year increase from the 78,659 reported in 2024).

Record sales volumes in 2025 were also recorded in Austria (30,325; up 18.3% year on year), Italy (38,220; +0.3%), France (50,767; +11.3%), Spain (40,160; +10.5%), and other markets. In Italy and France, the Company also recorded the highest market shares in its history (2.5% and 3.1%, respectively).

### Eastern Europe

Sales of the Škoda brand increased in Eastern Europe in 2025, with 53,757 vehicles delivered to customers, up 5.9% year on year, resulting in a market share of 4.6% (3.7% in 2024). Sales rose in most countries across the region, with record results recorded in Lithuania (5,810 vehicles; +36.9% year on year), Latvia (3,139 vehicles; +24.9%), and Bulgaria (6,606 vehicles; +4.1%). In Bulgaria, Serbia, Montenegro, and Bosnia and Herzegovina, Škoda was the best-selling brand.



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## Asia and other markets

In 2025, Škoda Auto recorded a significant increase in sales in India, delivering a record 70,551 vehicles to customers (up 96.1% year on year), and securing a market share of 1.6%. Record sales volumes were also recorded in Turkey (45,090; up 6.8% year on year), where sales grew for the fourth consecutive year, and in Morocco (6,033; +37.1%). Sales trends were also encouraging in Vietnam, where the Company has been gradually expanding its presence since 2023; 1,350 vehicles were sold in 2025, compared with just 180 vehicles in 2024. By contrast, sales declined further in China, where 15,000 vehicles were sold, down 14.5% year on year (17,538 vehicles in 2024).

### Successful Škoda electric vehicles

Škoda electric vehicles recorded strong results in 2025, with global sales of 174,885 vehicles, comprising 95,293 Elroqs, 66,697 Enyaqs, and 12,895 Enyaq Coupés. These models also ranked among the best-selling electric vehicles in Europe. For example, the Elroq was the best-selling electric vehicle in Denmark, the Netherlands, and Slovakia.

### Corporate customers

Sales to corporate customers account for a significant share of Škoda brand deliveries. In 2025, 66% of vehicles sold in Europe\* were delivered to this segment. The Company ranked second in the fleet market with a market share of 8.9%, a year-on-year improvement from third place and an 8.2% market share in 2024. This growth was not at the expense of the private segment, where the Company also increased its market share from 4.6% to 5.2%, moving up year on year from sixth to fifth place.

\* Dataforce EU23 (EU27+4 excluding Bulgaria, the Canary Islands, Cyprus, Greece, Hungary, Iceland, Malta, Romania, and Slovenia)

## Deliveries to customers

Largest markets	2025	2024	Change (%) 2025 / 2024
Germany	211,070	187,078	12.8%
Czech Republic	91,791	84,476	8.7%
United Kingdom	83,274	78,659	5.9%
India	70,551	35,982	96.1%
Poland	65,218	61,391	6.2%
France	50,767	45,616	11.3%
Turkey	45,090	42,209	6.8%
Spain*	40,160	36,338	10.5%
Italy	38,220	38,117	0.3%
Austria	30,325	25,634	18.3%
Netherlands	27,420	21,561	27.2%
Slovakia	21,152	20,479	3.3%
Denmark	20,939	14,129	48.2%
Israel	20,780	19,253	7.9%
Switzerland	19,909	19,044	4.5%
<b>Škoda brand total</b>	<b>1,043,938</b>	<b>926,567</b>	<b>12.7%</b>

\* excluding the Canary Islands

### Deliveries to customers by regions

Regions	Cars 2025	Cars 2024	Change (%) 2025 / 2024	Market share (%) 2025**	Market share (%) 2024**
Central Europe*	205,539	192,061	7.0%	17.14%	17.17%
Eastern Europe	53,757	50,746	5.9%	4.63%	3.72%
Western Europe	599,320	538,094	11.4%	5.05%	4.62%
Overseas/Asia	185,322	145,666	27.2%	0.27%	0.22%
<b>Škoda brand total</b>	<b>1,043,938</b>	<b>926,567</b>	<b>12.7%</b>	<b>1.25%</b>	<b>1.17%</b>

\* Including the Czech Republic

\*\* Total markets

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Global deliveries to customers



**Škoda Octavia**  
 Škoda's highest-volume model in 2025.  
**2025** — 189,163 (11.8%)  
 2024 — 214,484



**Škoda Kodiaq**  
 Škoda's most spacious model, offering up to seven seats.  
**2025** — 130,360 (13.9%)  
 2024 — 114,457



**Škoda Kamiq**  
 Combines SUV strengths with compact agility.  
**2025** — 124,128 (0.6%)  
 2024 — 124,822

**1,043,938**

Number of Škoda vehicles delivered to customers in 2025.



**Škoda Fabia**  
 A spacious, safe model with low running costs  
**2025** — 119,139 (1.7%)  
 2024 — 117,121



**Škoda Karoq**  
 A practical family model with a versatile interior and a comfortable ride.  
**2025** — 102,642 (6.2%)  
 2024 — 109,104



**Škoda Elroq**  
 An accessible electric model designed in the Modern Solid visual language.  
**2025** — 95,293  
 2024 — 46



**Škoda Superb**  
 The brand's flagship, defined by elegance and comfort.  
**2025** — 75,885 (4.2%)  
 2024 — 72,800



**Škoda Enyaq**  
 Škoda's first electric SUV, with a spacious interior and modern design.  
**2025** — 66,697 (0.8%)  
 2024 — 67,243



**Škoda Scala**  
 A compact model offering generous interior space  
**2025** — 53,052 (5.7%)  
 2024 — 56,248



**Škoda Kylaq**  
 The latest model for the Indian market, positioned in the popular segment of vehicles under four metres in length.  
**2025** — 43,905  
 2024 — 0



**Škoda Slavia**  
 Developed for the Indian market and also sold in Vietnam.  
**2025** — 14,748 (7.8%)  
 2024 — 15,993



**Škoda Kushaq**  
 The first model developed specifically for the Indian market. Also sold in Vietnam  
**2025** — 13,188 (31.7%)  
 2024 — 19,313



**Škoda Enyaq Coupe**  
 An electric SUV with an elegantly dynamic silhouette.  
**2025** — 12,895 (5.1%)  
 2024 — 12,264



**Škoda Octavia Pro**  
 A model developed specifically for the Chinese market.  
**2025** — 1,112 (9.7%)  
 2024 — 1,232



**Škoda Kamiq GT**  
 A model developed specifically for the Chinese market.  
**2025** — 1,731 (51.8%)  
 2024 — 1,140



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## Sales Network

### Dealership rebranding

In 2025, Škoda Auto continued the global rebranding of its retail sites. The brand operates a network of 2,361 dealerships worldwide, including 1,893 across Europe and 468 in global markets. More than 1,200 dealerships – representing half of the entire sales network – have already adopted the new visual design and colour palette in line with the brand identity. India has led the way, with almost all dealerships completing the transition, while in Europe the rebranding is progressing across 90% of showrooms in the Czech Republic, Sweden, Italy, Poland, and Slovakia. This modernisation of the sales network strengthens the brand's visual identity and raises customer-experience standards across all markets.

### Sustainability in the retail network

GreenRetail is Škoda Auto's strategic programme for driving the sustainable development of its sales and service network. It focuses on systematically reducing the carbon footprint, using primary resources more efficiently, managing waste responsibly, and giving employees the right training. It also promotes transparent communication with customers about the brand's sustainability initiatives. A key component of the programme is the goTOzero RETAIL certification, which helps to define and evaluate sustainable practices across the entire Group retail network. In 2025, more than 100 Škoda Auto dealers and service partners achieved certification.

### Used Car Sales Conference

Škoda Auto hosted the 2025 Used Car Sales Conference, an event organised each year in rotation by brands across the Volkswagen Group. Held in early November in Mladá Boleslav, the conference was attended by 80 used-car sales representatives from importer organisations across nearly 30 markets worldwide. The first day's presentations covered everything from online availability and traceability of information to data utilisation, reporting, and the use of AI in the used-car business. As part of the digitalisation of sales, Škoda Auto also introduced improvements to service-history records, a project enhancing transparency of used vehicles, better access to warranty information for both vehicles and batteries, and a new concept of revitalisation packages for Škoda used cars. The second day focused on workshops and discussions exploring topics such as selling used cars to business customers, used-car sales formats (including virtual-reality applications), and the data-driven optimisation of sales strategies.

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## Brand Day 2025

The annual Brand Day took place at the end of February, drawing around 230 importer representatives from 62 markets around the world. During the conference, the Sales and Marketing Division presented the Company's commercial strategy for the years ahead. Selected new models and the Human Touch approach were also introduced. The evening before the conference was dedicated to the official announcement of the Importer of the Year awards, at which Škoda Auto recognised its highest-performing importers.

## Marketing Activities and Achievements

### Global campaigns for the Elroq and Enyaq

The all-new Elroq was Škoda's headline model in 2025, supported by a global campaign across 36 markets and further amplified by strong local creative work. The creative strategy leaned into playful curiosity and nature-inspired metaphors featuring animals and natural phenomena. A flamingo, for instance, underscored the model's dynamism and higher ground clearance, while clouds conveyed the lightness of long-distance travel. The campaign's impact was reflected in increased interest in the Škoda brand and a strengthening of its reputation.

The global campaign for the new Enyaq models ran in 31 markets, with substantial local adaptations in selected countries. Drawing on the model's repositioning towards a more compelling role at the premium end of the Škoda line-up, the campaign focused primarily on digital communication channels. Its central theme was the discovery of new perspectives. During the campaign period, the Company recorded a marked rise in public interest.





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## Milan Design Week

Škoda Auto participated in Milan Design Week 2025. High-quality design is a value deeply rooted in the brand's 130-year history, and its contemporary expression is embodied in the Modern Solid design language. By appearing at this world-renowned design event, the Company reaffirmed its significant role in shaping the future of automotive design.

Milan Design Week also provided a stage for the world exhibition premiere of the all-new Elroq RS and for the unveiling of Škoda's collaboration with the traditional Czech footwear brand Botas. Within its 500 m<sup>2</sup> of exhibition space, Škoda Auto created an immersive visitor route featuring sculptures, interactive exhibits, and cloud installations echoing the metaphors used in the global communication campaign for the Elroq. This bold, multi-sensory experience demonstrated the Company's ability to connect design, innovation, and storytelling.



## World premiere of the Škoda Vision O concept

In 2025, the Sales and Marketing Division supported the world premiere of the revolutionary Škoda Vision O concept, which introduced a new definition of the future of estate cars. The communication campaign focused on fresh, creative expressions that captured the energy and forward-looking character of the concept. Bold kinetic typography was integrated into Škoda's dynamic green visual world. The Vision O study thus became not only a showcase of the Company's future design direction, but also a demonstration of how Škoda continues to push the boundaries of its storytelling. The communication materials reached millions of people across 26 markets.

## Local marketing successes

Škoda achieved strong results through its local marketing activities. In the United Kingdom, the Octavia Reddit campaign won two Gold and one Silver Cannes Lions awards, among the most prestigious global honours in advertising. The brand also received a Joint Grand Prix & Gold award from the non-profit organisation APG, along with a special award for Best Media Thinking.

In Slovakia, the "Superb office" campaign, presenting the Superb as a unique office space on wheels, won the Zlatý klinec award. In Turkey, the importer's website ranked second in the automotive category at the Altın Örümcek Web Ödülleri. These local achievements underscore Škoda's ability to engage audiences in ways that are both distinctive and culturally resonant.

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## Sports Partnerships

### Ice Hockey World Championships

In 2025, Škoda Auto was the main sponsor of the Ice Hockey World Championship for the thirty-second time. The tournament, organised by the International Ice Hockey Federation (IIHF), was hosted this year by Sweden and Denmark. The Company provided the organising team with a fleet of 45 electrified vehicles, comprising 30 fully electric Elroq and Enyaq models and 15 plug-in hybrid Kodiaq iV and Superb Combi iV models. A further 14 electric and hybrid vehicles were showcased, including the Enyaq RS and Enyaq Coupé RS, both of which celebrated their world premieres at the event.

The Škoda logo appeared throughout the tournament on the ice surface, rink boards, players' jerseys, and helmets. Škoda Design also created a new crystal trophy for the tournament's Most Valuable Player, the award's first redesign in seven years. The Company prepared a wide-ranging accompanying programme and themed merchandise, and again supported the traditional IIHF mobile app, for which Škoda Auto is the exclusive partner. The app offered match details, behind-the-scenes insights, and entry points into Škoda's digital ecosystem.

Škoda Auto was also an official partner of the 2025 IIHF Women's World Championship, held for the first time in the Czech Republic. The Company provided organisers with 36 electric and plug-in hybrid vehicles. Running in parallel with the championship was Comic-Con, where Škoda's exhibition areas highlighted one of the key moments of the 2025 ice hockey season.

As part of its communication activities, the Company introduced a comic-style ice hockey superheroine, named Tori by fans. Original web stories about Czech players were presented in the same graphic style, forming the basis for posters displayed in the fan zone of the České Budějovice arena and used as prizes in social-media competitions. Visitors in České Budějovice could also take part in the first women's Stiga table-hockey tournament.





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## Cycling

In 2025, Škoda Auto was the main partner of the Tour de France for the twenty-second time and the sponsor of the green jersey for the eleventh time. Škoda Design created the trophies for the winner of the General Classification and for the leaders of the Points, Mountains, and Young Rider classifications. Crafted from Czech crystal, the trophies featured a special Škoda logo marking the Company's 130th anniversary. For the organisers, Škoda Auto provided almost 220 electric and plug-in hybrid vehicles, including Enyaq and Superb iV models serving as the race director's red cars. Demonstration vehicles were also on show: the Elroq Respectline promoting respect, diversity, and inclusion; the tenth student car, the Škoda L&K 130, which highlighted the Company's cycling heritage as part of its anniversary celebrations; and a mobile café based on the Elroq.

In 2025, Škoda Auto was again a partner of the Tour de France Femmes avec Zwift, supporting the race for the fourth consecutive year, having been involved since its launch in 2022. The Company sponsored the green jersey and supplied the organisers with 32 electrified Enyaq and Superb iV vehicles, as well as red-car versions of both models for the race director. The Škoda L&K 130 student car, the Elroq Respectline, and the mobile café also returned as demonstration vehicles. Škoda Design once more produced the Points Classification trophy in green crystal, with a design referencing the Company's anniversary.

In 2025, Škoda Auto also became, for the first time, an official partner of the Mountain Bike World Championships organised by the Union Cycliste Internationale (UCI). The two-week event in Switzerland awarded 27 UCI World Champion titles across various disciplines. Škoda Auto provided organisers with 13 electrified vehicles and displayed Kodiaq, Elroq, and Enyaq models along the course and at other locations. In the Company's fan area, visitors could take part in outdoor-sport activities and experience a Škoda-branded "hot seat" podium hosting the leading riders during the championship. Škoda Auto offered similar, smaller-scale support at the UCI Gravel World Championships held in mid-October in the Netherlands.

Cycling remains one of Škoda Auto's core sponsorship pillars. In 2024, the Company extended its contract with A.S.O., organiser of flagship races including the Tour de France, through to 2028. A new two-year agreement was also concluded with the UCI. Škoda Auto continues to support all levels of cycling, including smaller local competitions, amateur races, and charity events. Beyond funding and support vehicles, the Company organises accompanying programmes and promotional activities, including content and competitions on [WeLoveCycling.cz](https://www.lovecycling.cz).



# 22 years

Škoda Auto has been a main partner of the Tour de France since 2004.



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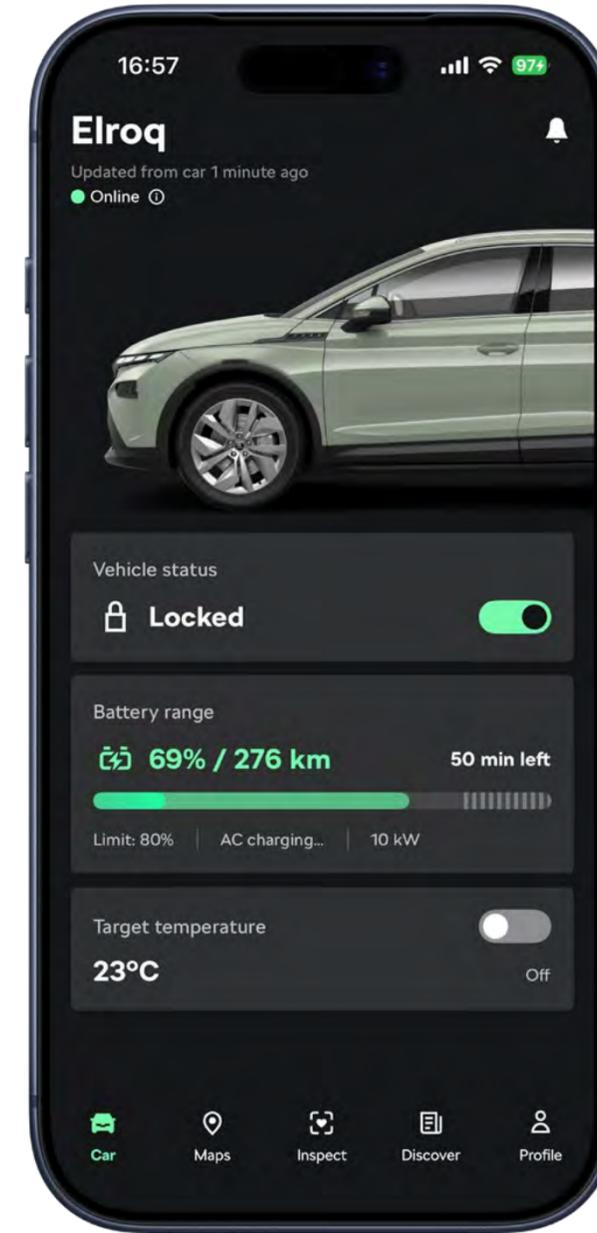
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# Škoda Auto's Digital World

### MyŠkoda app

In 2025, the MyŠkoda app evolved into a fully fledged mobile companion equipped with AI functions and built with Google Gemini technology. The Laura digital assistant learnt to apply AI in route planning, enabling her to suggest charging or refuelling stops at restaurants or shopping centres based on the user's preferences. The range of AI-driven features will continue to expand, always with close attention to the privacy of user data.

The Company listened carefully to app users and acted on their feedback. This focus on customer satisfaction led to improved ratings on both the App Store and Google Play, and also contributed to a rise in the number of active users, which exceeded one million for the first time. More than 400,000 of them are now part of the loyalty programme, where they take part in challenges promoting sustainable driving.



# 1,000,000+

Active users of the MyŠkoda mobile app.



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### Paying conveniently for refuelling and parking

The Pay to Fuel service enables drivers to pay for refuelling directly through the vehicle's infotainment system. Launched in 2024, it expanded to its ninth market – Italy – in 2025. By the end of the year, the service had 20,000 registered users and supported refuelling at 16,000 stations.

The Pay to Park service allows customers to manage parking via the infotainment system or the MyŠkoda mobile app. By consolidating information from multiple markets, it makes it easier to find parking spaces, access essential details about them, and pay parking fees. In 2025, the service was launched in Slovakia, extending its reach to 3,200 towns and cities across 17 countries and serving 150,000 registered users.

### Škoda Offers

The Offers app is available in Škoda vehicle infotainment systems, and since 2025 its functions have also been integrated into the MyŠkoda mobile app, where they can be found in the Map section. Its availability expanded from 16 countries in 2024 to more than 25 markets in 2025. Offers provides users with special discounts on products and services from the Company's business partners located along their planned route.



# 3,200

Cities where Pay to Park makes parking easier for Škoda drivers.

### Škoda Explore

In 2025, Škoda Auto introduced a new service to the Czech market designed to make electromobility more accessible to the general public. The initiative reflects the Company's ambition to help embed e-mobility into everyday life. Škoda Explore is a service enabling longer-term test drives of the brand's electric models, created to give the wider public practical, real-life exposure to electromobility, operated via the website [skoda-explore.cz](https://skoda-explore.cz) and technically based on the mobility platform developed by the Škoda X subsidiary. By the end of 2025, it was supported by 35 authorised dealers, from whom customers could borrow an Elroq or Enyaq for periods ranging from one to fifteen days and test various model specifications according to their specific needs. This approach allows potential customers to experience electric vehicles in everyday conditions and supports the Company's broader transition towards sustainable mobility.

### Digitalising after-sales services

For several years, the Škoda brand has operated an official e-shop for after-sales services and products in the Czech Republic and Slovakia. As part of the Volkswagen Group's eCommerce strategy, a Polish e-shop was opened in 2025. In September, the Company also introduced a global catalogue of genuine accessories and Škoda Lifestyle products, available at [catalog.skoda-auto.com/eu](https://catalog.skoda-auto.com/eu).



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The organisational structure of the People and Culture Division underwent a major transformation in 2025. Some teams were reorganised into functional units aligned with the division's ambition to serve as a comprehensive partner to all Company departments on key strategic topics. The new structure enables the People and Culture Division to respond more swiftly to market challenges and emerging technological trends. The first wave of this phased transformation unlocked more effective employee support and development, alongside the centralisation of digitalisation, automation, and AI activities.

# People and Culture





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## Putting people first

The dedicated programme within the People and Culture Division directly supports the Next Level Škoda Strategy through six long-term initiatives: securing the organisation's future through process and structure set-up; supporting successful employee transformation; delivering first-class service; advancing Digital People and Culture; setting a benchmark in social sustainability; and harnessing the strength of the Group. Each initiative pursues specific objectives, realised through the annual Top 10 Priorities programme comprising targeted activities and milestones. In 2025, the main themes were process transformation, employee transformation, and strengthening the Company's culture.

One of Škoda Auto's core priorities is caring for its workforce. The Company therefore seeks to provide employees with the best possible conditions through a broad range of benefits, both at work and beyond. Close cooperation with its social partner, the KOVO trade-union organisation, is essential in achieving this.

The digitalisation of HR processes is becoming increasingly important and is now essential to the efficiency of services provided. In 2025, the systematic consolidation of digital solutions, the simplification of processes, and the expansion of automation aimed at enhancing the efficiency and quality of the Company's HR services delivered record savings of €3.5 million. These measures also accelerated the rollout of selected HR solutions and improved the coordination of digital activities within the division, thereby increasing the Company's readiness for the next wave of transformation. Artificial intelligence was also introduced into HR processes, accompanied by the training and preparation of employees for its day-to-day use in practice.



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## Corporate culture

Cultivating a strong corporate culture is vital to Škoda Auto's competitiveness, as it directly shapes employee performance and, by extension, overall business results. In 2025, the cultural model originally introduced in 2022 was simplified and continues to be built around three core brand values: Human; Simplifying; and Surprising.



## Cultural Mindset Index

In 2025, the Company conducted its fourth CMX (Cultural Mindset Index), an employee survey assessing the selected cultural values and behaviours tracking the current state of corporate culture and its progression over time. Following the insights from the results, targeted measures were implemented to address the identified topics.

A total of 8,500 employees participated, up 20% on 2024, submitting 1,800 additional comments beyond the questionnaire. The results indicated a positive cultural trajectory while also highlighting scope for improvement, particularly in turning new ideas into practice, strengthening cooperation across departments, and enhancing support from managers and speeding up processes.

## Skill Management

Employee learning and development play a vital role in sustaining Škoda Auto's stability, performance, and competitiveness. In 2025, the Company reshaped its learning framework to emphasise flexibility, personal ownership of development, and modern digital tools that support self-paced learning.

A key focus of learning in 2025 non-manufacturing roles was to set a common minimum proficiency level in four core skills identified under the Next Level Škoda Strategy: Microsoft 365; AI; agility; and data. The Škoda Academy, which leads learning and skills development across the Company through its Skill Management initiative, supported this by delivering a broad programme of activities, from presentations and briefings to practical workshops.

Degreed remains Škoda Auto's main entry point to digital learning. It offers extensive Company-relevant content, as well as access to external platforms such as LinkedIn Learning. In 2025, the platform had more than 10,000 active users, with over a million learning modules completed.



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## Employee remuneration

Across the Volkswagen Group, an equal-pay framework ensures fair compensation for individuals in comparable job positions. In the Czech Republic, wages for all permanent Škoda Auto employees are set by a collective agreement with the KOVO trade-union organisation.

The remuneration system consists of a fixed base salary, variable and performance-related parts of the remuneration, and various allowances agreed upon in the collective agreement. The Company also expects and assures that wages and benefits for a standard working week never fall below the relevant national or sectoral minimum wage.

Škoda Auto offers employees, regardless of working pattern, a broad range of benefits. To meet the varied needs of the workforce, the benefits system is continuously developed with a focus on digitalisation and flexibility. The most widely used benefits include the Cafeteria Benefit Škoda scheme, the MultiSport card, contributions to supplementary pension savings, subsidies for meals in works catering facilities, long-service awards, contributions to recreational or rehabilitation stays, interest-free housing loans, Škoda vehicle purchase schemes, and preventive health programmes.

Attractive benefits are also available to agency staff, whose employment conditions are governed by the Agency Work Charter. These include special pricing for vehicle and accessory purchases and access to selected training courses.

## Employee benefit utilisation in 2025

### Cafeteria Benefit Škoda

# €21m

used, allocated as follows:



# 33,700

individuals drew on the  
**T-Mobile Benefit Programme**

# 3,995

individuals purchased  
a **MultiSport** leisure pass

## Supporting flexible forms of work

As part of the Next Level Škoda Strategy, the New Work initiative is jointly developed by the Company and the KOVO trade-union organisation to help employees balance their professional and personal lives. New Work places a premium on flexible working arrangements built on three pillars: job sharing; desk sharing; and alternative working hours.

Ensuring equal access to flexible work is essential for the Company, both in promoting gender equality and in supporting broader diversity and inclusion. Škoda Auto is therefore expanding opportunities for reduced working hours, including in areas where such arrangements have previously been uncommon, and is encouraging men to take advantage of them as well. The Company promotes flexible working through a variety of channels, from articles and interviews to webinars and workshops.

By the end of 2025, 297 employees – around 0.9% of the workforce – were making use of the option to work reduced hours. More than 85% of them were women, reflecting their greater involvement in family care. Nearly two thirds of all reduced-hours arrangements ranged between 50% and 80% of a standard working week.

Mobile working was used in 2025 by 29% of employees whose roles permit it, accounting on average for 12.4% of their working time.

## Škoda Auto as an award-winning employer

In 2025, Škoda Auto was once again recognised as one of the Czech Republic's most attractive employers across multiple surveys and studies. In the Randstad Awards 2025, which reflect public perception, the Company successfully defended its 2024 win and was named the most attractive employer in the Czech automotive sector. It also rose two places in the overall Top Employers in the Czech Republic ranking, moving from fifth to third.

Škoda Auto advanced in the Pluxee Employer of the Year 2025 awards as well, securing first place in the category for companies with more than 5,000 employees after finishing second in 2024. Alongside leading positions in employer-attractiveness rankings, Škoda Auto's Skill Management initiative placed second in the HR Professionals' Award for Best HR Project. In addition, the Company received both regional and national Canteen of the Year awards for Laurin's Restaurant at the Laurin & Klement Campus.

In the TOP Employers 2025 study, based on a survey of university and secondary-school students, Škoda Auto came first for the fourteenth time in the Automotive and Technology sector. In the special Secondary-School Students' First Choice category, the Company again secured second place, matching its 2024 result. Škoda Auto was also named the Employers Club's 2025 Most Desired Employer among Students.

## ZEBRA Improvement Programme

For more than 30 years, the ZEBRA Improvement Programme and Prize Draw has been one of the Company's most valued motivational initiatives. Its current strategy is centred on quality, efficiency, and a customer-focused mindset. Employees who took part in the programme had a direct opportunity to influence processes and activities throughout the Company.

Employees whose improvement proposals were completed in 2024 were entered into a prize draw held in June 2025. From almost three thousand nominations, ten winners were selected and, in partnership with the Odbory KOVO trade-union organisation, each received a brand-new Škoda Elroq. The winners came from all three Czech plants, demonstrating that improvement efforts were thriving across the whole Company.

The Improvement Programme delivered outstanding results in 2025, with the implemented proposals yielding total benefits of more than €13 million to the Company. In total, 44% of all proposals were put into practice. Since the programme's launch in 1993, more than 500,000 improvement proposals have been registered.



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Škoda Auto's approach to IT and digitalisation is guided by an IT strategy aligned with the Company's Next Level Škoda Strategy. It concentrates on the following priorities: reliability and efficiency, people and teamwork, future readiness, and sustainability.

A defining theme in 2025, echoed across the wider business, was the rollout of artificial intelligence (AI). The long-term ambition is for AI to become a natural part of everyday work, supported by the continued expansion of the Digital Delivery Centres. The year also introduced new legislative requirements, as well as fresh opportunities to broaden collaboration and advance IT education.

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# IT and Digitalisation





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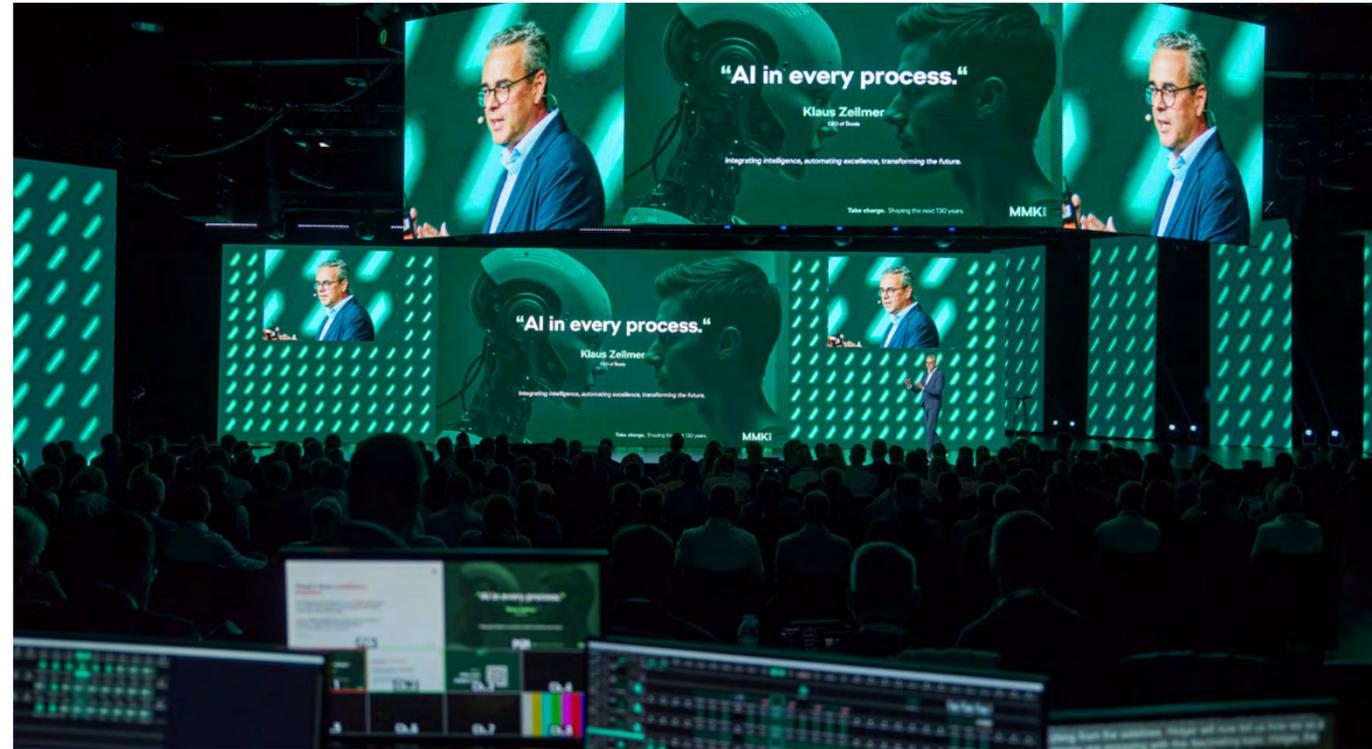
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# Artificial Intelligence



## AI Think Big

AI is already contributing to resource planning, cost-benefit analysis, selecting and deploying the most effective tools, upskilling the workforce, and introducing platforms and processes that pave the way for further adoption of AI. A further integral element of the initiative is the expansion of the Company's Digital Delivery Centres (DDCs). Its benefits can already be measured in the order of several million euros.

To leverage the potential of artificial intelligence and automation even more effectively, the AI Think Big initiative was launched. Its purpose is to approach implementation systematically and gradually integrate AI and automation into all key processes of the Company. The IT and Digitalisation function supported the identification of the most critical processes. Within the initiative, activities in 2025 focused primarily on preparing for broader implementation across the organisation.

The Company uses a wide range of tools to drive innovation and efficiency. This includes artificial intelligence. Škoda Auto is no newcomer in this field: in 2019 it established the AI Competence Centre (AICC), which delivers AI services and products across all departments. Its remit includes shaping and executing the Company's AI strategy, creating AI standards, and embedding ethical artificial intelligence in line with European Union requirements (the AI Act). These activities come together under AI Think Big, an initiative that provides the framework for advancing the Company's AI projects.



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## Digital Delivery Centres

DDCs are decentralised competence centres within each division of the Company. They strengthen the ability of individual departments to deliver AI and digitalisation solutions quickly and independently, combining domain-specific expertise with the technical capabilities required to design and develop digital products. In doing so, DDCs reduce reliance on specialist IT capacity and accelerate, streamline, and lower the cost of digitalisation.

Their primary focus is on straightforward digitalisation solutions with low- or no-code development requirements, while also working closely with the Company's central IT department, particularly on deploying new technologies and developing complex use cases. For example, under its AI implementation strategy, the Company is rolling out so-called Value Stars – one project in each division that can be delivered swiftly, generates clear value, and carries low risk and limited cost.

For Procurement, the DDC has delivered notable time savings, giving teams more scope to build relationships with suppliers and partners. In the Production and Logistics Division, the DDC has supported the successful delivery of 120 innovation and digitalisation projects. In the Technical Development Division, two DDCs operate side by side: one develops and deploys computer tools and applications incorporating AI, automation, and data analytics; the other optimises data management, automates data flows, and connects development IT systems with the Volkswagen Group's data backbone.

At the beginning of 2025, the DDCs comprised 70 newly created roles, with a further 70 positions approved for addition by 2028. Over the course of 2025, the Company also established a comprehensive artificial intelligence ecosystem and embedded collaboration based on the low-code/no-code concept across all areas of the organisation. The ongoing expansion of the DDCs is likewise reinforcing the development of digital thinking and capabilities throughout the workforce.

In 2025, Škoda Auto's Digital Delivery Centres were recognised in the Industry 4.0 Awards, presented jointly by the Confederation of Industry of the Czech Republic and the Slovak Alliance for Innovation Economy (SAPIE), earning a place among the top three in the category for in-company implementation. These awards are regarded as the highest level of recognition in modern manufacturing, automation, and digitalisation.



## Broadening the cloud solutions portfolio

In AI and digitalisation, the Company draws on established tools and technologies to increase efficiency, including cloud solutions, which help to reduce IT costs and deliver higher performance, reliability, and flexibility. In practice, they accelerate innovation and shorten the time needed to bring new solutions to market or integrate them into existing processes. In 2025, Škoda Auto expanded its already robust technology portfolio, until now centred on Microsoft services, by adopting Google Cloud. By implementing new tools, the Company ensures the flexibility and scalability essential for the rapid digital-product development, advanced data analytics, and AI-driven applications.



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# Legislation and Collaboration

Alongside artificial intelligence, the strategic management of IT and digitalisation in 2025 focused on major legislative changes and deeper collaboration across the Volkswagen Group. Škoda Auto adapted its processes to comply with the NIS2 Directive and the new EU Data Act, while assuming new responsibilities within the Group and delegating selected activities to partner companies.

## EU Data Act

On 12 September 2025, the EU Data Act entered into force, introducing new obligations for data sharing and data governance. Users now have the right to access data generated by their connected Škoda vehicle or related services. Public authorities may also request such data in the public interest, for example in emergencies or for reasons of public safety.

Customer and operational support teams were reinforced and trained. Further information is available online, or via the MyŠkoda app, which also provides access to the Volkswagen Group's EU Data Act Portal for the submission of data requests.

## Cybersecurity enhancements

In early November 2025, a new Cybersecurity Act took effect in the Czech Republic, transposing measures arising from the NIS2 Directive. This EU directive aims to improve the resilience of European infrastructure, enhance protection for individuals and organisations, and reduce the societal and economic impact of cyberattacks.

The stricter rules for safeguarding networks and information systems apply to organisations operating in economically, socially, or security-critical sectors. In response to the new legislation, Škoda Auto strengthened its cybersecurity posture by adapting processes and systems to improve resilience to cyberattacks and provide stronger protection for customers and partner companies.

## Group Competence Centre

Škoda Auto has become the competence centre for SAP and Microsoft Azure within the Volkswagen Group. Alongside supporting its own departments, it now provides expertise and capacity to other Group brands. This expanded responsibility confirms the Company's strong position within the Group and demonstrates its ability not only to deploy modern technologies, but also to act as their supplier and guarantor of quality.

## Offshoring model

To improve efficiency and secure access to IT capacity, Škoda Auto expanded its cooperation with Volkswagen Group Digital Solutions India and Green:Code. The former is a global centre delivering IT and technology solutions across the Group; the latter combines Škoda know-how with the technological capabilities of the Etnetera Group. This offshoring model enables the Company to respond more flexibly to business needs, draw on a wider pool of specialists, and shorten solution-delivery times. It also supports the development of IT skills and capabilities throughout the Volkswagen Group.

Collaboration between Czech and Indian IT teams was strengthened further in 2025 through IT India Week and the India Software Summit. These events encouraged active engagement and idea-sharing to identify synergies that will move Škoda Auto's IT activities forwards. A key part of IT India Week was a series of cultural sessions, helping participants to understand Indian cultural contexts and improve cooperation.

## Green IT delivers savings

The Green IT initiative maintains a streamlined application portfolio, enabling the efficient use of internal capacity and financial resources. It also supports Škoda Auto's commitment to sustainability by ensuring that digital transformation is carried out with environmental responsibility in mind. In 2025, the Company optimised the number of applications in use, reducing operating costs and significantly lowering the carbon footprint of its data centre.



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# Education and Achievements



In 2025, Škoda Auto continued to support IT education not only for its own workforce, but also across public schools and institutes. The strength of the Company's IT expertise was underlined by the success of its in-house Conversational AI project.

## Supporting IT education

Škoda Auto supports the development of digital competencies among its employees by offering training courses, specialised lectures, and workshops in cooperation with the Škoda Academy. IT education for the broader public was provided not only through the Škoda Auto University, but also in collaboration with other organisations and universities. In 2025, the Company continued its support for 42 Prague, the educational institute it founded in 2021. With its innovative teaching model, the institute focuses on lifelong IT learning and the development of social skills. The Company also drew on specialists from its Group Competence Centre and expanded its cooperation with universities in the field of SAP software. Škoda Auto experts help students to gain both theoretical knowledge and practical experience of software that is widely regarded as an international standard for medium-sized and large enterprises. Regular SAP classes take place at 42 Prague, the Faculty of Economics and the Faculty of Electrical Engineering and Computer Science at VŠB – Technical University of Ostrava, and at the Technical University of Liberec.

As part of its university partnerships, Škoda Auto delivered 42 specialist lectures in 2025, during which the Company's IT experts shared the latest insights from the field. It also organised 12 "IT Days" excursions, giving students the opportunity to visit production facilities, the data centre, the museum, and the Škoda Motorsport base. These visits included technical and career-focused presentations and an overview of current internship opportunities. In addition, Škoda Auto took part in 18 job fairs to showcase its projects and career paths.

The Company remains a partner of the Biz Sim Cup, a competition that aims to develop students' managerial and economic skills. Participants carry out business and logistics activities in a simulated market environment using SAP S/4HANA. Four Czech universities take part: the Prague University of Economics and Business (VŠE), the University of Hradec Králové (UHK), the Czech University of Life Sciences Prague (ČZU), and VŠB – Technical University of Ostrava (VŠB-TUO). These and other initiatives play a key role in strengthening the link between academia, industry, and career opportunities for students.

## Škoda Auto Hackathon 2025

In May 2025, Škoda Auto held its second innovation-focused Hackathon, aimed at improving efficiency and customer orientation through artificial intelligence. Challenges included removing inefficient processes, enhancing the working environment, accelerating collaboration through data digitalisation, and responding quickly and effectively to customer feedback. The winning team, Trace Analyze Group from the Technical Development Division, proposed an AI tool for automating the analysis of test-drive data – a solution with the potential to save up to 90% of the time currently required.

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Expert lectures held in cooperation with universities in 2025.



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To safeguard its long-term success, Škoda Auto systematically identifies, anticipates, and manages the potential risks and opportunities associated with its business activities. It does so through comprehensive risk-management and internal-control systems (RMS/ICS), supported by business continuity management (BCM). The core purpose of the RMS/ICS framework is to ensure the early detection of potential risks, enabling the Company to take timely countermeasures, prevent possible damage, and minimise risks that could threaten its operations.

Given the inherent uncertainty in forecasting future developments, the RMS cannot foresee every risk, just as the ICS and BCM cannot fully prevent disruptive incidents from occurring.

# Risk and Opportunity Report





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### Structure of the risk-management and internal-control systems

At Škoda Auto, the RMS/ICS framework is centrally coordinated by the Governance, Risk & Compliance Department in cooperation with the Controlling and Accounting Departments. The principles, responsibilities, and individual components of the system are governed by a unified Volkswagen Group directive, including the relevant methodological guidelines, drawing on the internationally recognised COSO enterprise-risk-management framework. Overall responsibility for the functioning of the risk-management system, the day-to-day implementation of which is decentralised, rests with the Škoda Auto Board of Management.

Each organisational unit is required to identify and assess risks annually, considering their potential negative impact on the unit's own objectives and on those of the Company as a whole. Risks are evaluated on the basis of potential financial loss, reputational impact, legal consequences, and other significant factors. Appropriate countermeasures are then introduced to reduce either the likelihood or the impact of those risks, and these measures are reviewed regularly by senior management.

The RMS/ICS framework also includes regular risk reporting to the Škoda Auto Board of Management and to the Volkswagen Group, ensuring that there is a comprehensive overview of the Company's risk exposure. The system is subject to regular and independent reviews of its adequacy, effectiveness, and transparency, with the Volkswagen Group overseeing its ongoing optimisation.

The internal-control system underpins the continuous execution of control activities, with quality and professional standards embedded in the unified Volkswagen Group methodology. Key benefits include the clear allocation of competencies and responsibilities, increased transparency across organisational hierarchies, and a stronger understanding of the Company as a process-driven enterprise.

Škoda Auto also engages in business continuity management (BCM), designed to enhance resilience and strengthen the Company's ability to respond to disruptive situations. While BCM cannot fully prevent business interruptions, it does ensure that essential processes can continue at predefined minimum levels in the event of outages or resource shortages, providing concrete and workable backup solutions for critical activities.

Within its internal-control system, the Company also manages operational risks and safeguards the integrity of key processes. Operational risks are treated as short-term threats – the most serious and urgent issues requiring immediate countermeasures. The Governance, Risk & Compliance Department reports regularly to the Board of Management on current risks: quarterly through operational-risk reporting, and annually in relation to the internal-control system (ICS) and business continuity management (BCM).

### Economic, political, and legislative risks

As both an exporting company and a local manufacturing operation, Škoda Auto is exposed to global and European economic conditions, as well as to the specific dynamics of individual regions. Key influencing factors include economic cycles, the political environment in the countries where the Company operates, and legislative developments such as new EU regulations. Legislative changes (for example, stricter requirements on vehicle safety, fuel consumption, or emissions) may result in additional technical-development costs. Other significant risks include regional disparities in economic performance and instability in the financial sector. In connection with export contracts, the Company identifies potential geographic and political risks in cooperation with Czech and international banking institutions, including the Export Guarantee and Insurance Corporation (EGAP).

### Emissions legislation

One of Škoda Auto's key risks is the potential to exceed statutory limits on average CO<sub>2</sub> emissions, particularly in the member states of the European Union, as well as in Iceland, Norway, Switzerland, and the United Kingdom. If these limits are breached, the European Union may impose penalties of €95 for every gram of CO<sub>2</sub> above the threshold per vehicle sold in the relevant calendar year. Even with all the technical measures that have been planned and approved, meeting the required targets remains uncertain, largely because demand for fully electric vehicles is growing only slowly.

CO<sub>2</sub> limits also apply outside the European Union. Analyses of projected CO<sub>2</sub>-emission trends are submitted regularly to the Company's Board of Management as a key input for decisions on the future product portfolio and production volumes of both conventional and electrified models. These analyses also form part of the annual and quarterly reports within the risk-management system.



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#### Demand risks

Intensifying competition in the automotive sector, together with the transition to electromobility, requires strong sales support. Market risks are further exacerbated by shifts in consumer demand, where purchasing behaviour depends not only on objective factors such as real income, but also on subjective perceptions and the regulatory conditions of individual markets. Škoda Auto continually analyses these influences and implements measures to mitigate the risks identified.

#### Procurement risks

Close and efficient cooperation between vehicle manufacturers and their suppliers involves procurement risks that can disrupt production continuity and potentially cause significant financial losses. These risks include delays or non-delivery of goods, quality defects, and, in extreme cases, supplier insolvency and withdrawal from the supply chain. Additional risks stem from the intense competition within the supplier industry. To mitigate these risks, Škoda Auto diversifies its supplier base for assembly components, allowing it to respond flexibly to adverse developments. The Company also continually monitors the financial stability of its suppliers and, within the risk-management system, implements preventive measures to address potential insolvency. These preventive and reactive steps help to minimise risks in supplier relationships. Nevertheless, even with all measures in place and the efforts of the Procurement Division, the risk of material shortages, which may trigger price fluctuations affecting both Škoda Auto and its supply chain, cannot be fully eliminated.

#### Financial risks

Financial risks and their management are among the most closely monitored areas at Škoda Auto. The most significant exposure concerns fluctuations in foreign-exchange rates and their impact on cash flows, financing, and the Company's overall economic performance. Risks and effects arising from exchange-rate movements are regularly monitored, assessed, and managed using standard hedging instruments. The approval of specific hedging products and strategies lies with internal and Group-level committees.

To mitigate currency and price risks, the Company applies hedge accounting for derivative instruments in accordance with IFRS Accounting Standards as adopted by the European Union, specifically the requirements of IFRS 9.

Liquidity risk is another material exposure and is managed through established procedures and tools to ensure sufficient coverage of operations and liabilities for the necessary period. The core sources of liquidity are the financial resources of Škoda Auto and other companies within the Volkswagen Group.

The Company also manages export risk through standard hedging instruments such as documentary letters of credit, standby letters of credit, and bank guarantees.

#### Research and development risks

New products carry the risk of being received cautiously by customers. To minimise this, Škoda Auto undertakes extensive analyses and customer surveys that help to identify trends at an early stage and verify their relevance for target groups. The risk that new-product launches may not be delivered within the planned timeframe, to the required quality, or at the target cost is reduced through continuous project management and systematic comparison of actual progress with project plans. Where deviations occur, the necessary corrective measures are implemented without delay.

Electromobility, hybrid powertrains, autonomous driving, and digitalisation are key areas of activity for the Company and are essential for successful and sustainable development. To manage the transformation ahead, the Company requires targeted support programmes for research and development, enabling, for example, the use of artificial-intelligence methods, virtual development and testing, and real-world testing of autonomous vehicles. Government support for alternative powertrains, particularly hybrid and fully electric models, is also indispensable.

Other important priorities include building charging infrastructure and ensuring high-speed internet coverage along transport routes. These efforts are accompanied by specific risks that must be regularly assessed. Internal risks include the development of new technologies and the need to adapt existing processes, while external risks relate to economic policy and the speed of its implementation, technical legislation, and the possibility of customer reluctance.



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## Quality risks

Škoda Auto places a strong emphasis on maintaining a robust quality-management system that complies with ISO 9001 and reflects current requirements in digital technologies, cybersecurity, and sustainability. From the initial stages of product development, the Company focuses on customer satisfaction and the early identification of potential quality issues, thereby effectively minimising the risk of production delays. This proactive approach is reinforced by systematic use of risk-analysis tools, an integral part of the ISO 9001 quality-management framework.

As digitalisation accelerates, cybersecurity has become a critical element of risk management. To safeguard the security and integrity of corporate systems, the Company regularly updates its cybersecurity procedures and pays particular attention to managing the risks associated with vehicle cybersecurity and software updates.

To maintain high standards and retain customer trust, compliance with global and national regulatory requirements is essential. Processes are regularly reviewed to ensure alignment with the latest legislation and standards.

The quality of products, processes, and management systems is verified through periodic audits carried out by independent accredited certification bodies. The Company has successfully upheld its quality-management certifications since 1993, confirming that its processes meet the highest standards and support product homologation. Škoda Auto is continually developing a network of qualified auditors and experts to detect and address deviations within internal processes. Responsible personnel provide management with regular updates on test and measurement outcomes, enabling swift responses to emerging issues.

Maximum customer satisfaction remains the Company's goal. Achieving it requires the ongoing monitoring of customer needs and expectations across markets. If any adverse trends are identified, corrective actions are taken without delay to minimise potential harm and restore products to the highest quality standards. This approach reduces risks and creates space for innovation and continuous improvement.

## Human-resources risks

The rapid evolution of the automotive sector and growing competitive pressures require the Company to secure a competitive edge through a stable, highly skilled, and adaptable workforce in both direct and indirect roles. To support this aim, the People and Culture Division has adopted a long-term strategy covering the entire human-resources lifecycle – from workforce planning and recruitment to training, motivation, and remuneration. Thorough analysis and prevention of potential risks are equally essential. Key risks include the loss of qualified personnel responsible for critical business processes, risks stemming from legislative change, legal risks, and risks associated with long-term demographic developments.

## Information-technology risks

As a global business focused on growth, Škoda Auto attaches increasing importance to information technology (IT). This area carries risks that may include unauthorised access to data, misuse of the Company's sensitive electronic information, reduced system availability, or failure to comply with regulatory requirements (such as the GDPR). The Company pays particular attention to the risk of unauthorised access to data, applying a range of measures that address personnel and organisational structures as well as applications, systems, and data networks. These measures include firewalls, the controlled allocation of system access rights, and the back-up of critical data sources. The Company uses only technical solutions that have been proven in the market and meet its internal standards. It also operates a certified information security management system (ISMS), which helps to minimise IT-related risks and mitigate their potential impact on the Company's objectives.

## Legal risks

Škoda Auto distributes its products and related services to dozens of countries worldwide and collaborates with a wide range of suppliers of goods and services, particularly in development, production, and logistics. These activities naturally involve the risk of legal disputes with distributors, suppliers, employees, investors, or customers, as well as the risk of administrative proceedings connected to different areas of the Company's business activities.

## Other operational risks

Beyond the risks already identified, certain influences remain inherently difficult to anticipate yet carry the potential to affect the Company's future trajectory. These include natural disasters, epidemics, acts of terrorism, and other disruptive events with global or regional impact.

## Opportunities and resources

Škoda Auto counts its strong, well-established brand, extensive customer base, and mature dealer network among its core strategic resources. Enduring customer relationships, supported by a comprehensive network of sales and service partners, foster long-term satisfaction and deepen trust in the Škoda brand, strengthening the Company's position in global markets.

A further essential resource is the deep expertise of its research and development teams, which enables the Company to deliver innovation, respond to shifting market needs, and reinforce its long-term competitive edge. Synergies within the Volkswagen Group also play a significant role by facilitating the efficient sharing of technologies, production platforms, and innovations. These synergies allow the Company to optimise costs, accelerate new-product development, and improve the efficiency of its research and development processes.



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The global economy expanded in 2025, with worldwide vehicle demand modestly exceeding 2024 levels. In 2026, global growth is expected to continue at a similar pace. While regional demand for passenger vehicles may vary, overall global volumes are projected to remain in line with 2025.

These expectations are based on current third-party forecasts, including those issued by economic research institutes, banks, multinational organisations, and advisory firms.

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## Global economic environment

Our planning assumes that the global economy will grow at a pace similar to that seen in 2025. Easing inflation in key economies, together with the gradual loosening of monetary policy, is expected to support consumer demand. Our view remains that risks may emerge from the increasing fragmentation of the global economy, rising protectionist tendencies, volatility across financial, energy, and commodity markets, and structural deficits in certain countries. Ongoing geopolitical tensions and active conflicts continue to weigh on the growth outlook. Risks stem primarily from the conflict between Russia and Ukraine, straitened circumstances in the Middle East, heightened uncertainty surrounding the direction of US economic policy, and the global escalation of geoeconomic policies, which could further exacerbate international tensions. Advanced economies are expected to maintain growth momentum comparable with 2025, while emerging markets are likely to experience rather more subdued performance. At the same time, we anticipate that the global economy will remain on a stable growth trajectory through to 2030.

We anticipate that economic growth in Western Europe will slow compared with 2025, while average inflation is expected to continue declining. However, we do not foresee any further cuts in key interest rates by the European Central Bank (ECB).

In Central Europe, economic growth is expected to gather modest momentum in 2026. Some countries may continue to face elevated, albeit less pronounced, inflationary pressures compared with 2025. The economy in Eastern Europe, having suffered a steep downturn in 2022 as a result of the conflict between Russia and Ukraine, is likely to continue its recovery at a pace similar to that seen in 2025.

India's economy looks set to grow at a slightly slower momentum than in 2025.

## Trends in the global passenger vehicle market

The automotive industry continues to move in step with the global economy. Competition on international car markets is forecast to intensify further. Crisis-driven disruptions to global supply chains, and the knock-on effects on vehicle availability, may affect the number of new vehicle registrations. In addition, any sudden new or escalating geopolitical tensions and conflicts could push up material costs and constrain energy supply.

In 2026, trends in passenger car markets are expected to be mixed across regions, although the general picture should remain largely positive. Overall, worldwide new passenger car sales are projected to be on a par with 2025. In the period from 2027 to 2030, we anticipate growing global demand for passenger cars.

In Western Europe, new passenger car registrations in 2026 are expected to hold steady at 2025 levels, with Germany forecast to match last year's volume.

In Italy, France, and the UK, growth in 2026 is set to remain in line with the previous year, while Spain is likely to come in slightly below last year's level.

In Central and Eastern Europe, total car sales are expected to significantly outpace the previous year's figures, although this will depend on how the conflict between Russia and Ukraine develops. Performance across the region's key markets is forecast to diverge.

In China, we estimate that market volumes will remain broadly in line with 2025.

In India, volumes in 2026 are projected to be similar to those recorded in the previous year.

## Škoda Auto's development plans

Škoda Auto will press ahead with the implementation of the Next Level Škoda Strategy, with the ambition of becoming the most attractive brand for Everyday Explorers in its European home market, while driving growth in the world's fastest-developing international markets.

The Company will offer customers a compelling range of electric, combustion-engine, and hybrid vehicles, distinguished by great value for money, high quality, and intuitive operation.

On its path to success, Škoda Auto will sharpen its performance and further embed its corporate culture. It will continue to develop its employees' skills for the transformation ahead, consolidate its role within the Group, and pursue environmentally, socially, and financially sustainable practices.

The effective integration of artificial intelligence across all Company processes will also contribute to the successful delivery of the Next Level Škoda Strategy.



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Škoda Auto is aware of its extraordinary position in the Czech Republic, of its key role within the Volkswagen Group, and of its position amidst competing car manufacturers. It is therefore fundamentally important to the Company that its employees, business partners, customers, and the general public view it as a successful and transparent company that is open to providing information about its activities.

The Company sees its long-standing tradition and the reputation it has built up over many years as a key value for the successful and sustainable development of its business activities into the future.

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In light of all this, the Company complies with the recommendations of the Corporate Governance Code, Czech Republic 2018 (the “Code”), which can be viewed [online](#) at the Ministry of Finance of the Czech Republic website. The Code’s general rules are inspired by comparable national corporate governance codes (in particular, the German and Austrian codes), and by international corporate governance standards (in particular, G20/OECD Principles of Corporate Governance). The core idea is that the Code brings best practice rules that should be followed at most companies, but at the same time leaves the door open to adapting the rules of governance and management to suit the specific conditions and needs of each and every company.

The Company complies with the Code based on the principle of “think through and follow”. To the Company, the Code provides inspiration in situations when it might be appropriate and beneficial. The Company aims to continually improve internal processes and rules in accordance with the Code, to promote transparency, and to follow legal regulations and pursue ethical conduct in business practice in the Czech Republic.

In light of the fact that the Company has a sole shareholder, no general meeting is held and the sole shareholder acts in the capacity of the general meeting. The credibility, experience, and professional competence of the members of elected bodies is carefully assessed before their election. The Company leaves the task of evaluating whether those requirements are met, even during their term of office, to the members of individual bodies, under the provisions of Section 159 of the Civil Code.

The Company professes the principles of non-discrimination and equal treatment, not only in staffing governing and management positions, but throughout the Company as a whole.

The Company adheres to the provisions of Articles 3.1 through 3.1.2, 3.1.4, and 3.1.5, as well as 3.2 through 3.2.3 of the Code. Members of the elected bodies comply with the statutory duty of due managerial care and follow internal regulations. They are required to act diligently, loyally, and in the best interests of stakeholders, while focusing on sustainable development. To support this, they are regularly provided with the information necessary to perform their duties in accordance with internal guidelines. Furthermore, the standard of due managerial care obliges them to utilize available professional expertise, skills, and competencies. Beyond legal requirements, the Company imposes additional standards of accountability, integrity, fairness, and transparency on members of elected bodies through its internal regulations. Meetings of the elected bodies are governed by procedural rules, and the minutes of these meetings are recorded and retained. The Company’s Articles of Association also enforce a non-compete clause on members of elected bodies.

The general meeting – in this case, the sole shareholder – appoints members of the Board of Management, primarily on the basis of their professional qualifications and expertise. However, the Company has no instrument in place that would make it possible to influence the composition of the Board of Management, in accordance with its diversity policy. Since there is no general meeting, the nominated candidates do not participate in the session intended for the election to the respective body. The Company is organizationally structured into seven specialized divisions, and the Board of Management is responsible for their leadership and oversight. Members of the Board of Management must carry out their scope of activity with the diligence of a professional manager and are responsible for the execution of their work to the extent laid down by the legal regulations of the Czech Republic.

The Company complies with Articles 4.1 to 4.1.6 and 4.1.8 of the Code. It has established remuneration rules for Board of Management members based on achieving short- and long-term financial and non-financial goals, and adherence to Volkswagen Group’s Rules of Culture and Integrity. These rules are predefined, clear, and measurable. Board members’ remuneration consists of fixed and variable components, with the fixed portion serving as the basis for calculating the variable portion. The variable component is tied to performance quality through various factors. The Company reserves the right to withhold the variable remuneration, in full or in part, if members violate the Volkswagen Group’s Rules of Culture and Integrity. If such violations are discovered later, the Company may reclaim previously paid variable remuneration. The Company limits the maximum variable remuneration by capping the individual factors used in its calculation. Supervisory Board members receive only fixed remuneration or may serve the Company on a voluntary, unpaid basis.

The Company complies with all provisions of Chapter 5 of the Code. The Board of Management, as defined by the Articles of Association and legal regulations, manages the Company in its interest and ensures the implementation of decisions. Key matters are decided collectively by the Board, following its procedural rules. The Board ensures that decisions are made independently and establishes the Company’s organizational structure. It has also implemented an effective internal control system, including process oversight, internal audit, compliance, risk management, and managerial controls.

The Company complies with Articles 6.1, 6.1.1, and 6.2, 6.3, and 6.3.1, 6.3.3 as well as 6.3.4 of the Code.

There are nine members of the Supervisory Board. Two-thirds of the members of the Supervisory Board are appointed and

removed by the sole shareholder, in accordance with the law. One-third of the members are appointed by Company employees in elections, in accordance with valid voting rules. However, the Company has no instrument in place that would make it possible to influence the composition of the Supervisory Board in accordance with its diversity policy.

As stipulated by the Articles of Association, the Supervisory Board oversees the activities of the Board of Management and the Company. The Board of Management is required to provide all necessary information to enable the Supervisory Board to fulfil its duties. The rules of procedure mandate that the Board of Management informs the Supervisory Board about specific Company matters. The Articles of Association specify that one-third of Supervisory Board members are elected by Company employees, and these members share the same duties and responsibilities as other members. The election process ensures proper and effective voting rights for employees and is prepared and approved by the Board of Management after consultation with the labour union. The independence of employee-elected members is safeguarded by the statutory duty of due managerial care.

Cooperation between the Board of Management and the Supervisory Board is governed by statutory provisions, the Company’s Articles of Association, and the rules of procedure in place for the Board of Management at the Company, which set out detailed regulations for the work of the Board of Management at the Company, including actions and measures requiring the involvement of the Supervisory Board and the obligation to inform the Supervisory Board.

The Company complies with all provisions of Chapter 7 of the Code. The Articles of Association require the Board of Management to provide the Supervisory Board with all information necessary to fulfil its duties. In line with the duty of due managerial care and the Articles of Association, Supervisory Board members must request any additional information needed for their work. The rules also establish an extraordinary reporting framework for situations with significant potential impact on the Company. Information is provided to the Supervisory Board promptly, without unnecessary delay, and in writing.

The Board of Management at the Company has established committees with the involvement of at least one member of the Board of Management at the Company. These committees are either advisory bodies or bodies with decision-making powers. Their purpose is to initiate, prepare, and submit to the Board of Management recommendations in specialized matters.

The Company complies with Articles 9.1 to 9.1.6 of the Code.

The activities of these committees are governed by their respective rules of procedure, which define meeting protocols, recordkeeping, and archiving. The rules of procedure require committee chairs to report to the Board of Management and grant committee members the right to access information relevant to their responsibilities. Each committee consists of more than three members. The Board of Management retains the right to review matters assigned to the committees.

Information about the remuneration of members of bodies is made public in notes to the financial statements, in the Related Party Transactions section.

The Company has created and applies a proper and effective policy of preventing, identifying, and managing conflicts of interest involving persons at the Company. For more on this matter, see [the Sustainability Statement section](#).

The Company complies with Articles 10.1 to 10.2 and 10.3 of the Code. Its policy for preventing, identifying, and managing conflicts of interest, as well as regulating transactions with related parties, is implemented through internal regulations, including the Code of Conduct, and adherence to relevant legal requirements. The Company’s internal regulations also establish rules to prevent insider trading. Additionally, they classify internal information by confidentiality levels and define rules for handling such information.

The Company regularly publishes all relevant information about its activities in a transparent manner in the Annual Report. It also provides information regarding the impacts of its activities on the surrounding area in the Sustainability Statement section. The risk management system and internal control system are described in detail in the chapter entitled Report on Risks and Opportunities.

The Company complies with Articles 10.5 to 10.7 and 10.7.4 to 10.8.1 and 10.11 of the Code. Under the law and the Articles of Association, the Board of Management is responsible for preparing the financial statements, while the Supervisory Board is tasked with reviewing them. Both bodies are therefore accountable for the content and publication of the financial statements. The audit of the financial statements is conducted in accordance with International Standards on Auditing (ISA). Auditor independence is guaranteed by the Act on Auditors and the Code of Conduct of the Chamber of Auditors of the Czech Republic.

The Company’s Annual Report contains all statutory requirements and information mandated by the Code. Annual Reports are published on the Company’s website for more than 10 years. The Company communicates with the public through its website, where it provides updates and information about its activities.



# Sustainability Statement

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# General Disclosures



**Basis for the preparation of the Sustainability Statement**

[REV-BP-1]  
[REV-BP-1 4a, 4b, 5]

This Sustainability Statement has been prepared on an individual basis for Škoda Auto a.s. (hereinafter referred to as “Škoda Auto” or the “Company”) and does not constitute a mandatory sustainability report pursuant to Act No 563/1991 on accounting.

The Company is part of the Volkswagen Group, whose consolidated financial statements include Škoda Auto’s subsidiaries and associates. In accordance with Section 32g(2) of Act No 563/1991 on accounting, and on the basis of a decision of the sole shareholder, Škoda Auto avails itself of the exemption from the obligation to prepare a sustainability statement, just as it relies on the exemption from preparing consolidated financial statements, and publishes only separate financial statements. The individual Sustainability Statement is therefore issued voluntarily, in 2025 as part of the Annual Report, based on the Škoda Auto criteria described below.

**Sustainability Statement Criteria**

All data points in this Statement are disclosed in accordance with the revised European Sustainability Reporting Standards (ESRS), as set out in the draft standards published by EFRAG in July 2025, subject to the following exceptions:

- All reported data, including metrics, relate exclusively to Škoda Auto and not to its subsidiaries and associates ([see the structure](#));
- The assessment process for double materiality was conducted according to the Disclosure Requirement IRO-1 – Description of procedures for identifying and assessing significant impacts, risks, and opportunities as stated in the ESRS, published in the Commission Delegated Regulation (EU) 2023/2772 of July 31, 2023, IRO-1 – Description of procedures for identifying and assessing significant impacts, risks, and opportunities;
- The reported metrics comply with the ESRS published in Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU as regards sustainability reporting standards. Škoda Auto’s subsidiaries and joint ventures ([see the structure](#)) are excluded from the double-materiality assessment (DMA), unless they form a direct part of the Company’s value chain through the provision of products, services, or strategic functions. The Company has applied the phased-in disclosure requirements as set out in the table included in the currently applicable ESRS standards published on 31 July 2023. It has also made use of the transitional provisions of ESRS 2 relating to Chapter 5 “Value Chain” (specifically metrics E2-4, E2-5, E5-4, and E5-5);
- Greenhouse gas emissions of Škoda Auto’s subsidiaries and associates ([see the structure](#)) are excluded from the reported emissions and are therefore not included in gross Scope 1, 2, or 3 emissions unless they form part of the value chain as defined above;
- The Scope 3 carbon footprint boundary is defined based on the number of Škoda-branded vehicles registered in the EU27 + Norway + Iceland + United Kingdom markets in 2025. Emissions from vehicles manufactured at Škoda Auto a.s. production facilities but marketed and sold under a different brand are excluded from the calculation.
- Data relating to water pollution under the Pollution chapter is presented as post pre-treatment values at the Škoda Auto plant site.

A list of the disclosure requirements taken into account in the preparation of this Sustainability Statement is set out in the table of the same title at the end of this chapter.

Individual data points are also marked [REV-...] where they are reported in accordance with the draft revised standards published in 2025. Where a data point does not carry the REV identifier, it is reported in accordance with the 2023 standards. Data in the EU Taxonomy chapter are disclosed in accordance with Regulation (EU) 2026/73 of 4 July 2025.

Following the transition to reporting in accordance with the ESRS, the reporting methodology has been fully aligned with that of the Volkswagen Group, and the boundaries of the undertaking for the purposes of this Statement have been clearly defined. All disclosed metrics therefore relate exclusively to Škoda Auto a.s., and their calculation is based on harmonised procedures consistent with ESRS requirements. Consequently, the figures presented in this year’s Statement may differ from data published in previous reports, which were not prepared in accordance with the ESRS and did not apply identical methodological principles or the same scope of reporting.



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The Sustainability Statement serves as a key instrument for transparent communication of Škoda Auto's environmental, social, and governance commitments to its stakeholders. The Company has voluntarily reported on sustainability since 2005, thereby becoming a pioneer of non-financial reporting in the Czech Republic. Since 2023, the Sustainability Statement has been published on an annual basis in parallel with the Annual Report, ensuring consistency and a comprehensive view of both the financial and non-financial aspects of the Company's business.

This Sustainability Statement covers the Company's entire value chain, comprising the upstream and downstream value chain and including activities involving suppliers, logistics and transport, research and development, manufacturing, sales and after-sales service, vehicle use, and recycling and the circular economy. Where relevant, subsidiaries and associates are also included, insofar as they provide products, services, or strategic functions to the Company. The assessment of the materiality of impacts, risks, and opportunities (IRO) relates to the entire value chain, and its results are presented in section SBM-3. The Statement describes the policies, activities, and targets that apply across the entire value chain. Metrics relating to the entire value chain also include Scope 3 greenhouse gas emissions.

In the process of assessing the double materiality of impacts, risks, and opportunities (IRO), as well as in the assessment of climate risks, no deviations were applied from the predefined time horizons. A period of less than one year represents the short-term horizon, one to five years the medium-term horizon, and more than five years the long-term horizon.

The terms upstream and downstream value chain are used in this Sustainability Statement in the sense of the preceding and subsequent parts of the value chain, as defined by the European Sustainability Reporting Standards (ESRS).

## Estimates of metrics and sources of estimation and outcome uncertainty

The statement contains certain metrics that are based on estimates. Estimation methods are described in relevant chapters – information relating to the reported metrics (Climate change, Water and marine resources, Own workforce).

A certain degree of uncertainty may also apply to forward-looking statements that are based on current expectations and assumptions. Actual results may subsequently differ significantly due to a number of factors, including unpredictable market developments, regulatory or technological changes, operational risks or geopolitical events and natural disasters. Given these uncertainties, the projections presented should be viewed with caution.

Appendix C to ESRS 1

## List of gradually phased-in disclosure requirements and transitional provisions that the Company has used

ESRS	Disclosure requirement	Full name of the disclosure requirement
ESRS 2	SBM-3	Material impacts, risks, and opportunities and their interaction with the strategy and business model (anticipated financial effects)
ESRS E1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
ESRS E2	E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities
ESRS E3	E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities
ESRS E4	E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities
ESRS E5	E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities

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**The role of the administrative, management, and supervisory bodies**

[REV-GOV-1]  
[REV-GOV-1 9a, 9b, 9c, 9d, 9e]

The table below summarises the composition of the Company's supreme bodies by number of members, gender representation, and the presence of independent members.

Body	Number of members	Women (%)	Men (%)	Independent members
<b>Board of Management</b>	7	14.3%	85.7%	0
<b>Supervisory Board</b>	9	22.2%	77.8%	0

The Board of Management bears ultimate responsibility for oversight of the sustainability strategy and for ensuring its alignment with the Company's long-term objectives. The Board regularly assesses sustainability performance, monitors progress against strategic targets, evaluates material impacts, risks, and opportunities (IRO), and approves key initiatives in the areas of environmental protection, social responsibility, and corporate governance (ESG).

The Board of Management has a broad range of expertise relevant across the entire ESG agenda. Its members draw on experience in technical development, manufacturing, procurement, people and culture, risk management, finance, and international leadership. This interdisciplinary expertise supports effective oversight of areas such as decarbonisation, product sustainability, cooperation with communities, diversity and inclusion, as well as integrity and compliance. Board members also have direct access to internal experts within the Company and to specialists within the Volkswagen Group, ensuring up-to-date insight and well-founded decision-making.

Sustainability topics are also regularly discussed with an independent Advisory Board for Sustainable Development, which provides external expert perspectives in the fields of environmental policy, economics, transformation, society, and communication. This dialogue supports the validation of ESG priorities and their continuous improvement.

The Board of Management's competencies in sustainability are further developed through targeted training, regular briefings, and participation in Group working groups. As a result, the Board is prepared on a long-term basis to manage the Company's ESG ambitions, support transparent reporting, and steer Škoda Auto towards responsible and resilient growth. The Board of Management meets at least once a year to review the status of the sustainability strategy, define specific targets, and evaluate its implementation and fulfilment, including related impacts and risks. In addition, it oversees the achievement of long-term strategic objectives expressed through key performance indicators (KPIs), as well as short-term objectives (key results), reviewed on a quarterly basis. Other topics are addressed in other committees and meetings, where decisions are taken, for example, on the implementation of specific projects and sustainability measures.

The Environmental and Sustainability Strategy Committee, chaired by the Board of Management member responsible for Production and Logistics, oversees and coordinates environmental topics. These include the current status of implementation of the environmental strategy, circular economy, biodiversity, and the communication of sustainability topics. At the end of 2025, the Social Sustainability Board was transformed into the Social Sustainability Council under the new leadership of the External Relations unit. The aim of this transformation is to strengthen sustainability governance through simplified decision-making processes and more clearly defined responsibilities, and to better align activities with strategic priorities. The Council oversees and coordinates key social topics – education, mobility, volunteering, wellbeing, and diversity – and bears budgetary responsibility for these areas.

Corporate governance topics are regularly discussed directly with the Board of Management at the level of individual divisions.

The Sustainability Circle is a cross-functional team bringing together all key sustainability-related departments under the leadership of Corporate and Regional Strategy. The team is responsible for implementing the Company-wide sustainability programme and prepares materials for meetings of the Board of Management in this area. The Circle usually meets once every two months and, where necessary, more frequently.

A detailed description of the composition, powers, and responsibilities of Company's administrative, management, and supervisory bodies, including information on their involvement in sustainability governance, is provided in the Management Report section, which forms part of this Annual Report.

**Members of the External Sustainability Council**



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



**Jan Bureš**  
Chief Economist at ČSOB; member of the Budgetary Forecast Committee



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



**Ladislav Miko**  
Environmental adviser to the President of the Czech Republic; former Minister of the Environment



**Jana Matesová**  
Economist; former Czech envoy to the World Bank



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### Integration of sustainability-related performance into incentive schemes

[REV-GOV-2]  
[REV-GOV-2 11a, 11b]

Since 2023, sustainability performance has been integrated into the incentive scheme through a uniform Group ESG factor, which reflects performance against targets in the areas of decarbonisation (measured by the decarbonisation index) and diversity (expressed by the share of women in management). The ESG bonus factor applies to 2/3 of the annual bonus and is scaled, based on performance, within a range of 70%–130%. The remaining 1/3 of management remuneration depends on the fulfilment of Škoda Auto's strategic topics and KPIs, with sustainability-related KPIs reflecting decarbonisation, diversity, and customers' perception of sustainability.

### Statement on due diligence

[REV-GOV-3]  
[REV-GOV-3 13]

Škoda Auto's due diligence is based on its human rights policy, which is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and is described in the [Strategy – Social Sustainability](#). The policy applies to the Company's own plants and activities and to its supply chains. Compliance with the policy is embedded in the corporate culture, with an emphasis on adherence to legal and ethical standards, as well as voluntary commitments, and is supported by established systems, which also include elements of whistleblower protection ([see the Corporate Culture section in the Business Conduct chapter](#)).

Supplier compliance with human rights and environmental protection standards is ensured through the supplier sustainability assessment system (the S-Rating), which focuses on working conditions, human rights, occupational safety, ethics, and environmental protection. This system is described in detail in the [Business Conduct chapter](#). The individual chapters in the Environmental (E) and Social (S) sections specify which particular matters are covered by the S-Rating in each area.

To identify, prevent, and, where applicable, address negative impacts in its own operations, Škoda Auto has deployed an environmental management system. In addition, through close cooperation with trade-union organisations, robust employee protection processes are in place, in which employees themselves are actively involved. Škoda Auto regularly passes on information to its own employees and to representatives of surrounding municipalities, and actively listens to their input in order to support open and two-way communication ([see the Strategy – Social Sustainability and Own Workforce chapters](#)).

These processes allow the Company, on the one hand, to identify and address individual cases and, on the other hand, to prioritise specific impacts and the measures taken to address them. The insights gained from these processes are used to assess material impacts for reporting purposes ([Information on the materiality assessment process](#)).

### Key elements of due diligence

Integration of due diligence into governance, strategy, and the business model.

Identification and assessment of adverse impacts on people and the environment.

Engagement with affected stakeholders.

Actions to address adverse impacts on people and the environment; monitoring of the effectiveness of these actions.

### Location in the Statement

General Disclosures - REV-GOV-1 The role of the administrative, management, and supervisory bodies in relation to sustainability  
General Disclosures - REV-GOV-2 Integration of sustainability-related performance in incentive schemes

General Disclosures - REV-IRO-1 Description of the process to identify and assess material IROs

General Disclosures - REV-SBM-2 Interests and views of stakeholders  
S1 Own Workforce, S1-2  
S4 Consumers and end-users, S4-3, S4-4  
Strategy – Social Sustainability

E1 Climate Change, E1-5, E1-6  
E2 Pollution, E2-2  
E3 Water and Marine Resources, E3-2  
S1 Own Workforce, S1-3  
S2/S3 Workers in the Value Chain and Affected Communities, S2/3-3  
G1 Business Conduct, G1-3

### Risk management and internal controls over sustainability reporting

[REV-GOV-4]  
[REV-GOV-4 15]

As part of the Group Internal Control System, the Company monitors and manages risks associated with the reporting process and defines internal controls over data reporting. Examples of risks identified in this context include:

- relevant source data being incomplete, incorrect, or unverified;
- relevant data being delivered late or not at all and therefore not being available in a timely manner;
- incorrect and/or incomplete data processing;
- incorrect calculations or analyses.

Internal control mechanisms apply to all disclosed information and data, not only during reporting itself, but also during collection and processing. The system is based on several key elements, including the four-eyes principle (in some cases involving more than four eyes), partially automated data collection and processing, and cross-checks between internal reporting experts and specialists in specific sustainability topics. In addition, a threshold mechanism is in place that defines the obligation to comment on developments in indicators, and selected topics are externally verified through independent certifications (e.g. TÜV Nord). The system also includes the documentation of assumptions used in estimates, supporting transparency and traceability of the methodology. Taken together, these measures provide a high level of integrity and reliability of disclosures in the Sustainability Statement.

# Strategy

## Strategy, business model, and value chain

[REV-SBM-1]  
[REV-SBM-1 17a i, 17b, 18]

Škoda Auto offers a broad portfolio of passenger vehicles, with electrified models – battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs) – forming a significant part of the range. In 2025, BEVs accounted for 20.2% and PHEVs for 5.3% of newly registered vehicles across the EU27, Norway, Iceland, and the United Kingdom, with their share on a slightly upward trajectory. Škoda Auto operates globally, with Europe being its key market. Among the five most significant markets are Germany, the Czech Republic, the United Kingdom, India, and Poland.

The Company's internal activities, including manufacturing, research and development, logistics, and after-sales services, are associated with material impacts and are therefore particularly significant from the perspective of emissions, resource consumption, and working conditions. The NACE classification system is used for sector classification.

Škoda Auto's business model is based on value creation through high-quality and sustainable products (see diagram). The value chain comprises:

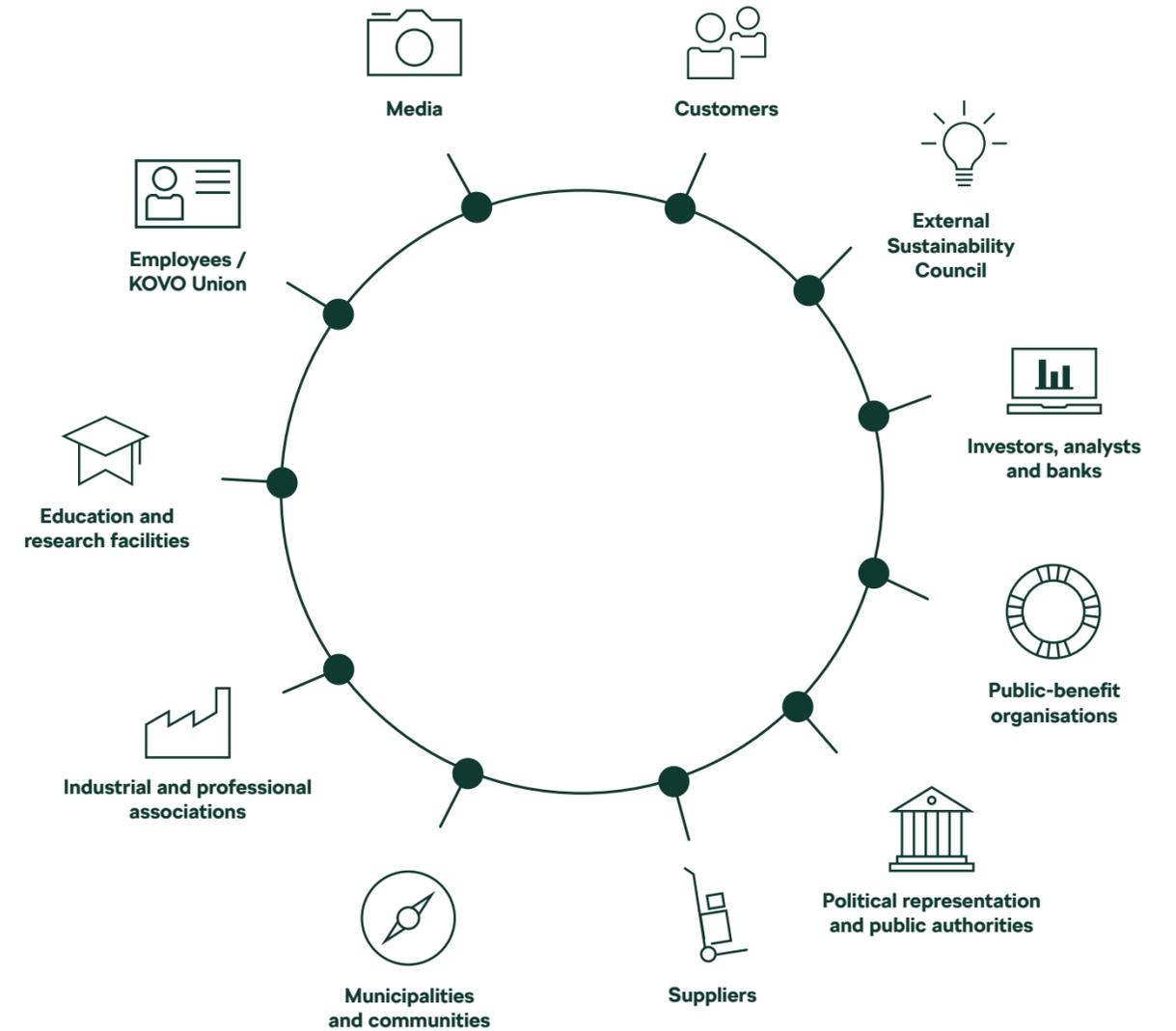
- Upstream value chain: 8,333 suppliers of raw materials, components, parts and services, whose sustainability is governed by a binding Code of Conduct for Business Partners and a risk-based assessment (S-Rating).
- Own operations: vehicle manufacturing, research and development, logistics, and internal transport;
- Downstream value chain: sales and service network, vehicle use by customers, recycling, and circular economy.

## Interests and views of stakeholders

[REV-SBM-2]  
[REV-SBM-2, 20a, 20b]

Regular communication with stakeholders allows Škoda Auto to better understand the needs and expectations of its partners and to refine its sustainability strategy and priorities accordingly.

The administrative, management, and supervisory bodies receive regular updates on stakeholders' views and interests through ESG reporting, the outcomes of stakeholder engagement activities, and presentations at management meetings. These inputs are taken into account in strategy development and in decisions on sustainability priorities.





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**Overview of stakeholders and communication of Company issues**

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Stakeholder	Topics	Form of communication	Frequency
<b>Employees / KOVO Union</b>	Labour relations Working conditions Collective agreement and related agreements Technical and professional training Personal development and social commitments Diversity, inclusion Health care, ergonomics, wellbeing	Collective bargaining and social dialogue Staff representation and participation in the Supervisory Board Internal meetings ŠKODA Mobil magazine Employee portal Weekly periodical Employee events	Two times per year Weekly Three times per year Ongoing Monthly Ongoing Weekly Daily
<b>Investors, analysts, and banks</b>	Performance and strategy	Annual Reports, including the Sustainability Statement In-person meetings	Annually As needed
<b>Media</b>	Sustainability activities Positions on regulation and political developments	Interviews Events Press releases Social media	Regularly As needed
<b>Political representatives and public authorities</b>	Legislation National and international strategies in relevant areas development and regional strategies Cooperation and knowledge sharing	Meetings Phone calls Emails Committee meetings etc. Membership of government and ministerial advisory bodies and expert groups Joint committees	Ongoing
<b>Suppliers</b>	Business and supplier relationships	Communication and negotiations between the Procurement Division and individual suppliers Training Questionnaires Audits Group ombudsman	From the start of the business relationship Regularly As needed
<b>Customers</b>	Product information and sales conditions (for dealers and private customers) Company plans and strategies for the future – sustainable development	Conferences Meetings Media (social media, press, TV) Ipsos CSR & Reputation Research	Ongoing Ipsos once per year
<b>Educational and research facilities</b>	Support Programmes etc. Social engagement	Meetings Phone calls Emails Committee meetings etc.	As needed
<b>Public-benefit organisations</b>	Various projects Social engagement	Meetings Phone calls Emails Committee meetings etc.	As needed
<b>Industrial and professional associations</b>	Regulatory framework Financial and employment policy Collective bargaining	In-person meetings Emails Membership of governing bodies and expert teams	As needed
<b>External Sustainability Council</b>	Circular economy Biodiversity Diversity Communities and stakeholder communication	Regular meetings Working groups	Regularly As needed

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Financial Section

Interaction of material IROs with the strategy and business model, and the financial impacts

[REV-SBM-3, REV-IRO-2]  
[REV-SBM-3 22, 23a, 23b, 24, REV-IRO-2 28a]

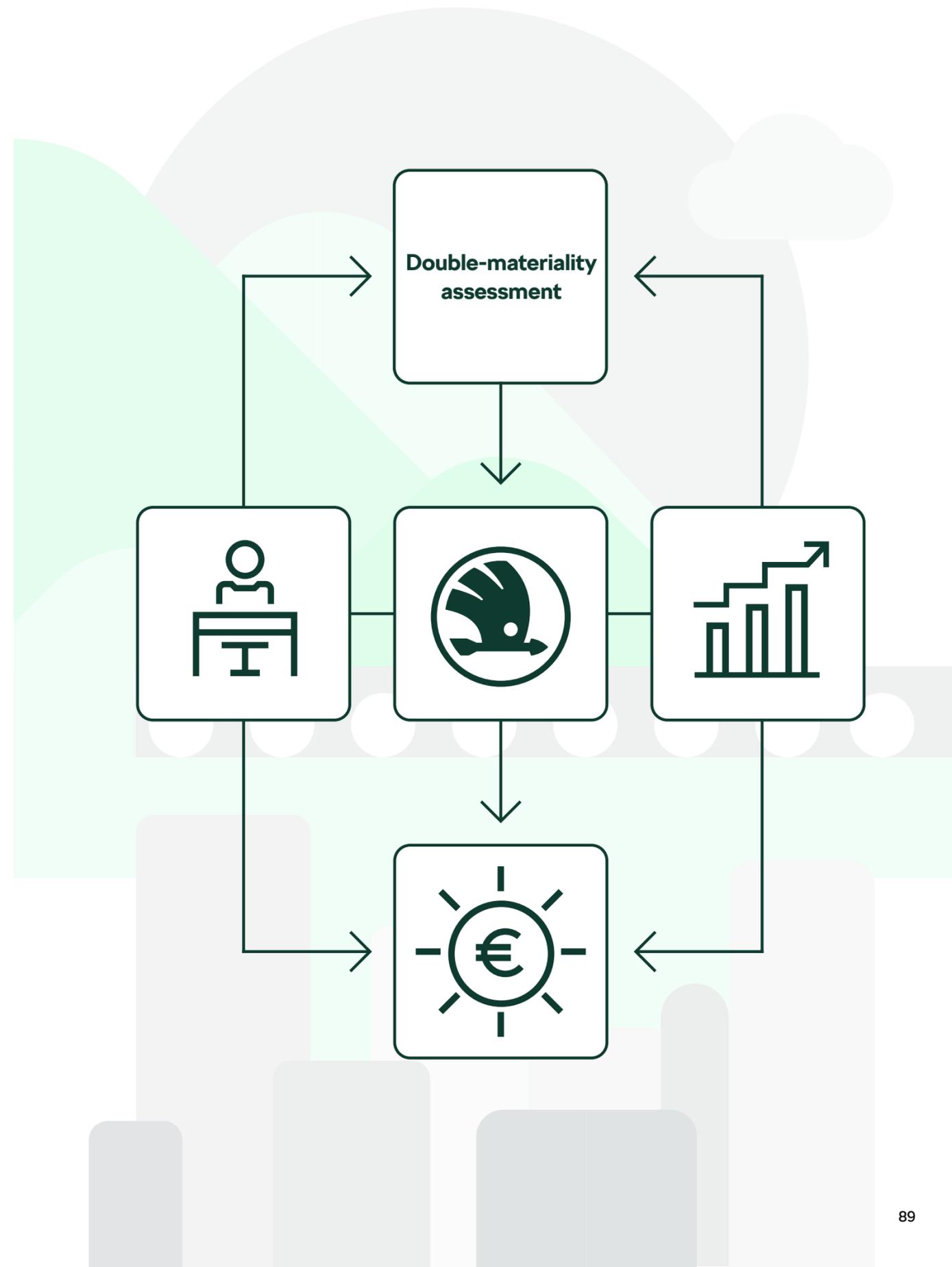
The matrix below provides an overview of the material impacts and risks identified through the double-materiality assessment (DMA). The Company did not identify any material opportunities as part of the assessment. The impacts and risks are mapped to individual topics and sub-topics in line with the ESRS. For each topic, the table shows whether positive or negative impacts or financial risks were identified, whether they relate to own operations or the value chain, and whether they are current (i.e. already occurring) or potential (i.e. impacts that may occur in the short, medium, or long term).

More detailed descriptions of the identified impacts and risks are provided at the beginning of each thematic chapter, with cross-references included directly in the table.

In determining strategic sustainability priorities, impacts across environmental, social, and economic aspects are assessed. These impacts were discussed as part of the DMA process and stakeholder dialogue, with Company management deciding on their inclusion in or exclusion from Best-in-class in ESG (Škoda Auto's sustainability strategy).

The management of impacts and risks is described at two levels in the thematic sections. At the overarching level, Škoda Auto's strategies, policies, and environmental, social, and corporate governance commitments are presented. As these strategies cover multiple topics, they are set out at the beginning of the Environment, Social Sustainability, and Corporate Governance chapters. These are followed by thematic sub-chapters that describe how the overall strategies are implemented within each topic, together with an overview of key measures, targets, and metrics.

In 2025, Škoda Auto did not identify any significant or financially recorded negative financial impacts stemming from sustainable topics according to ESRS. However, there was an increase in operational costs primarily due to rising material prices and stricter technical and regulatory requirements, as well as ongoing extensive transformative investments in electromobility, production and testing infrastructure, and digitalisation. The Company also identified potential future risks that could result in financial impacts in the coming years, particularly concerning compliance with fleet CO<sub>2</sub> emission limits and other regulatory changes.





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Topic	Sub topic and sub-sub topic	Materiality type	Upstream value chain	Own operations	Downstream value chain
<b>E1 Climate change</b>	Climate change mitigation	-	Greenhouse gas emissions		
		+	Reducing greenhouse gas emissions		
		!	Increasing regulatory requirements and complexity of standards		
	Climate change adaptation	!	Higher costs associated with e-mobility or extreme weather events		
	Energy	-	Energy consumption		
+		Measures to reduce energy consumption			
<b>E2 Pollution</b>	Pollution of air	-	Emissions of air pollutants		
	Pollution of water	-	Water quality reduction		
	Pollution of soil	-	Pollution from mining and historical environmental burdens		
	Substances of very high concern	-	Presence of chemical substances		
	Microplastics	-			Microplastics from tyre abrasion
	<b>E3 Water and Marine Resources</b>	Water withdrawals, consumption and discharges	-		Water use
<b>E4 Biodiversity and Ecosystems</b>	Direct impact drivers of biodiversity loss	-		Water, soil, and air pollution	
	Impacts and dependencies on ecosystem services	-	Damage to ecosystem services		
<b>E5 Resource Use and Circular Economy</b>	Waste	-	Waste generation		
		+	Preference for suppliers focusing on circularity		
		!	Dependence on critical and rare materials		
	Resource inflows, including resource use	-	Utilisation of non-renewable limited resources		
		+	Use of recyclable materials in products		
Resource outflows related to products and services	-	Discarded vehicles and spare parts end up in landfills if recycling is insufficient			

Positive impact
 Negative impact
 Risk
 Actual
 Potential



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Topic	Sub topic and sub-sub topic	Materiality type	Upstream value chain	Own operations	Downstream value chain
S1 Own Workforce	Working conditions – Work-life balance	+		Flexibility of working conditions	
	Working conditions – Health and safety	+		Health prevention and diagnostics	
		-		Work injuries, occupational diseases, and impacts of climate	
	Working conditions – Social dialogue	+		Effective social dialogue and transparent communication to employees	
	Working conditions – Collective bargaining, including rate of workers covered by collective agreements	+		Protection of employees through collective agreements	
	Working conditions - Working time	-		Impact of shift work on employees' health	
	Working conditions – Adequate wages	+		Wages and benefits above regional average	
	Equal treatment and opportunities for all – Gender equality and equal pay for work of equal value	+		Transparency in remuneration and gender balance	
	Equal treatment and opportunities for all – Diversity	+		Improvement of work atmosphere and support for inclusion	
	Equal treatment and opportunities for all – Training and skills development	+		Employee development beyond (legislative) job responsibilities	
Other work-related rights	+		Prevention of human rights violations		
S2 Workers in the Value Chain	Working conditions	-	Threats to health and safety of employees		
		+	Protection of employee health and safety and fair compensation		
	Equal treatment and opportunities for all	+	Support for discrimination prevention		
		-	Insufficient measures against discrimination		
	Other work-related rights	+	Prevention of human rights violations		
	-	Potential human rights violations			
	!	Potential human rights violations, such as child labour and forced labour			
S3 Affected Communities	Communities' economic, social and cultural rights	-	Mining risks: community health and land rights		
	Corporate citizenship	+		Sharing values and projects with affected communities	
S4 Consumers and End-users	Personal safety of consumers and/or end-users	-			Road traffic risks
		+			Customer safety

+ Positive impact - Negative impact ! Risk Actual Potential



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Topic	Sub topic and sub-sub topic	Materiality type	Upstream value chain	Own operations	Downstream value chain
G1 Corporate Governance	Political engagement and lobbying activities	+	Informed decision-making through political engagement		
		!	Insufficient political engagement		
	Corruption and bribery – Prevention and detection including training	+	Prevention and detection of corruption		
	Corporate culture	+	Values, ethics, and innovation in corporate culture		
	Protection of whistleblowers	+	Culture of trust, compliance, and whistleblowing		
	Management of relationships with suppliers, including payment practices	+	Proactive supplier relationship development		

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**Description of the interaction of IROs with the business model and strategy**

The Company's negative impacts and risks are intrinsically linked to its business model and the value chain in the automotive industry. Given their inherent nature, they were assessed without taking into account the Company's existing measures for their prevention or mitigation. In most areas, the measures in place are effective, and there is no reasonable expectation that their management will require changes to the business model or strategy in the future.

Through its decarbonisation strategy, the Company contributes to the Volkswagen Group's commitment aligned with the objectives of the Paris Agreement on climate change. A core pillar of the transition of the business model and strategy is the transformation of the model portfolio towards fully electric vehicles powered by energy from zero-emission sources. This transformation entails significant financial risks, driven by high investment requirements, increased material costs, and dependence on raw materials sourced from risk-exposed regions.

Market demand for fully electric models currently lags behind the original assumptions, which may affect the planned pace of decarbonisation. Nevertheless, Škoda Auto remains committed to its long-term goal of net carbon neutrality by 2050.

The Company is gradually increasing the share of electric vehicles in its sales portfolio and investing in the expansion of their production, including strengthening cooperation with suppliers. In doing so, it is building resilient and reliable supply chains for the materials and technologies required for the production of electric vehicles and batteries.

The measures implemented and planned are described in detail in the [Climate Change chapter](#). Decarbonisation also requires a transition to a circular economy, as described in the [Resource Use and Circular Economy chapter](#). The overall environmental strategy of Škoda Auto and the links between its individual areas are set out in the [Strategy – Environment chapter](#).

The Company has not adopted a standalone climate transition plan due to the current uncertainty surrounding the legislative framework, market conditions, and geopolitical risks. The existing plan and targets are currently under review at the level of the Volkswagen Group.

Material matters in other areas also closely relate to the essence of the Company's activities. Environmental impacts in terms of pollution and water withdrawal, consumption, and discharge directly result from production processes – see their description in individual chapters. Similarly, environmental and social impacts in the supply chain stem from the nature of activities within these chains and the necessary materials. Impacts in the workforce are related to the need for highly qualified employees as well as collaboration and the engagement of workers in the Company's success. Impacts on consumers and end-users are connected to the nature of automobiles as a product with inherent risks associated with their operation. Business conduct issues directly arise from the size of the Company and the necessity to ensure the transparency of the Company and conduct in accordance with regulations, ethical standards, and principles of integrity.

**Business model resilience**

The resilience of the Company's business model is closely linked to climate transition, the timely sequencing of investments, and the effective management of risks associated with the transformation of the model portfolio. In most areas, the established measures are sufficiently effective, and therefore it is not expected that managing these measures in the future will require adjustments to the business model or strategy. Given the nature of risks in other areas and the effectiveness of the measures in place to manage them, other risks do not have a material impact on the Company's business model.

Based on its climate risk analysis, the Company assessed the level of transition risks across the short-, medium-, and long-term horizons. A key factor for the resilience of the business model is the phase-out of internal combustion engine production. However, the implementation of this step will depend on legislative and market developments.

Škoda Auto currently manufactures vehicles with internal combustion engines, two fully electric models, several plug-in hybrid models, and its own battery systems. This positions the Company to take full advantage of current opportunities and to respond to rapid market development. Its business model is therefore resilient over the long-term horizon up to 2035.

The resilience of the business model and the success of the overall transformation of the Company's model portfolio depend on a range of external factors, in particular developments in the legislative environment and customer preferences.

The assessment of resilience will be continuously refined with respect to these factors, depending on the development of climate risk analysis and the adoption of a climate transition plan, which outlines measures responding to identified risks and opportunities.



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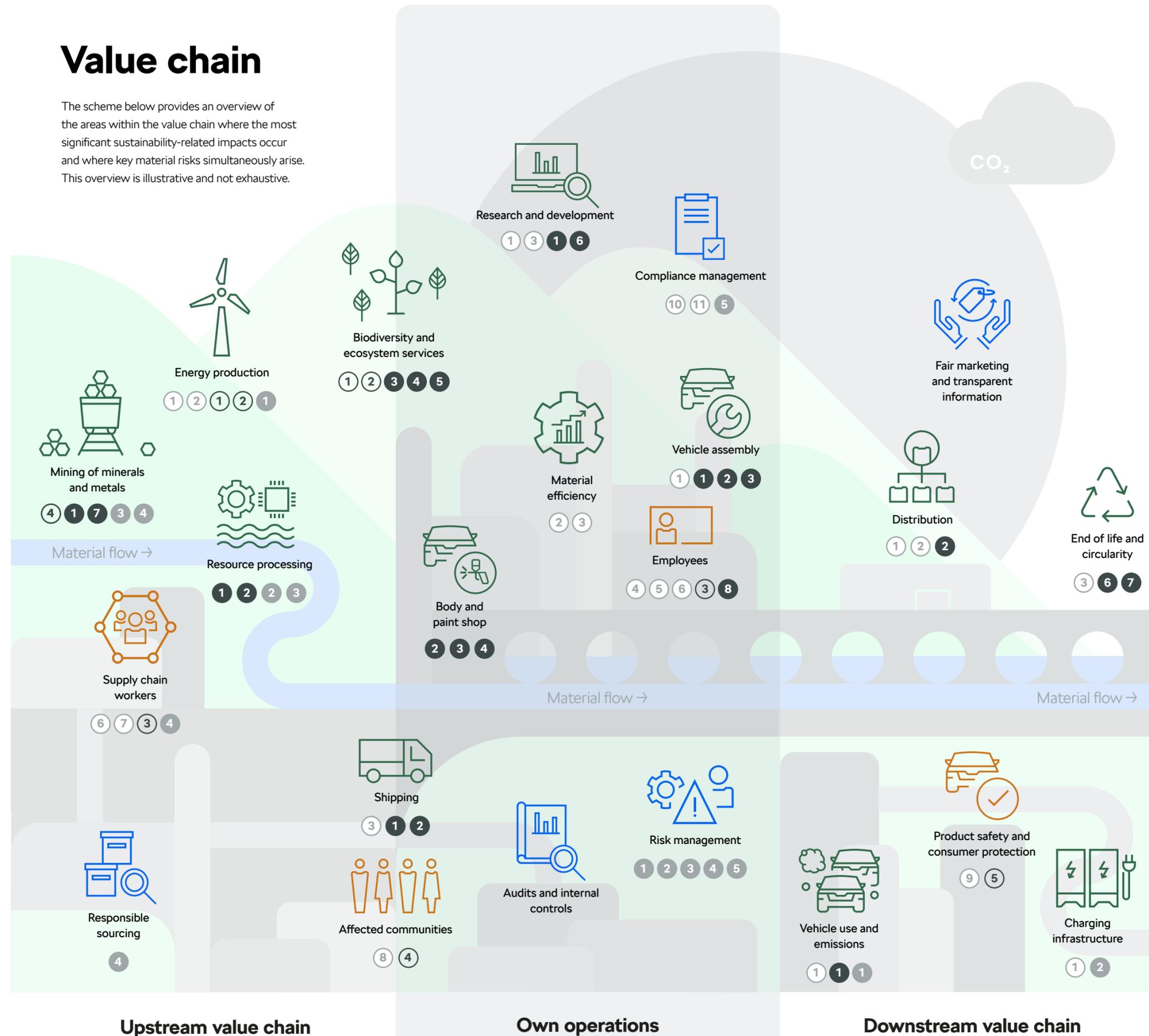
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# Value chain

The scheme below provides an overview of the areas within the value chain where the most significant sustainability-related impacts occur and where key material risks simultaneously arise. This overview is illustrative and not exhaustive.



### Positive impacts - actual

- 1 Reduction of greenhouse gas emissions (E1)
- 2 Measures to reduce energy consumption (E1)
- 3 Circularity and the use of recyclable materials (E5)
- 4 Fair, safe, and inclusive work environment (S1)
- 5 Employee health and development beyond (legislative) obligations (S1)
- 6 Prevention of discrimination and human rights violations (S1, S2)
- 7 Protection of employee health and safety and fair compensation (S2)
- 8 Sharing values and projects with affected communities (S3)
- 9 Customer safety (S4)
- 10 Values, ethics, and innovation in corporate culture (G1)
- 11 Culture of trust, compliance, and corruption prevention (G1)

### Negative impacts - potential

- 1 Degradation of water and soil quality (E2)
- 2 Presence of chemicals (E2)
- 3 Threats to employee health and safety (S1, S2)
- 4 Mining risks: community health and land rights (S3)
- 5 Road traffic hazards (S4)

### Negative impacts - actual

- 1 Greenhouse gas emissions (E1)
- 2 Energy consumption (E1)
- 3 Water usage (E3)
- 4 Pollution of water, soil, and air (E4)
- 5 Damage to ecosystem services (E4)
- 6 Waste generation and insufficient recycling (E5)
- 7 Use of limited non-renewable resources (E5)
- 8 Workplace accidents, occupational diseases, and climate impact (S1)

### Risk

- 1 Increasing regulatory demands and complexity of standards (E1)
- 2 Higher costs associated with e-mobility or the impacts of extreme weather (E1)
- 3 Dependence on critical and rare materials (E5)
- 4 Potential human rights violations, such as child and forced labour (S2)
- 5 Insufficient political engagement (G1)



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## Information on the materiality assessment process

### Description of the process to identify and assess material IROs

[REV-IRO-1] [REV-E1-2]  
[REV-IRO-1 26a, 26b, 26c, 26d, 26e, 26f]  
[REV-E1-2 18]

#### Summary of the process

The DMA process followed the recommended steps set out in ESRS 1 and the implementation guidance issued by the European Financial Reporting Advisory Group (EFRAG Implementation Guidance 1). The process therefore comprised context mapping, the identification of IROs, and their assessment against the prescribed criteria for impact materiality and financial materiality.

The identification of impacts for assessment was based on an analysis of the local context (see below), the Company's understanding of key stakeholder interests, and external sources identifying the main topics relevant to the automotive industry. These sources included, in particular, sector-specific reporting standards issued by the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI), as well as tools and recommendations of the Organisation for Economic Co-operation and Development (OECD) and the International Labour Organisation (ILO).

Internal consultations coordinated by the Corporate and Regional Strategy Department were carried out through two workshops and more than ten thematic meetings, involving approximately 50 employees from the expert departments of Škoda Auto responsible for the individual ESG areas. Relevant IROs were identified at the first workshop and quantitatively assessed at the second. The final decision on the content of the report, including the assessment of the materiality of IROs, was approved by the Škoda Auto Board of Management in July 2025.

The DMA outputs were discussed with a member of the Company's Sustainable Development Advisory Board. Trade-unions were involved through consultations with the departments responsible for communication with trade-union organisations. Three employee representatives were among the members of the Supervisory Board that approved the final report. The process also took into account the outcomes of ongoing consultations with other stakeholders as described in [the Interests and views of stakeholders chapter](#).

### Local context

Within the DMA process, environmental impacts were assessed with regard to the specific locations of Škoda Auto's operations. The assessment was based on a combination of internal data (e.g. in accordance with ISO 14001 – environmental aspects register; analyses of water consumption, emissions, and waste) and external sources (e.g. Exiobase and the World Resources Institute). With regard to potential air, water, and soil pollution, specific risk factors in the vicinity of production plants were assessed, including ambient air quality, land-use change, contamination from operational activities, and the construction of industrial premises and car parks. For each plant, the identification of impacts on biodiversity and ecosystems was based on environmental impact assessments (EIAs). At the Kvasiny plant, where an increased risk of potential negative impacts was identified due to the local context, the assessment of impacts on water resources was based on a hydrogeological assessment and long-term pumping tests. The assessment denied any negative impact of groundwater extraction on ground water levels.

The mapping of impacts relating to the Company's own workforce drew on the findings of a long-standing, robust social dialogue with employees and their representatives, as well as on specific data and processes described in [the Own Workforce chapter](#).

### Approach to the value chain

The materiality assessment covered the entire value chain. Increased risks of negative impacts across the raw material supply chain, as well as impacts arising from vehicle use, were analysed in greater depth. In assessing raw material supply chains, particular attention was paid to their extraction and processing in conflict-affected and high-risk areas, such as East and South-East Asia or Africa

Areas, activities, and business relationships within the value chain were identified using internal systems and external assessments (e.g. EIAs, public risk analyses, Exiobase, the World Resources Institute, third-party audits, the SASB, the GRI, and the OECD). In mapping heightened risks of negative impacts, the Company drew on information from the S-Rating tool governing supplier selection and contract awards, audits, the Human Rights Focus system, the Supply Chain Grievance Mechanism (SCGM), and OECD due diligence guidance. The assessment of deeper tiers of the supply chain relied on indirect (proxy) information, such as aggregated data from suppliers, publicly available regional risk analyses, or estimates based on typical practices in the sector. As direct information on lower-tier subcontractors was not always available, these alternative sources were used.

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**Materiality factors and criteria**

Identified IROs were assessed using a quantitative scoring system. The materiality threshold was set at 20 points for impacts and 30 points for risks and opportunities, in both cases out of a total of 100 possible points.

The following formulas were applied:

**Impact materiality = Severity × Probability**

Negative impact:

$$\text{Severity} = \frac{\text{Scale} + \text{Scope} + \text{Irremediability}}{3}$$

Positive impact:

$$\text{Severity} = \frac{\text{Scale} + \text{Scope}}{2}$$

**Financial materiality = Financial risk magnitude × Probability**

(opportunities are approached in the same way)

The threshold was deliberately set lower than under the methodology used by the Volkswagen Group, which applies an identical threshold of 50 points both for impacts and for risks and opportunities. The lower threshold reflected the local context of a Czech manufacturing company and the principle of proportionality under ESRS 1. For example, impacts on biodiversity were assessed as material due to land-use change in the vicinity of production plants.

In assessing IROs, the criteria for impact materiality and financial materiality set out in ESRS 1, together with the recommendations in the EFRAG Implementation Guidance, were applied strictly. In addition, the following criteria were applied beyond this framework:

- Identified IROs relating to areas in which the Company is subject to clear regulation were assessed as material, regardless of their score.
- Topics whose scores were at, or just below, the threshold but are generally considered important in the context of the automotive industry were also assessed as material. These included, in particular, sectoral standards or tools relating to due diligence and sustainability (e.g. greenhouse gas emissions, water consumption, and working conditions in the supply chain).
- Potential impacts related to human rights were always considered material, irrespective of the assessment of their probability (e.g. risks of forced and child labour).

**Identification and assessment of risks and opportunities**

Each identified impact was also assessed in terms of potential risks to the Company. A typical example is greenhouse gas emissions, which constitute both an impact and a source of transition risks. Climate change-related risks were further assessed through a dedicated climate risk analysis, as described in [the Climate Change chapter](#). An additional source of risk identification is the risk management system, which is based on the Volkswagen Group's methodology according to the recognised COSO II framework.

Risk assessment was based on the principles of the Company's standard risk management framework. Risks were evaluated on the basis of the estimated magnitude of their financial effect, expressed as a quantifiable potential loss for Škoda Auto. In assessing the magnitude of financial risk, its potential reputational impact, criminal-law consequences and likelihood were also taken into account.

Risks were further identified as a consequence of the Company's dependence on material and human resources.

**Transition risks**

Škoda Auto assesses transition risks associated with the shift towards a low-carbon economy. The assessment takes the form of a scenario analysis examining the exposure of business activities in the Company's own operations, namely vehicle and component production, as well as future trends in climate policy, technological developments, and market conditions. The analysis covers a short-term horizon (up to 2026), a medium-term horizon (2030), and a long-term horizon (2050). The analysis is based on quantitative statistical modelling and draws on internationally recognised scenarios from the Network for Greening the Financial System (NGFS) Phase V and the Global Change Analysis Model (GCAM), which integrates energy systems, agriculture, land use, and climate modelling. These are complemented by a scenario from the International Energy Agency (IEA) and scenarios for future developments in the European automotive market (GECO) developed by the Joint Research Centre (JRC). The mitigation measures considered are based on Škoda Auto's internal plans.

Three scenario types, representing different levels of climate ambition, were applied:

- the Current Policies, or Nationally Determined Contributions, scenario, reflecting current commitments;
- the Delayed Transition scenario, characterised by delayed implementation of climate measures;
- the Net Zero 2050 scenario, aimed at achieving global carbon neutrality by 2050, which is central to analysing transition shocks affecting Škoda Auto's financial position.

The transition risks analysed relate to financial shocks arising from developments in emission prices and legislation associated with the European Union Emissions Trading System (EU ETS I and ETS II), as well as from the technological transformation of the product portfolio (electrification) and expected developments in the European automotive market. These transition events were selected on the basis of the results of the double-materiality assessment, workshops with representatives of relevant Company departments, and an expert assessment that focused primarily on the relevance of transition events and the availability of statistical data and scenarios.

**Physical risks**

Škoda Auto assesses physical risks associated with the impacts of climate hazards on assets and production in its own operations. The analysis is based on global and regional climate scenarios and considers both acute and chronic climate hazards. On the basis of the results of the double-materiality assessment, workshops with representatives of relevant Company departments, and an assessment of the relevance and availability of appropriate data, the following hazards were selected for analysis from the classification under Commission Delegated Regulation (EU) 2021/2139: floods, extreme precipitation, heat stress and heatwaves, droughts, and wildfires. Physical risks are assessed based on the degree of exposure to climate hazards, sensitivity to these hazards, and the intensity of their impact on the Company's assets and production.

The assessment draws on spatial data with resolutions of 1 × 1 m (current flood maps), 1 × 1 km (future flood development), NUTS 3 (most datasets), or regional level (extreme precipitation), sourced, inter alia, from ClimRisk (the Institute of Global Change Research of the Czech Academy of Sciences), Flood Hazard, Flood Exposure, and Flood Risk Maps (T. G. Masaryk Water Research Institute and the Ministry of the Environment), and the Climate Impact Explorer (Climate Analytics). The analysis covers the main production sites in Mladá Boleslav, Kvasiny, and Vrchlabí and includes short-term (2026), medium-term (2030), and long-term (2050) horizons. It is based on two types of scenarios from the Intergovernmental Panel on Climate Change (IPCC) AR5 and AR6:

- the medium-emission socio-economic pathway SSP2-4.5, corresponding to the representative concentration pathway RCP4.5;
- the high-emission pathway SSP5-8.5, corresponding to RCP8.5, which serves as a source of shocks to Škoda Auto's financial position arising from climate hazards.

The results of the climate risk analysis are used as an input for the Company's strategic and investment planning. Although the analysis results did not demonstrate any significant physical or transition risks, some areas were nonetheless identified as material based on a strategic decision to maintain a conservative and responsible approach to managing potential risks. Physical risks were additionally added to the DMA results.



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List of all material impacts, risks, and opportunities

[REV-IRO2]  
[REV-IRO2 28a, d, e, f]

Sub / sub-sub-topic(s)	Position within the value chain	Risk / impact description	Risk / Impact (positive / negative)	Actual / potential	Time horizon
<b>Environmental</b>					
<b>Climate Change</b>					
Climate change adaptation	Upstream Own operations Downstream	Rising demand for EVs and hybrids may increase costs and reduce revenues, leading to financial losses and reputational risk. For example, constrained supply can drive up prices of lithium, cobalt, and nickel.	Risk	N/A	Short-term Medium-term Long-term
	Own operations	Floods and extreme heat could damage tangible assets and lead to financial losses in production.	Risk climate (physical)	N/A	Long-term
Climate change mitigation	Upstream Own operations Downstream	Growing regulation and compliance costs for emission standards such as Euro 7 increase the risk of penalties and reputational damage and may reduce demand for conventional cars and financial performance.	Risk climate (transition)	N/A	Short-term Medium-term Long-term
	Own operations	GHG emissions, e.g. in production, vehicle fleet operation, and offices.	Negative impact	Actual	Short-term Medium-term Long-term
	Upstream	Energy-intensive mining, processing, and manufacturing generate significant emissions.	Negative impact	Actual	Short-term Medium-term Long-term
	Downstream	Emissions from the use phase of internal combustion vehicles and from end-of-life processes (landfilling, incineration, etc.).	Negative impact	Actual	Short-term Medium-term Long-term
	Own operations	Transitioning to low-carbon operations through energy efficiency and phasing out fossil fuels (including the company fleet).	Positive impact	Actual	Medium-term Long-term
	Downstream	Shifting from internal combustion engines to hybrid and electric vehicles.	Positive impact	Actual	Short-term Medium-term Long-term
Energy	Own operations	Energy use.	Negative impact	Actual	Short-term Medium-term Long-term
	Upstream	Extraction, processing, and manufacturing are energy-intensive.	Negative impact	Actual	Short-term Medium-term Long-term



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Sub / sub-sub-topic(s)	Position within the value chain	Risk / impact description	Risk / Impact (positive / negative)	Actual / potential	Time horizon
Energy	Downstream	Energy consumption in transportation (during distribution) and in distribution centres.	Negative impact	Actual	Short-term Medium-term Long-term
	Own operations Downstream	Measures aimed at reducing energy consumption in sales and service network.	Positive impact	Actual	Medium-term Long-term

**Pollution**

Pollution of air	Upstream	Supplier activities and logistics release particulate matter and toxic pollutants, impairing air quality along production and transport routes.	Negative impact	Actual	Short-term Medium-term Long-term
	Own operations	Owned/leased fleet contributes to air pollution through exhaust emissions and particulate matter.	Negative impact	Actual	Short-term Medium-term Long-term
	Downstream	Fuel combustion during the use phase releases exhaust pollutants (NOx, PM, CO, SO <sub>2</sub> , etc.), impairing air quality and potentially causing adverse health effects (e.g. respiratory diseases).	Negative impact	Actual	Short-term Medium-term Long-term
Pollution of water	Upstream Own operations	Leaks and insufficient wastewater treatment in extraction/processing and own operations can contaminate water sources (heavy metals, hydrocarbons, chemicals) and form toxic compounds.	Negative impact	Potential	Short-term Medium-term Long-term
	Upstream	Mining and metal production activities at suppliers, including spills and waste mismanagement, can contaminate surrounding soils with toxic substances.	Negative impact	Potential	Short-term Medium-term Long-term
Pollution of soil	Own operations	Impact of old environmental burdens, such as soil and groundwater contamination in complexes from historical production operations.	Negative impact	Potential	Long-term
	Upstream Own operations Downstream	The use of SVHC in batteries increases the risk of hazardous substance releases during manufacturing, handling and especially dismantling/recycling, with impacts on water, soil, and air.	Negative impact	Potential	Short-term Medium-term Long-term
Microplastics	Downstream	Tyre wear is a major contributor to microplastics in the environment.	Negative impact	Actual	Short-term Medium-term Long-term

**Water and Marine Resources**

Water withdrawals	Own operations	Water withdrawals can lower groundwater levels and deplete local water resources, increasing the risk of water scarcity in surrounding areas.	Negative impact	Potential	Medium-term Long-term
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Sub / sub-sub-topic(s)	Position within the value chain	Risk / impact description	Risk / Impact (positive / negative)	Actual / potential	Time horizon
Water consumption	Own operations	Water is consumed in production and site operations (offices, warehouses, maintenance, and cleaning), which can increase pressure on local water resources.	Negative impact	Actual	Short-term Medium-term Long-term
Water discharges	Own operations	Manufacturing can result in significant effluents, and cooling/heating water discharges may also cause thermal pollution.	Negative impact	Potential	Short-term Medium-term Long-term

**Biodiversity and Ecosystems**

Impacts and dependencies on ecosystem services	Upstream	Mining in the supply chain can cause long-term landscape and ecosystem damage, leading to habitat loss and fragmentation.	Negative impact	Actual	Short-term Medium-term Long-term
Direct impact drivers of biodiversity loss	Own operations	Pollution of water, soil, and air can negatively affect local ecosystems, especially from washing/cleaning activities and the use of materials.	Negative impact	Actual	Short-term Medium-term Long-term

**Resource Use and Circular Economy**

Resource inflows, including resource use	Upstream Own operations	Limited availability of rare earths and other non-substitutable critical materials may disrupt supply and increase price volatility due to geopolitical risks.	Risk	N/A	Short-term Medium-term Long-term
	Upstream	Use of non-renewable limited resources in the production of key products and automobiles.	Negative impact	Actual	Short-term Medium-term Long-term
	Upstream Own operations	Selecting suppliers based on the criterion of maximising the circularity of material resources.	Positive impact	Actual	Short-term Medium-term Long-term
	Upstream	Dependence on rare earths and critical materials from geopolitically risky sources may indirectly contribute to negative environmental and social impacts.	Negative impact	Actual	Short-term Medium-term Long-term
	Own operations	Consumption of non-renewable resources.	Negative impact	Actual	Short-term Medium-term Long-term
Resource outflows related to products and services	Own operations Downstream	Efficient management of metal and packaging waste and the use of recycled materials in vehicle development reduce environmental impacts.	Positive impact	Actual	Short-term Medium-term Long-term
	Own operations Downstream	Without recycling, materials end up in landfills and additional material use occurs during the use phase (spare parts, tyres)—although there is no landfilling in production facilities.	Negative impact	Actual	Short-term Medium-term Long-term



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Sub / sub-sub-topic(s)	Position within the value chain	Risk / impact description	Risk / Impact (positive / negative)	Actual / potential	Time horizon
Waste	Downstream	A growing number of end-of-life Škoda vehicles increases the waste burden. Without recycling, materials such as metals, plastics, rubber, and glass end up in landfills and add to the waste problem.	Negative impact	Actual	Short-term Medium-term Long-term
	Own operations	Waste from own operations	Negative impact	Actual	Short-term Medium-term Long-term

**Social**

**Own Workforce**

Working conditions – Collective bargaining, including rate of workers covered by collective agreements	Own operations	Collective agreements strengthen the protection of rights and decent working conditions and help build trust between employees and the employer.	Positive impact	Actual	Short-term Medium-term Long-term
Working conditions – Health and safety	Own operations	Work injuries, occupational diseases, and climate impacts (extreme weather) can harm employee safety and wellbeing.	Negative impact	Actual	Short-term Medium-term Long-term
	Own operations	Injury prevention, ergonomics, and management of climate risks (extreme weather), together with health prevention, reduce work-related risks and promote employee wellbeing.	Positive impact	Actual	Short-term Medium-term Long-term
Equal treatment and opportunities for all – Gender equality and equal pay for work of equal value	Own operations	Pay transparency and gender balance.	Positive impact	Actual	Short-term Medium-term Long-term
Equal treatment and opportunities for all – Training and skills development	Own operations	Škoda Academy develops employees' professional and cross-functional skills, aligns learning with business needs, and provides vocational training for apprentices.	Positive impact	Actual	Short-term Medium-term Long-term
Equal treatment and opportunities for all – Diversity	Own operations	Diversity and inclusion programmes across nine dimensions strengthen equal opportunities and fair treatment, increase the sense of belonging and psychological safety, and reduce discrimination risks.	Positive impact	Actual	Short-term Medium-term Long-term
Working conditions – Adequate wages	Own operations	An employer offering salaries above the regional average and a wide range of benefits.	Positive impact	Actual	Short-term Medium-term Long-term
Working conditions – Working time	Own operations	Shift work affects employees' health.	Negative impact	Actual	Short-term Medium-term Long-term
Working conditions – Social dialogue	Own operations	Employee communication is conducted via management and team meetings, union dialogue, and joint committees. Feedback is collected through myVOICE and CMX survey, and internal updates are shared via the portal and app, direct mailings, and crisis SMS.	Positive impact	Actual	Short-term Medium-term Long-term



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Sub / sub-sub-topic(s)	Position within the value chain	Risk / impact description	Risk / Impact (positive / negative)	Actual / potential	Time horizon
Working conditions – Work-life balance	Own operations	Flexible working hours, remote work, support for employees on parental leave.	Positive impact	Actual	Short-term Medium-term Long-term
Other work-related rights*	Own operations	Beyond legal requirements, Škoda Auto verifies identity documents before onboarding to prevent employing individuals under 15.*	Positive impact	Actual	Short-term Medium-term Long-term

Workers in the Value Chain

Working conditions – Adequate wages	Upstream	Fair and adequate pay for workers at direct suppliers supports decent working conditions and strengthens social responsibility across the value chain.	Positive impact	Actual	Short-term Medium-term Long-term
	Upstream	The possibility of inadequate pay may be particularly relevant in mining and selected suppliers of parts used in calibration tools.	Negative impact	Potential	Short-term Medium-term Long-term
Working conditions – Health and safety	Upstream	Workers in high-risk activities such as mining, maritime operations, and the production of key products may face increased risks of injury and health impacts.	Negative impact	Potential	Short-term Medium-term Long-term
	Upstream	Prevention in the value chain is supported by misconduct reporting, monitoring, and screening of business partners through due diligence, including the sales side.	Positive impact	Actual	Short-term Medium-term Long-term
Equal treatment and opportunities for all – Measures against violence and harassment in the workplace	Upstream	Possible violence and harassment.	Negative impact	Potential	Short-term Medium-term Long-term
	Upstream	Preventing violence and harassment strengthens a safe and respectful workplace, improving wellbeing and dignity for employees and external workers.	Positive impact	Actual	Short-term Medium-term Long-term
Other work-related rights*	Upstream	Possible reputational or sanctionary consequences resulting from human rights violations.	Risk	N/A	Short-term Medium-term Long-term
	Upstream	Possibility of child and forced labour, particularly in high risk regions.	Negative impact	Potential	Short-term Medium-term Long-term
	Upstream	Proactive prevention of child labour and forced labour beyond legal requirements strengthens human rights protection, particularly for high-risk commodities and regions.*	Positive impact	Actual	Short-term Medium-term Long-term

\*In terms of child and forced labour, there is no elevated exposure to incidents within our own operations. However, in the upstream part of the value chain, there are areas with a higher risk of human and labour rights violations, including child and forced labour.



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Sub / sub-sub-topic(s)	Position within the value chain	Risk / impact description	Risk / Impact (positive / negative)	Actual / potential	Time horizon
<b>Affected Communities</b>					
Corporate citizenship	Own operations	Positive impact on local communities through CSR activities and partnerships, including support for education, science, community projects, and charities.	Positive impact	Actual	Short-term Medium-term Long-term
Communities' economic, social and cultural rights	Upstream	Mining and manufacturing can affect land rights and harm local communities' health and safety through water pollution and emissions of dust and other pollutants.	Negative impact	Potential	Short-term Medium-term Long-term
<b>Consumers and End-users</b>					
Personal safety of consumers and/or end-users – Health and safety	Downstream	High active safety standards and early prevention and detection of defects before sale reduce accident risk and protect customers' health and safety.	Positive impact	Actual	Short-term Medium-term Long-term
	Downstream	Road traffic is inherently risky, so accidents involving products may still cause injuries or fatalities despite prevention. This reinforces the need for further innovation and preventive measures.	Negative impact	Actual	Short-term Medium-term Long-term
<b>Governance</b>					
<b>Business Conduct</b>					
Corporate culture	Own operations	Corporate culture and the Code of Conduct "Our Code" support ethical, compliant business practices and create a fair working environment with positive societal impacts.	Positive impact	Actual	Short-term Medium-term Long-term
Corruption and bribery – Prevention and detection including training	Upstream Own operations Downstream	The Code of Conduct for Business Partners of the Volkswagen Group requires lawful lobbying and ethical conduct towards the public sector. Due diligence on the ethical origin of raw materials reduces corruption and bribery risks and strengthens trust and fair competition.	Positive impact	Actual	Short-term Medium-term Long-term
Protection of whistleblowers	Own operations	Secure reporting channels and protection against retaliation enable early detection of misconduct and strengthen trust.	Positive impact	Actual	Short-term Medium-term Long-term
Management of relationships with suppliers, including payment practices	Upstream Own operations	The company proactively develops relationships with its suppliers (fair procurement conditions and equitable payment practices), thereby supporting suppliers' development and competitiveness, for example through training, know-how sharing (cooperation with Škoda Auto on materials development), the option of shortened payment terms, and other measures.	Positive impact	Actual	Short-term Medium-term Long-term
Political engagement and lobbying activities	Own operations Downstream	Poorly conducted or misinterpreted lobbying activities, including perceived shortcomings in the protection of working conditions, could expose the Company to reputational risks and, in extreme cases, result in strike action.	Risk	N/A	Short-term Medium-term Long-term
	Upstream Own operations Downstream	Supporting informed public decision-making through policy engagement, with a positive impact on the business environment.	Positive impact	Actual	Short-term Medium-term Long-term



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**List of data points in cross-cutting and theme-based standards derived from other EU legislation**

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ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21(e)			Commission Delegated Regulation (EU) 2020/1816, Annex II		85
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10, Table 3 of Annex I				86
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40(d)(i)	Indicator number 4, Table 1 of Annex I	Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453, (28) Table 1: Qualitative information on environmental risk, and Table 2: Qualitative information on social risk	Commission Delegated Regulation (EU) 2020/1816, Annex II		-
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40(d)(ii)	Indicator number 9, Table 2 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		-
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40(d)(iii)	Indicator number 14, Table 1 of Annex I		Commission Delegated Regulation (EU) 2020/1818, (29) Article 12(1); Commission Delegated Regulation (EU) 2020/1816, Annex II		-
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40(d)(iv)			Commission Delegated Regulation (EU) 2020/1818, Article 12(1); Commission Delegated Regulation (EU) 2020/1816, Annex II		-
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	115
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks paragraph 16(g)		Regulation (EU) 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Commission Delegated Regulation (EU) 2020/1818, Article 12(1)(d)–(g) and Article 12(2)		-



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Environment	ESRS E1-5 Energy consumption from fossil sources, disaggregated by source (high climate-impact sectors only) paragraph 38	Indicator number 5, Table 1, and Indicator number 5, Table 2 of Annex I				117
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	ESRS E1-5 Energy intensity associated with activities in high climate-impact sectors paragraphs 40–43	Indicator number 6, Table 1 of Annex I				117
	ESRS E1-6 Gross Scope 1, 2, 3 and total GHG emissions paragraph 44	Indicator numbers 1 and 2, Table 1 of Annex I	Regulation (EU) 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Commission Delegated Regulation (EU) 2020/1818, Article 5(1), Article 6, and Article 8(1)		118–119
	ESRS E1-6 Gross GHG emissions intensity paragraphs 53–55	Indicator number 3, Table 1 of Annex I	Regulation (EU) 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Indicators of potential climate change transition risk: Alignment metrics	Commission Delegated Regulation (EU) 2020/1818, Article 8(1)		119
	ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	115, 120
	ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Commission Delegated Regulation (EU) 2020/1818, Annex II; Commission Delegated Regulation (EU) 2020/1816, Annex II		–
	ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66(a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66(c)		Regulation (EU) 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47, Template 5: Banking book – Indicators of potential climate change physical risk: Exposures subject to physical risk			–
	ESRS E1-9 Breakdown of the carrying value of real estate assets by energy-efficiency class paragraph 67(c)		Regulation (EU) 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, paragraph 34, Template 2: Banking book – Indicators of potential climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			–
	ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Commission Delegated Regulation (EU) 2020/1818, Annex II		–

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ESRS E3-4 Total water recycled and reused paragraph 28(c)	Indicator number 6.2, Table 2 of Annex I				127
ESRS E3-4 Total water consumption in m <sup>3</sup> per net revenue on own operations paragraph 29	Indicator number 6.1, Table 2 of Annex I				127
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ESRS 2 – IRO 1 – E4 paragraph 16(c)	Indicator number 14, Table 2 of Annex I				99
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24(b)	Indicator number 11, Table 2 of Annex I				130
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24(c)	Indicator number 12, Table 2 of Annex I				-
ESRS E4-2 Policies to address deforestation paragraph 24(d)	Indicator number 15, Table 2 of Annex I				-
ESRS E5-5 Non-recycled waste paragraph 37(d)	Indicator number 13, Table 2 of Annex I				134-135
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9, Table 1 of Annex I				134-135
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour paragraph 14(f)	Indicator number 13, Table 3 of Annex I				101
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	ESRS S1-16 Unadjusted gender pay gap paragraph 97(a)	Indicator number 12, Table 1 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		154
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	ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 104(a)	Indicator number 10, Table 1, and Indicator number 14, Table 3 of Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II; Commission Delegated Regulation (EU) 2020/1818, Article 12(1)		154
	ESRS 2 – SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11(b)	Indicators number 12 and 13, Table 3 of Annex I				101
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\*Unless otherwise stated, the indicators are not validated by any external party other than the assurance service provider.



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# Strategy – Environment



The goTOzero environmental mission provides the overarching framework for all environmental activities across the Volkswagen Group and serves as a reference point for environmental policy, programmes, targets, performance indicators, and measures. GoTOzero focuses on four key areas – environmental compliance, resource efficiency, ecosystem conservation, and climate protection – with the objective of achieving net carbon neutrality by 2050.

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Summary of strategy and policy

[REV-E1-4; REV-E2-1; REV-E3-1; REV-E4-2; REV-E5-1; REV-GDR-P, REV-GDR-M, REV-GDR-T] [REV-GDR-P 34a, 34b, 34c]

The objective of goTOzero is to systematically reduce the Volkswagen Group’s environmental impacts across the entire product life cycle and throughout the supply chain. The strategy has a global scope and applies to all relevant Volkswagen Group operations and brands, including Škoda Auto. It also extends to the supply chain, where cooperation with partners targets reductions in primary raw material use and emissions across the value chain. This area poses one of the most significant challenges in decarbonisation and forms part of the broader approach to achieving climate neutrality. The effort is to minimise greenhouse gas emissions not only in manufacturing, but also in raw material extraction, parts logistics, vehicle distribution, and vehicle use.

Škoda Auto builds on this framework through its GreenFuture strategy. This commitment, which is subject to ongoing review and adjustment in response to evolving requirements and conditions, aligns the Company with the vision of a net CO2 neutral production and pursues reductions in environmental impacts across the full life cycle of its products and services. The strategy objective is the regeneration of natural resources and a reduced environmental footprint through efficient material use, recycling, energy efficiency, and the promotion of renewable energy sources. Principles of sustainable resource management are applied across all phases of the product life cycle. The environmental strategy forms part of Škoda Auto’s overarching sustainability strategy, Best-in-Class in ESG.

During 2026, the strategy will be transformed into Smart Sustainability, which combines responsibility with economic pragmatism to strengthen resilience in today’s volatile environment.

The individual pillars of GreenFuture – GreenFactory, GreenProduct, and GreenRetail – translate the strategy into concrete targets for environmentally responsible manufacturing, sustainable products, and the sales and service network. The Company holds ISO 14001 (Environmental Management System) and ISO 50001 (Energy Management System) certifications. It also complies with the Industrial Emissions Directive (IED, 2010/75/EU), Act No 76/2002 on integrated pollution prevention, and applies BAT (best available techniques) Conclusions relevant to its manufacturing processes.

Responsibility for implementing GreenFuture at Škoda Auto rests with the heads of Brand Management, Corporate and Product Strategy, and Customer Experience.

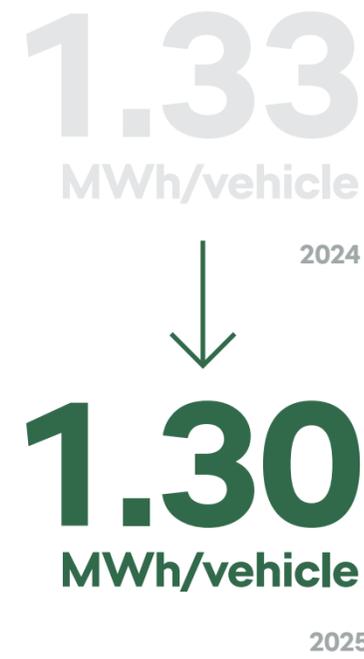
GreenFuture

GreenFuture is Škoda Auto’s overarching framework for environmental activities and represents its long-term commitment to achieving net carbon neutrality and sustainable development across all three production sites. It is structured around three pillars:

- GreenFactory – focused on the environmental aspects of manufacturing and on energy efficiency; see the description of impacts, risks, and opportunities (IROs) in the chapters Climate Change, Pollution, Water and Marine Resources, and Resource Use and Circular Economy;
- GreenProduct – centred on the development of low-emission vehicles and the use of recycled materials; see the IRO descriptions in the chapters Climate Change, Pollution, Water and Marine Resources, and Resource Use and Circular Economy;
- GreenRetail – promoting an environmentally responsible approach within the sales and service network; see the IRO descriptions in the chapters Climate Change and Resource Use and Circular Economy.

The Company actively reduces environmental impacts across all stages of the value chain, including by promoting environmentally responsible solutions among partners and customers.

Škoda Auto places a strong emphasis on a sustainable supply chain as an integral element of the GreenFuture environmental strategy. Suppliers are engaged in the Company’s environmental policy through the Code of Conduct for Business Partners and sustainability assessments (see the S-Rating in the Business Conduct chapter).



Škoda Auto is reducing the energy required to produce a vehicle.

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**GreenFactory**

GreenFactory covers activities aimed at the efficient use of natural resources and the minimisation of environmental impacts in manufacturing. Since 2010, the Company has monitored the environmental impacts of production using the key indicator UEP (Umweltentlastung Produktion) and has committed to reducing negative manufacturing impacts across all production plants. The indicator is calculated on the basis of five core parameters: energy consumption, CO<sub>2</sub> emissions, production waste sent to landfill, water withdrawals, and volatile organic compound (VOC) emissions. UEP is split into two components: GUEP (global UEP), weighted at 60%, and LUEP (local UEP), weighted at 40%. GUEP comprises energy consumption and CO<sub>2</sub> emissions, each with equal weight. LUEP covers water withdrawals, VOC emissions, and production waste sent to landfill, again with equal weight. The resulting UEP is calculated as a weighted average of these components. All indicators are monitored per vehicle produced. UEP will be replaced in 2026 with a new Group-wide methodology.

The target is to reduce all of the indicators listed below by 52.5% by the end of 2025 compared with the 2010 baseline, per vehicle produced, and the Company has achieved this target.

- I. CO<sub>2</sub> emissions from own production (kg/vehicle);
- II. VOC emissions (kg/vehicle);
- III. water withdrawals (m<sup>3</sup>/vehicle);
- IV. energy consumption (MWh/vehicle);
- V. production waste sent to landfill (kg/vehicle).

Škoda Auto also aims to achieve net CO<sub>2</sub>-neutral production by 2030.

Responsibility for the implementation of GreenFactory rests with the Head of Environmental and Work Protection, in cooperation with the heads of the individual production plants.

**GreenProduct**

The Company prioritises the development of vehicles with low and zero operational (use-phase) emissions and high energy efficiency across the entire product life cycle. This approach covers manufacturing (both within Škoda Auto and at suppliers), energy consumption during use, and environmentally sound end-of-life treatment. Key objectives include increasing the share of recycled and biodegradable materials, reducing vehicle weight, and further expanding the range of electrified models. The policy also encompasses assessments of environmental impacts across the full vehicle life cycle using the LCA (life cycle assessment) method.

Activities in this area are governed by a broad regulatory framework, in particular European legislation on emission limits (EU Regulation 2019/631), the End-of-Life Vehicles Directive, and the principles of the EU Taxonomy.

Priorities and targets in this area are informed by the results of customer surveys on sustainability perceptions, as well as by ongoing dialogue with component suppliers.

Responsibility for product sustainability management rests with the Product Sustainability and Product CO<sub>2</sub> Management Unit.

**GreenRetail**

GreenRetail is Škoda Auto's strategy for the sustainable development of the sales and service network. It comprises measures aimed at reducing the carbon footprint, ensuring efficient resource use, managing waste, and improving environmental and social standards. A key instrument is the goTOzero Retail certification, which helps to define and assess sustainable practices across the entire network. The strategy includes initiatives focused on transforming waste into resources and reusing materials in operations, with the aim of environmentally transforming Škoda Auto's sales and service network. Objectives include reducing the environmental footprint of dealerships, introducing renewable energy sources and digital processes, and promoting circular material management ([see the Resource Use and Circular Economy chapter](#)). The policy applies to all authorised partners in Europe.

Responsibility for implementing the GreenRetail policy rests with the Retail and Customer Experience Unit, in cooperation with the After Sales Systems and Resources Division, which monitors partners' progress towards environmental targets.

**Škoda Auto CZ (2025 results)**

	2010	2024		2025		
	Base	Result	Reduction	Result	Reduction	Plan
 <b>Energy consumption [MWh/car]</b>	2.26	1.33	41.1%	1.30	42.4%	38%
 <b>CO<sub>2</sub> emissions [kg/car]</b>	1 101	378	65.7%	367	66.7%	65%
 <b>Waste [kg/car]</b>	28.69	0.00	100%	0.00	100%	100%
 <b>Water withdrawals [m<sup>3</sup>/car]</b>	2.76	1.66	39.9%	1.60	42.0%	31%
 <b>VOC emissions [kg/car]</b>	2.86	1.24	56.7%	1.14	60.1%	32%
 <b>UEP*</b>			<b>58.2%</b>		<b>59.6%</b>	<b>52.5%</b>
<b>Production (car)</b>	514,612	897,160		947,140**		

\*Umweltentlastung Produktion (indicator used to measure the environmental impact of production)

\*\*does not include pre-series vehicles

**Škoda Auto Policy**

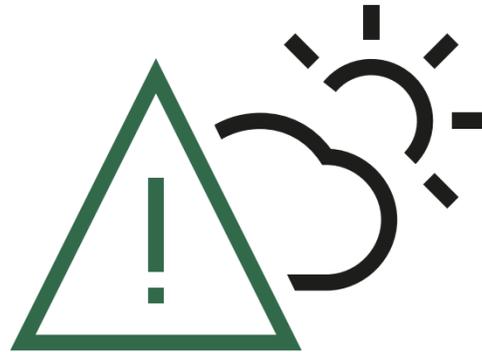
The Škoda Auto Policy provides a binding framework for environmental protection across the entire vehicle life cycle, from design and manufacturing through use by the customer to reuse and recycling ([see the Resource Use and Circular Economy chapter](#)). The Policy aims not only to limit impacts on the environment and biodiversity, but also to promote efficient resource use and increased energy efficiency.

Given that the Company's business activities are concentrated in the Czech Republic and subject to strict environmental regulation, Škoda Auto is not exposed to an increased risk of breaches of environmental standards.

The Policy applies to all Škoda Auto production plants in the Czech Republic and also extends to all suppliers and partners whose activities have environmental impacts relevant to the product life cycle. It further covers research and development activities related to electrification and the circular economy ([see the Resource Use and Circular Economy chapter](#)).

The Policy is based primarily on the results of analyses of environmental aspects and impacts and has been informed by internal consultations with the heads of individual production plants. Parallel to this, dialogue has been conducted with local communities and public authorities, including regional environmental authorities.

# Climate Change



## Impact, risk, and opportunity assessment

[REV-SBM-3, REV-IRO-2, REV E1-1, REV E1-2]  
[REV-E1-1 15, REV-E1-2 17]

Greenhouse gas emissions generated across all phases of a vehicle's life cycle (from raw material extraction through manufacturing and customer use to end-of-life recycling) contribute to the production of greenhouse gases. Škoda Auto therefore aligns with the objectives of the Paris Agreement and the European Union's commitment to achieve climate neutrality by 2050. A core pillar of the Company's strategy is the transformation of its model portfolio towards fully electric vehicles powered by energy from zero-emission sources.

Direct emissions from the Company's own manufacturing processes and vehicle fleet (Scope 1) as well as purchased energy and heat (Scope 2) account for a smaller share of the overall carbon footprint, but they are emissions the Company can influence directly. At present, these emissions still partly depend on the use of fossil fuels for heat and energy generation. Part of the long-term plan is therefore the transition to CO<sub>2</sub>-neutral production.

This necessary transformation entails significant financial risks, driven by high investment requirements, increased material costs, and dependence on raw materials sourced from risk-exposed regions. At the same time, market demand for fully electric models is developing more slowly than initially anticipated. Consequently, the Company also faces risks related to compliance with increasingly stringent CO<sub>2</sub> tailpipe-emission regulations and to achieving the planned pace of decarbonisation by 2050. Progress in decarbonisation is measured by the decarbonisation index (DKI), which expresses the reduction of CO<sub>2</sub>e emissions throughout the entire value chain per vehicle produced.

### Climate change mitigation, Energy – impacts

The largest share of the Company's greenhouse gas emissions arises in Scope 3 (approximately 99% in 2025). Of this amount, around 69% is attributable to vehicle use, in particular the operation of vehicles with internal combustion engines.

Reported emissions from vehicle use include certified offsets for emissions arising from the production of electricity used to operate BEV and PHEV vehicles. These offsets are delivered through investments in new zero-emission energy sources (solar and wind power plants) located in regions with a high share of electrified Škoda vehicles.

A further material share of Scope 3 emissions (25%) arises from purchased goods and services, particularly parts and components used in production. These emissions stem mainly from the extraction and processing of steel, aluminium, and battery materials. In cooperation with the supplier (upstream value) chain, the Company reduces CO<sub>2</sub> emissions in this area with each new model. A further share of Scope 3 emissions arises from transport associated with distribution activities and from the operation of distribution centres.

Topic, Subtopic	IRO*	Upstream	Own operations	Downstream	Addressed by		
					policies	activities	targets
Climate change mitigation	-	Greenhouse gas emissions			✓	✓	
	+		Reducing greenhouse gas emissions		✓	✓	
	!	Increasing regulatory requirements and complexity of standards			✓	✓	
Climate change adaptation	!	Higher costs associated with e-mobility or extreme weather events			✓		
Energy	-	Energy consumption			✓	✓	✓
	+		Measures to reduce energy consumption		✓	✓	✓

\*Materiality type (impacts, risks, opportunities)



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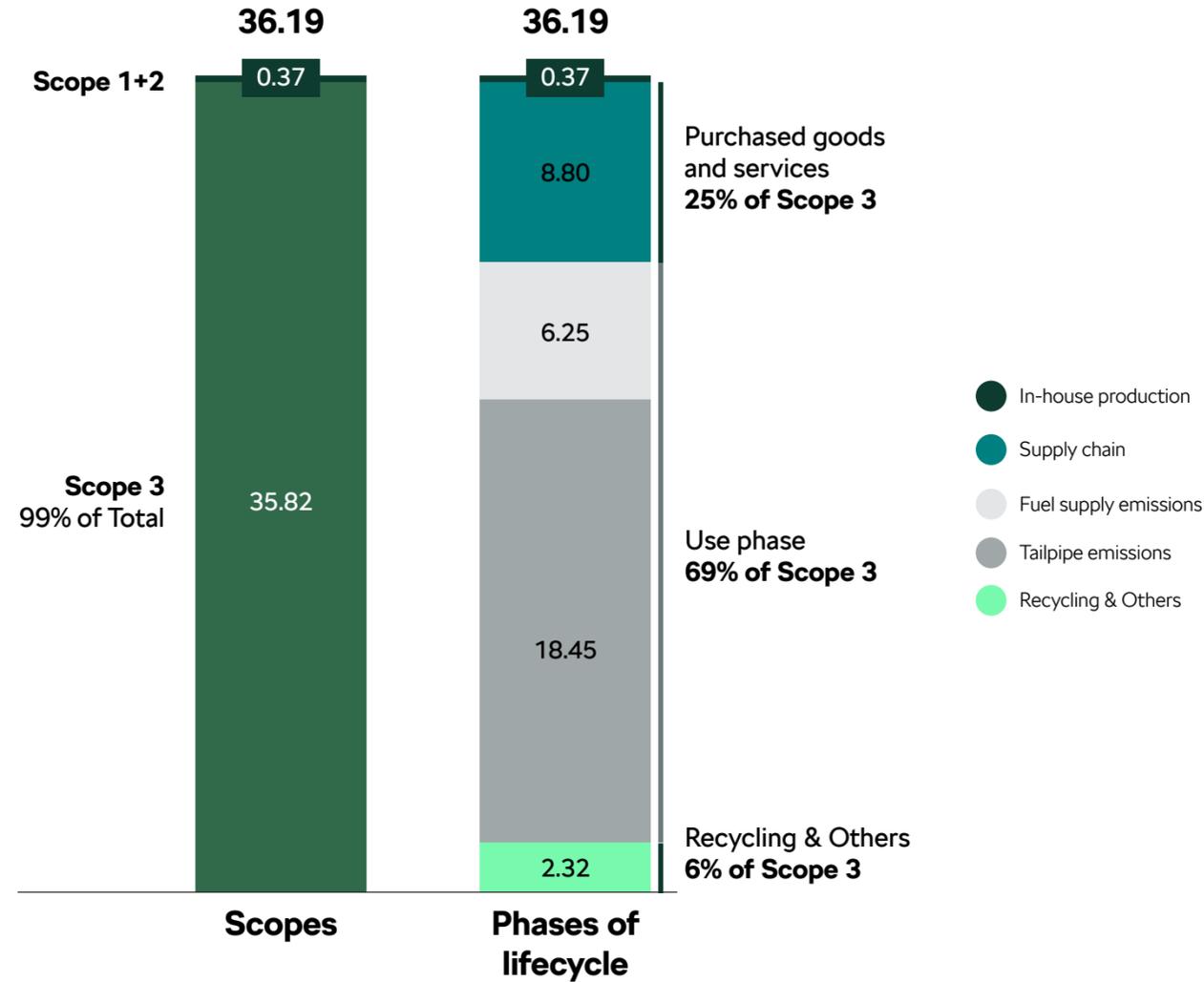
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DCI phases and achieved values (tCO<sub>2</sub>e/vehicle) in the reported period



Climate change mitigation – risks

Climate change is a significant source of risk for the Company. The transition to a low-carbon economy has been assessed as material, particularly in light of regulatory pressure arising from the EU emissions trading system and growing emission legislation requirements in the automotive industry. Stricter emission standards, including the upcoming Euro 7 regulation, increase the costs of compliance with regulatory requirements and the associated risk of penalties and reputational damage in the event of non-compliance. The risk may also negatively affect demand for conventional vehicles and the Company's economic situation.

Climate change adaptation

From the perspective of physical climate risks, flooding and heatwaves linked to heat stress have been assessed as material, despite the non-material outcome of the climate risk analysis. Over the long term, certain production sites may be exposed to flooding, while all of the Company's plants will face heatwaves and related thermal stress. These risks may have a lasting impact on asset values, production continuity, and damage remediation costs.

The Company also faces potential risks of increased costs associated with the development of e-mobility. These risks are managed within the broader business strategy of the Next Level Škoda Strategy, which focuses on strengthening financial stability and effectively managing investments in new technologies. This approach allows the Company to maintain long-term competitiveness even in a rapidly changing market environment.



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# 1



### Avoid

Effective and sustainable CO<sub>2</sub> avoidance, e.g. by energy efficiency

# 2



### Reduce

Switching to renewable energy sources in all steps of the value chain

# 3



### Offset

Carbon offsetting of production in the Czech Republic

## Implementation of strategy

[REV-E1-4, E1-9]  
[REV-GDR-P 34a, 34b]

Climate change is an important topic for Škoda Auto, and climate protection is a core pillar of the Next Level Škoda Strategy, which focuses on portfolio electrification, the development of battery system production, and investments in e-components ([see the Strategy – Environment chapter](#)). Policies and strategies related to climate transformation are closely linked to the transition to a circular economy and to the procurement of materials and battery cells, which are addressed under the regenerate+ Group strategy and described in [the Resource Use and Circular Economy chapter](#).

To manage risks related to climate change mitigation, the Company is implementing the measures outlined below. These focus on improving energy efficiency, transitioning to zero-emission energy sources, and increasing the share of electrified vehicles. Together, they reduce both the Company's carbon footprint and its economic vulnerability, while supporting long-term decarbonisation in line with global climate objectives.

The results of the climate risk analysis will be used to supplement the existing preparation of adaptation measures ([see the Activities section](#) at the end of this chapter). These measures are designed to strengthen the resilience of production facilities to extreme events and to minimise potential financial losses.

Škoda Auto purchases carbon credits (Verified Carbon Units from the VERRA registry) amounting to 85 tons of CO<sub>2</sub>e to offset or achieve carbon neutrality solely for the Vrchlábí plant, and they have been retired from the registry in full in 2025. This is an annual one-time commitment.

The Company does not currently have a dedicated climate transition plan and is not in the process of preparing one.

## Carbon-neutral manufacturing

Škoda Auto systematically reduces energy consumption by optimising production processes and modernising technologies. Key measures include lowering natural gas consumption, improving the efficiency of thermal energy management, transitioning to LED lighting, and expanding the use of energy recuperation. Emission intensity is further reduced through the reuse of waste heat from technological processes in ventilation systems, metallurgical operations, paint shops, and the Engine Centre.

In this context, the Company has committed to reducing the environmental impact of production by meeting requirements relating to UEP (the indicator used to measure the environmental impact of production). This indicator covers energy consumption and CO<sub>2</sub> emissions per car produced, which together account for 60% of total UEP. The indicator and the related target are described in [the Strategy – Environment chapter](#).

The in-house logistics fleet has four CNG trucks and diesel trucks. Since May 2025, 14 diesel trucks have been using hydrogenated vegetable oil (HVO) as fuel. Three electric lorries are currently in service, and diesel-powered handling vehicles are gradually being replaced by electric alternatives. Logistics operations also make long-term use of electric tractor units with trailers operated by Internal ŠKODA Ecological Transport (EDIS). In the reporting year, a new EDIS 3.1 trailer was introduced, which replaces around 90% of a conventional semi-trailer, allowing one diesel tractor unit with a semi-trailer to be replaced.

The Company does not operate its own energy sources; all energy is supplied by ŠKO-ENERGO. Of the energy supplied by ŠKO-ENERGO, 60% comes from fossil sources and 40% from renewable sources, with the share of renewables expected to increase further in the coming years.

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**Supply chain**

The Company is steadily introducing stringent requirements for the carbon footprint of components and promoting more energy-efficient processes. As part of sustainability assessments (S-Rating; see the [Business Conduct chapter](#)), the Company requires business partners to implement an environmental policy focused, among other things, on energy efficiency and renewable energy sources. The S-Rating also monitors the presence of an energy management system and tracks the share of renewable sources in the energy mix.

**Sales and service network**

Since 2021, the Company has worked with other Group brands under the goTOzero Retail project to decarbonise the sales and service network. The goTOzero Retail certification system, based on established ISO standards (ISO 14001 and ISO 50001) and other assessment frameworks, is being rolled out in stages. An independent audit assesses around 70 indicators across several areas, including the energy consumption of buildings. In 2023, the certification was piloted in eleven markets, and by the end of 2025 more than 200 dealers across the Volkswagen Group's global sales network had obtained sustainable dealer certification.

**Portfolio transformation and operation of electric vehicles**

The 2025 product portfolio comprises two battery electric vehicle (BEV) models and seven internal combustion engine (ICE) models, two of which (the Superb and the Kodiaq) are also available as PHEVs. The Company plans to gradually increase the global share of BEV and PHEV vehicles and to expand battery and e-component production.

Portfolio transformation is complemented by support for the development of zero-emission energy for charging infrastructure. The Company co-finances solar and wind energy projects to offset emissions from charging electrified vehicles where electricity from fossil sources is used. Customers are also offered home wallboxes with a guaranteed origin of electricity from renewable sources.

**Key activities in 2025**

[REV-E1-5]  
[REV-GDR-A 37a, 37b]

Škoda Auto has implemented measures to address identified physical climate risks. Actions to mitigate the risk of extreme heat include adjustments to ventilation, the shading of production halls, temperature optimisation, and ensuring adequate fluid intake for employees during periods of extreme temperatures.

To address flood risk, infrastructure and drainage systems have been reinforced, crisis plans introduced, and cooperation with insurers established. Together, these measures strengthen operational resilience and protect employees and assets from physical climate risks.

Key activities and action plan	Expected outcomes and current status	Classification under the mitigation hierarchy	Related targets
Increasing the share of BEVs and PHEVs in EU27 + Norway + Iceland + UK	Higher than the previous year Currently: BEVs: 20.2% versus 10.1% from 2024 PHEVs: 5.3% versus 2.7% from 2024	mitigation	The specific target depends on the final CO <sub>2</sub> regulation in the EU
Green Energy in Use phase of registered BEVs	295.15 GWh of renewable electricity was secured for the grid to power the charging of electrified vehicles in 2025**	mitigation	
Increased energy efficiency and reduced costs (environmentally and economically efficient vehicle production)	The reduction in 2025 is 42.4%.	mitigation	UEP* reduction in energy consumption per vehicle by 38%
Management Cockpit	Monitoring of key parameters: energy consumption, CO <sub>2</sub> emissions and other environmental parameters	mitigation	

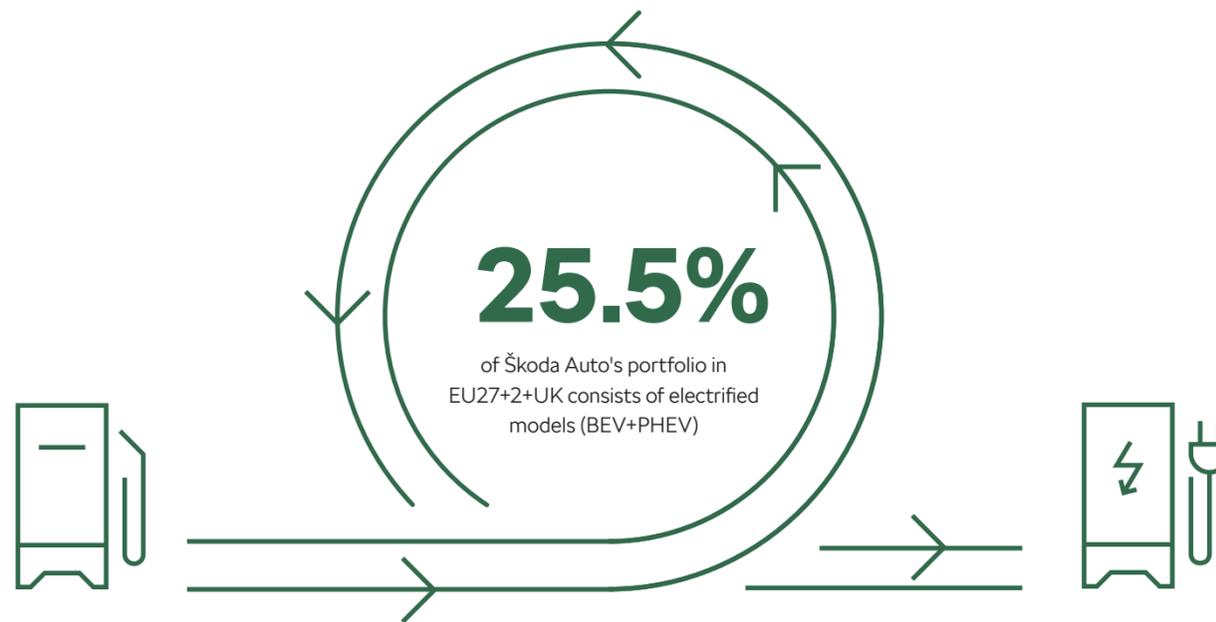
\* Umweltentlastung Produktion (indicator used to measure the environmental impact of production)

\*\* The calculation is based on the consumption stated in the COC (Certificate of Conformity – vehicle type approval document), which is then multiplied by the model year's mileage of 20,000 km as an estimate of the sold vehicle's consumption.

**Targets**

[REV-E1-6]  
[REV-GDR-T 43a, 43b, 43e]

Target description	Target value	Units	Status in 2025	Target year	Target type	Additional information
Reduction in energy consumption in production compared with 2010	38	%	The reduction in 2025 is 42.4%.	2025	relative	ISO 50001 – successful three-year recertification (2025)
CO <sub>2</sub> balance neutrality by 2030 for Scope 1 and 2	0	t	367,335 t	2030	absolute	Baseline year 2018 in line with the objectives of the Paris Agreement





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E1 – Climate Change – metrics

Data point	Unit	2025
<b>Energy consumption and mix [E1-5]</b>		
1) Fuel consumption from coal and coal products	MWh	-
2) Fuel consumption from crude oil and petroleum products	MWh	49,447
3) Fuel consumption from natural gas	MWh	233,341
4) Fuel consumption from other fossil sources	MWh	-
5) Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	MWh	486,663
<b>6) Total energy consumption from fossil sources</b>	<b>MWh</b>	<b>769,451</b>
<b>7) Percentage of fossil sources in total energy consumption</b>	<b>%</b>	<b>60</b>
<b>8) Total energy consumption from nuclear sources</b>	<b>MWh</b>	<b>-</b>
9) Percentage of energy consumption from nuclear sources in total energy consumption	%	-
10) Fuel consumption from renewable sources, including biomass (including industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.)	MWh	1,349
11) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	514,602
Consumption of self-generated non-fuel renewable energy	MWh	-
<b>Total energy consumption from renewable sources (calculated as the sum of lines 8 to 10)</b>	<b>MWh</b>	<b>515,951</b>
<b>Percentage of renewable sources in total energy consumption</b>	<b>%</b>	<b>40</b>
<b>Total energy consumption (calculated as the sum of lines 6 and 11)</b>	<b>MWh</b>	<b>1,285,402</b>
Non-renewable energy production	MWh	-
Renewable energy production	MWh	-
Energy intensity from activities in high climate impact sectors (total energy consumption per net revenue) (NACE C29.1)*	MWh/mil.€	46
Total energy consumption from activities in high climate impact sectors	MWh	1,285,402

\*Reconciliation of the amount of net revenues from activities in high climate-impact sectors with the relevant line item or notes in the financial statements



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Data point	Unit	2025
<b>Gross Scopes 1, 2, 3 and Total GHG emissions [E1-6]</b>		
<b>GHG emissions</b>		
<b>Gross Scope 1 greenhouse gas emissions</b>	<b>tCO<sub>2</sub>e</b>	<b>61,354</b>
<b>Gross Scope 2 greenhouse gas emissions based on location in tCO<sub>2</sub>e</b>	<b>tCO<sub>2</sub>e</b>	<b>340,321</b>
<b>Gross Scope 2 greenhouse gas emissions based on the market in tCO<sub>2</sub>e</b>	<b>tCO<sub>2</sub>e</b>	<b>305,981</b>
<b>Gross Scope 3 greenhouse gas emissions from each significant Scope 3 category</b>	<b>tCO<sub>2</sub>e</b>	<b>29,254,315</b>
1 Purchased goods and services	tCO <sub>2</sub> e	7,184,112
2 Capital goods	tCO <sub>2</sub> e	775,802
3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	tCO <sub>2</sub> e	48,998
4 Upstream transportation and distribution	tCO <sub>2</sub> e	304,074
5 Waste generated in operations	tCO <sub>2</sub> e	40,832
6 Business travel	tCO <sub>2</sub> e	24,499
7 Employee commuting	tCO <sub>2</sub> e	32,665
8 Upstream leased assets	tCO <sub>2</sub> e	16,333
9 Downstream transportation and distribution (included under section 3, category 4: Transportation and distribution in the previous value chain)	tCO <sub>2</sub> e	0
10 Processing of sold products	tCO <sub>2</sub> e	0
11 Use of sold products	tCO <sub>2</sub> e	20,168,409
12 End-of-life treatment of sold products	tCO <sub>2</sub> e	42,032
13 Downstream leased assets	tCO <sub>2</sub> e	412,400
14 Franchises	tCO <sub>2</sub> e	204,159



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Data point	Unit	2025
Total GHG emissions (location-based)	tCO <sub>2</sub> e	29,655,990
Total GHG emissions (market-based)	tCO <sub>2</sub> e	29,621,649
<b>Emissions intensity [E1-6]*</b>		
GHG emissions intensity, location-based	tCO <sub>2</sub> e/mil €	1,067
GHG emissions intensity, market-based	tCO <sub>2</sub> e/mil €	1,066

\*Reconciliation of the amount of net revenues from activities in high climate-impact sectors with the relevant line item or notes in the financial statements

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# E1 – Climate Change – metrics information

[MDR-M 77a]

## Energy consumption and energy mix

### Total energy consumption from fossil, nuclear, and renewable sources

Energy consumption is measured by using calibrated meters to determine the quantities of fossil fuels combusted. Input data is derived from online transmission, regular meter readings, and billing records for the respective energy carriers.

### Fuel consumption

Fuel consumption is calculated using calibrated meters and by monitoring the quantities of fossil fuels combusted. Input data is drawn from online transmission, regular meter readings, and billing records for the respective fuels.

### Energy production from non-renewable and renewable sources

Škoda Auto does not generate energy in-house; it purchases energy from a supplier, ŠKO-ENERGO.

## Gross Scope 1, 2, and 3 emissions and total greenhouse gas emissions

### Gross Scope 1 emissions (emissions under the emissions trading system)

The calculation methodology applies emission factors provided by the energy supplier (ŠKO-ENERGO). These factors are verified by an independent auditor. Input data is derived from data on actual fuel consumption, leaked refrigerants, and process emissions from VOC incinerators.

### Gross Scope 2 emissions (location-based and market-based)

The calculation methodology covers total indirect emissions (Scope 2) from energy provided by the supplier (ŠKO-ENERGO), differentiated according to the calculation approach applied, i.e. location-based or market-based. Input data is derived from actual

energy consumption, including electricity, compressed air, and heat. Contractual instruments used for the purchase of energy also include the purchase of the corresponding volume of guarantees of origin through ŠKO-ENERGO when electricity is procured. Scope 2 emissions under the location-based method were calculated using emission factors published by the Ministry of Industry and Trade.

### Gross Scope 3 emissions (relevant categories)

Values reported in 2024 (for 2023 and 2024) were harmonised with Group values and adjusted in the current report. The deviation in total carbon dioxide equivalent (CO<sub>2</sub>e) emissions amounts to less than 0.5%.

The Scope 3 calculation methodology is based on the GHG Protocol Corporate Standard and the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, which define 15 categories of indirect emissions across the value chain.

For Scope 3, Category 1 (Purchased Goods and Services – Upstream), emissions in the upstream value chain are calculated on the basis of life cycle assessment (LCA) studies in accordance with ISO 14044:2018 and ISO 14067:2018, which provide emissions data for the material production and logistics phases (cradle-to-gate). LCA studies are subject to third-party audit and are mapped to individual vehicle models by region of production, segment, powertrain, and configuration.

Reporting is conducted in accordance with the internal methodological handbook (Scope 3 – emissions handbook, Decarbonisation Index – DKI). All calculations and data flows are documented. Input data sources:

Upstream Value Chain (Scope 3, Category 1) – includes the extraction and processing of materials, component manufacturing, and all subcontractor activities with environmental impacts.

LCA Studies (sw LCA for Expert from SPHERA) – emission factors for 6-MK identifiers derived from certified LCA studies; the studies are verified by TÜV in accordance with ISO 1404 DKI values – Group decarbonisation indices from the Volkswagen (VW) Group for models without a dedicated LCA

Scope 3, Category 3 (indirect emissions from energy-related activities such as extraction, production, and transport of fuels and energy) are not included in Scope 1 and Scope 2 and are converted into CO<sub>2</sub>e using emission factors in accordance with the GHG Protocol.

Scope 3, Category 5 (indirect emissions from waste generated in the company’s operations) is calculated based on waste quantities obtained from internal systems (e.g. Eisprow) and converted into CO<sub>2</sub>e using emission factors specific to individual waste streams.

Scope 3, Categories 4 and 9 are reported on an aggregated basis and include both upstream and downstream logistics emissions, covering the transport of purchased parts and components from tier-1 suppliers to production plants as well as the transport of finished vehicles to target markets. The data is sourced from the LUIS logistics system, and calculations are performed using the EcoTransIT World tool in accordance with ISO 14083.

Škoda Auto does not report any emissions in Scope 3, Category 10, as it does not sell intermediate products that require further processing, transformation, or integration into another product prior to use.

Use Phase (Scope 3, Category 11) – for vehicles registered in the assessed year, a standardised lifetime mileage of 200,000 km is assumed, reflecting typical vehicle use.

End-of-life (Scope 3, Category 12) – covers impacts associated with the environmentally sound disposal of vehicles registered in the given year, including material recycling, based on a calculated lifetime mileage of 200,000 km.

Recycling factors – recycling factors from LCA for Expert, differentiated by powertrain type: internal combustion engine vehicles (ICE), battery electric vehicles (BEVs), and plug-in hybrid electric vehicles (PHEVs)

Other Scope 3 Categories – cover other indirect emissions as defined by the relevant categories of the GHG Protocol, including emissions from services, investments, leases, and similar activities.

Category 15 (Investments) is excluded from calculation or estimation due to low materiality, insufficient data quality, and limited strategic relevance. For value-chain metrics, reliance on indirect data sources or proxy data is monitored and addressed as follows:

In the upstream value chain and recycling (Scope 3, Categories 1 and 12), emission factors are derived from LCA studies that represent snapshots of specific vehicle configurations. Where LCA studies are not available, hierarchical mapping to comparable models by region, segment, powertrain, and other relevant criteria, is applied.

In the use phase (Scope 3, Category 11), emission calculations include estimated lifetime mileage (200,000 km) and standardised emission factors for fuels and electricity. Biogenic carbon dioxide (CO<sub>2</sub>) from fuels (e.g. E10) is excluded in line with GHG Protocol requirements. Regional and fuel-type correction factors are applied.

For other categories (Scope 3, Categories 2, 6, 7, 8, 13, and 14), monetary data from accounting systems (e.g. FACTS) is combined with GHG Protocol emission factors sourced from the current Volkswagen Group Sphera dataset for the reporting year and adjusted for inflation and exchange rates. For example, employee commuting calculations draw on regional average travel distances, modal split shares, and corresponding emission factors.

### Projects to reduce greenhouse gas emissions financed through carbon credits

Based on reported Scope 1 CO<sub>2</sub> emissions at the Vrchlabi plant, the Company purchases carbon credits through VW Kraftwerk, which ensures the quality of the carbon credits purchased.

### Biogenic CO<sub>2</sub> emissions from the combustion or biological decomposition of biomass, reported separately from greenhouse gas emissions in Scope 2 and Scope 3.

The Company made a qualified estimate of biogenic CO<sub>2</sub> emissions and assessed their materiality in relation to the total volume of greenhouse gas emissions. Based on this assessment, it was determined that these emissions are not material and therefore are not reported quantitatively.



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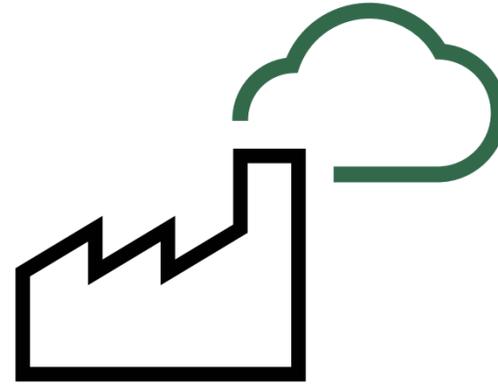
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# Pollution



Topic, Subtopic	IRO*	Upstream	Own operations	Downstream	Addressed by		
					policies	activities	targets
Pollution of air	-	Emissions of air pollutants			✓	✓	✓
Pollution of water	-	Water quality reduction			✓	✓	
Pollution of soil	-	Pollution from mining and historical environmental burdens			✓	✓	
Substances of very high concern	-	Presence of chemical substances			✓	✓	
Microplastics	-			Microplastics from tyre abrasion			

\*Materiality type (impacts, risks, opportunities)

+ Positive impact   - Negative impact   ! Risk   Actual   Potential

## Impact, risk and opportunity assessment

[REV-SBM-3, REV-IRO-2]

### Air, water, and soil pollution

Manufacturing and operational activities generate air pollution, primarily through emissions of volatile organic compounds (VOCs) and, to a lesser extent, nitrogen oxides (NO<sub>x</sub>) and particulate matter. The main sources of VOC emissions are paint shops. In 2025, all monitored air pollution sources complied with the applicable emission limits. Inspections by the Czech Environmental Inspectorate (ČIŽP) and the regional authority, and an external audit of the environmental compliance management system (ECMS) identified no deficiencies in the operation of air pollution sources. These impacts are judged to be material, as they are inherent to manufacturing operations.

In the vicinity of manufacturing plants, immission limits for average annual concentrations of all regulated pollutants are comfortably met. Average annual concentrations remain below the applicable limits for nitrogen dioxide, particulate matter (PM<sub>10</sub> and PM<sub>2.5</sub>), benzene, benzo(a)pyrene, arsenic, cadmium, nickel, and lead.

During vehicle use, combustion engines emit harmful substances, including nitrogen oxides (NO<sub>x</sub>), particulate matter (PM), carbon monoxide (CO), and sulphur dioxide (SO<sub>2</sub>), which adversely affect air quality and human health. Emissions from vehicle operation are subject to detailed regulation through emission standards applicable to new vehicles.

The use and handling of chemicals in own operations may, in the event of accidents or improper wastewater treatment, result in the contamination of water bodies. Certain substances (e.g. epoxides, isocyanates, and formaldehyde) may form toxic compounds upon contact with water. No leakages of such substances have been recorded.

Under standard operating conditions, no contamination of soil or land occurs at Škoda Auto plants. Soil contamination is considered only in the event of extraordinary incidents or emergency situations. Preventive and, where necessary, operational measures are implemented to avoid such situations.

At the Mladá Boleslav main plant and the Service site in Kosmonosy, legacy environmental issues originating prior to privatisation have been identified.

Significant emissions of pollutants occur in the upstream value chain. Mining, chemical production, and logistics activities are

associated with air and water pollution, including the release of heavy metals. Mining activities may also result in soil contamination.

### Substances of very high concern

Škoda vehicles, including the fully electric Enyaq and Elroq models, contain components that include substances of very high concern (SVHCs), as defined by the European Chemicals Agency (ECHA). These substances may have serious adverse effects on human health (e.g. carcinogenicity or reproductive toxicity) and on the environment.

SVHCs (e.g. lead cyclohexasiloxane, boron oxide, UV-328) are present in batteries, wiring harnesses, adhesives, and other components. Where components contain SVHCs in concentrations exceeding 0.1% by weight, they are handled in accordance with the Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), end-of-life vehicle (ELV) requirements, and the Restriction of Hazardous Substances (RoHS) Directive, including mandatory reporting to ECHA. Relevant information is publicly available in the Substances of Concern in Products (SCIP) database.

### Microplastics

Tyre wear is a primary source of microplastic emissions into the environment.

Microplastics are released as a by-product of plastic degradation. These particles decompose extremely slowly and persist in the environment for very long periods. They are currently found in all regions and ecosystems worldwide and have also been detected in human and animal organisms. Microplastics vary widely in composition and may adversely affect both human health and the environment.

The double-materiality assessment identified a significant actual negative impact related to microplastics in the downstream value chain. Microplastics are released primarily through tyre abrasion, which applies to vehicles in general, including those manufactured by Škoda Auto.

The impact related to microplastics identified through the double materiality assessment affects the Group's business model, strategy, and value chain.

Microplastics are primarily addressed under the environmental pillar of the Group's regenerate+ sustainability strategy, which also encompasses efforts to reduce microplastics. The detailed articulation of this topic remains under development and will be further refined through the ongoing strategic processes.

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Implementation of strategy

[E2-1]  
[REV-GDR-P 34a]

Pollution prevention is embedded in the Volkswagen Group sustainability strategies regenerate+ and goTOzero and builds on Škoda Auto's GreenFactory and GreenProduct strategies. Škoda Auto's primary objective in this area is to prevent the release of harmful substances into the environment during both manufacturing and product use. The strategy focuses in particular on projects aimed at reducing emissions of volatile organic compounds (VOCs) and substances of very high concern (SVHCs). Škoda Auto is committed to improving its UEP, an indicator measuring the environmental impact of production, including the specific production of VOC emissions. The indicator and the related target are described in [the Strategy – Environment chapter](#).

A comprehensive set of measures to prevent and reduce pollution has been implemented by Škoda Auto across all manufacturing plants. These include:

- systemic pollution management through regular audits and monitoring conducted at least annually, including the assessment of impacts and implemented measures;
- an emergency incident management system;
- a comprehensive water protection system;
- a system for the assessment and approval of chemical substances in use;
- recording and monitoring of F-gases (HFC) leaks from cooling equipment, with a view to continuous risk identification and reduction;
- the requirement for suppliers to complete a self-assessment questionnaire as part of the S-Rating ([see the Business Conduct chapter](#)), covering air, water, and soil pollution, as well as the handling of chemical substances.

The Company operates its own fire rescue service, equipped with specialised technology for the containment of hazardous substances. When planning new projects, impacts on soil are assessed as part of the environmental impact assessment (EIA) process.

As part of the remediation of historical environmental liabilities, groundwater remediation is carried out on an ongoing basis, with monitoring conducted twice a year. The remediation of contaminated soils and building structures is carried out in connection with reconstruction and construction projects. Remediation activities, including the management of resulting waste, are carried out in accordance with applicable Czech legislation and the Environmental Agreement concluded between Škoda Auto and the Czech Republic upon the privatisation of the Company.

Key activities in 2025

[E2-2]  
[REV-GDR-A 37a, 37]

Škoda Auto undertakes the technical optimisation of air emission sources, including the modernisation of afterburning systems and the use of low-solvent fillers in the painting process, thereby reducing VOC emissions. A multi-level approach to water protection is applied, including the detection of hazardous substances at discharge points, standby services provided by the fire rescue service, and continuous monitoring of wastewater quality. Substances are assessed for their potential impact on the aquatic environment prior to use. As part of the GreenFactory programme, the introduction of closed recycling loops in technological equipment continues ([see the Water and Marine Resources chapter](#)). Wastewater from technological processes is pre-treated in industrial wastewater treatment plants and subsequently biologically treated before discharge into water bodies. No significant leaks were recorded in 2025.

Škoda Auto places a strong emphasis on the responsible management of SVHCs in line with the requirements and objectives of the REACH Regulation. Parts, materials, spare parts, accessories, and promotional items bearing the Škoda brand are systematically analysed for the presence of SVHCs.

Substitution options for SVHCs are verified with suppliers of parts for the fully electric Enyaq and Elroq models, as well as for chemical products used in their production, where SVHCs exceed 0.1% of the material mix by weight. In 2025, 30 SVHCs were assessed across 176 parts suppliers, particularly suppliers of wiring harnesses and door panels, and 2 SVHCs across 5

suppliers of chemical products. The process includes substance identification and a technical and economic assessment of alternatives.

To identify and manage environmental risks related to the sourcing and processing of raw materials, Škoda Auto uses the Raw Material Due Diligence Management System (RMDDMS). Within this system, risks are identified across the upstream value chain, and countries with an increased risk of negative impacts are classified as high-risk countries. Suppliers of components containing materials sourced from high-risk areas are required to exercise due diligence ([see Business Conduct – Code of Conduct for Business Partners, S-Rating](#)).

Among the key activities requiring significant resources during the reporting period was the launch of construction of the new Paint4Future (P4F) paint shop in Mladá Boleslav – a strategic investment aimed at modernising production capacity and enhancing energy and environmental efficiency. The project was primarily funded by capital resources, and the activity is not dependent on external factors such as public policy, financial incentives, or market developments. In 2025, € 65.681 million was allocated to the project. The total planned investment in P4F, including the associated facility, amounts to € 551.6 million. Part of this investment was spent in 2023–2024, while € 476.6 million is scheduled for allocation in the following years. The project is progressing according to plan and is expected to be completed within the company's multi-year investment cycle.

Key activities and action plans	Expected outcomes and current status	Classification under the mitigation hierarchy	Related targets
Introduction of new HTE (high transfer efficiency) equipment at Paint Shop B in Mladá Boleslav	Reduction in VOC emissions and material savings <sup>1</sup>	mitigation	UEP*
Commencement of construction of the new Paint4Future paint shop in Mladá Boleslav (planned start of production – January 2029)	Significant reduction in VOC emissions and pollutant loads in wastewater compared to the current Paint Shop A technology; an estimated reduction of approx. 500 t/year	prevention	UEP*

<sup>1</sup> Material savings can be quantified only for materials with a defined VOC content, differentiated by type of painted body shell. The reduction in VOC emissions will be significantly lower, as the exhaust air is subsequently treated in thermal oxidation units with an efficiency exceeding 90%.

\* Umweltentlastung Produktion (indicator used to measure the environmental impact of production)

2025

No significant leaks of hazardous substances into waterways were reported in 2025.



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E2 – Pollution – metrics

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Data point	Unit	2023	2024	2025
<b>Pollution of air [E2-4]*</b>				
VOC	Total	1,112.729	1,086.623	1,057.379
	Mladá Boleslav	739.989	697.783	714.708
	Kvasiny	372.740	388.840	342.671
<b>Pollution of water [E2-4]*</b>				
Zn	Mladá Boleslav **	0.277	0.294	0.167
F	Mladá Boleslav **	-	-	3.51
TOC	Mladá Boleslav **	98.305	103.376	127.39
<b>Pollution of soil [E2-4]</b>				
The amount of contaminated soil removed during the remediation of legacy environmental issues including contaminated building structures	t	-	-	2,813.2

\*In accordance with the currently applicable ESRS requirements, only emission values from installations that have exceeded the relevant threshold set out in Annex II of Regulation (EC) No 166/2006 (E-PRTR) are reported.

\*\*The values listed are post-purification at the Škoda Auto plant by the company Ško-Energo, which is why the data in the report do not match the data reported in the IRZ.



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## E2 – Pollution – metrics information

[MDR-M 77a]

### Air, water, and soil pollution

#### Quantity of each pollutant (in accordance with Annex II to Regulation (EC) No 166/2006 of the European Parliament and of the Council)

VOC (volatile organic compound) emissions are calculated using a mass-balance approach. Emissions of other pollutants are calculated on the basis of authorised emission measurements.

Input data include protocols from authorised emission measurements, operational records of air pollution sources, emission monitoring projects, waste analyses, waste invoices, as well as protocols from authorised measurements, and data from water meters and flow meters. The determination of emission values complies with the requirements of the Clean Air Act and BAT (best available technique) conclusions. Pollution loads in wastewater are calculated on the basis of direct measurement results.

In 2025, an external entity will conduct validation following the issuance of this Sustainability Statement.

Due to the lack of data from the value chain, the company does not report metrics related to microplastics and SVHC.



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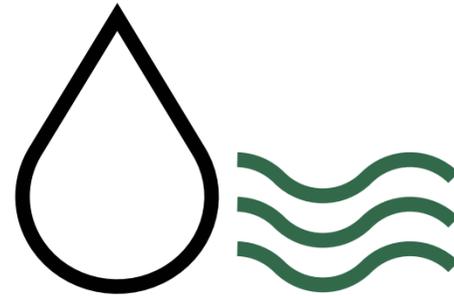
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# Water and Marine Resources



## Impact, risk and opportunity assessment

[REV-SBM-3, REV-IRO-2]

### Water consumption, water withdrawal, and water discharge

Škoda Auto withdraws industrial water from surface water bodies (62.6%) and groundwater sources (6.6%). Drinking water is supplied by local water utilities (30.8%). Given the Company's significant water withdrawals, consumption, and discharges in the course of its operations, these impacts were assessed as material in the double-materiality assessment. The water withdrawn is used primarily in manufacturing processes (with paint shops at the Mladá Boleslav plant being the largest consumers) and for operational infrastructure, with approximately 50% of the water being recycled in the same processes (i.e. in a closed loop).

At all Škoda Auto plants, water is withdrawn from natural sources in compliance with applicable legislation and approved limits, with minimal impact on the status of water resources. No operations are located in areas exposed to water risk or high water stress.

The intensive use of water in manufacturing processes results in significant water discharges into local water bodies in compliance with established quality parameters. At the Kvasiny plant, wastewater is treated at the biological wastewater treatment plant and subsequently discharged directly into the Bělá River. All qualitative limits stipulated in the integrated permit are strictly observed. Measures and the implementation of relevant strategies are described in detail in [the Pollution chapter](#).

## Implementation of strategy

[REV-E3-1]

Efficient water use is embedded in the Group's regenerate+ and goTOzero sustainability strategies and builds on Škoda Auto's GreenFactory strategy. Škoda Auto is committed to improving its UEP – the indicator used to measure the environmental impact of production ([see the Strategy – Environment chapter](#)). This indicator also includes water withdrawal.

The volume of water used and all wastewater generated in manufacturing and related processes are monitored at all plants in terms of both quantitative and qualitative parameters. The actual water withdrawals (for past months) and anticipated water withdrawals (for future months) are continuously compared with the annual water withdrawal plan (target withdrawals).

Under the GreenFactory strategy, modern technologies are used in production that enable the reuse of water (for example, membrane technologies and cascading rinse systems between individual painting stages). At present, Škoda Auto records one of the lowest water withdrawals indicators per vehicle produced (1.60 m<sup>3</sup> per vehicle) across the Volkswagen Group.

# 1.60 m<sup>3</sup>/vehicle

The Company achieves one of the lowest water withdrawal rates per vehicle produced across the entire Volkswagen Group.

Topic, Subtopic	IRO*	Upstream	Own operations	Downstream	Addressed by		
					policies	activities	targets
Water withdrawals, consumption and discharges	-		Water use		✓	✓	✓

\*Materiality type (impacts, risks, opportunities)

+ Positive impact - Negative impact ! Risk Actual Potential



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## Key activities in 2025

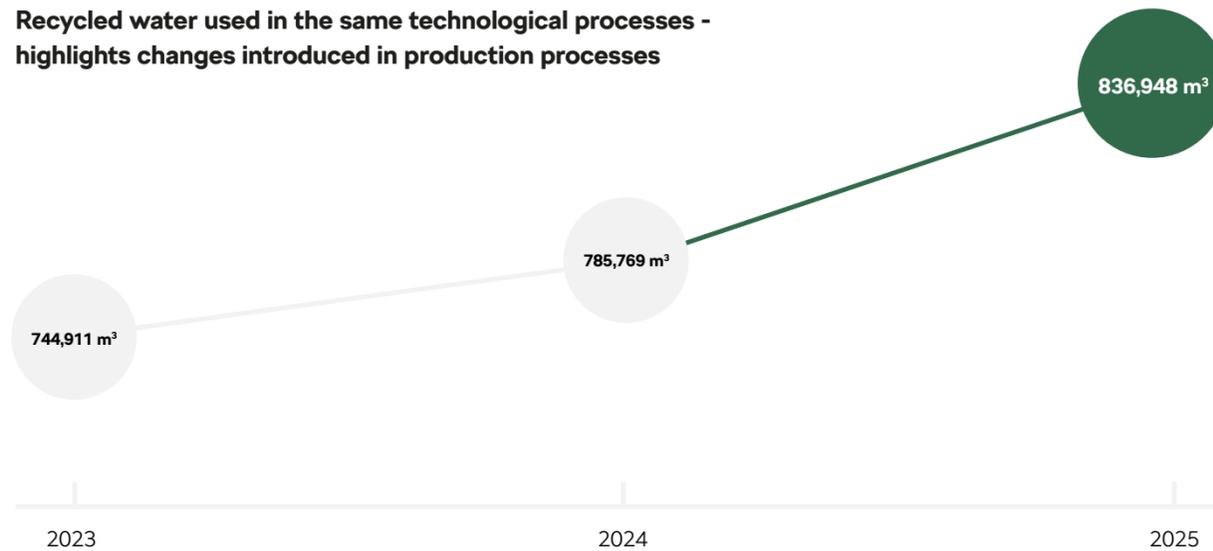
[REV-E3-2]  
[REV-GDR-A 37a, 37b]

In the third quarter of 2024, a measure to reduce water consumption in the water-testing process was introduced in the M1 vehicle assembly hall. The new procedure includes water recycling, closing the recycling loop and reducing industrial water use. This process is expected to reduce water withdrawals by approximately 25%.

The Company operates a system of retention basins for the controlled retention and regulated discharge of rainwater, supporting the objectives of efficient water management. In Mladá Boleslav, part of the retained water is used for irrigating green areas and for road cleaning. This water is also made available to the City of Mladá Boleslav for watering municipal greenery.

Wastewater from Škoda Auto's technological processes is pre-treated in industrial treatment plants located within plant premises and is subsequently treated biologically before being discharged into water bodies (see the Pollution chapter).

### Recycled water used in the same technological processes - highlights changes introduced in production processes



Modern technologies are used in production, allowing for repeated water use.

Key activities and action plans	Expected outcomes and current status	Classification under the mitigation hierarchy	Related targets
Commencement of construction of the new Paint4Future paint shop in Mladá Boleslav (planned start of production – January 2029)	Reduction in the volume of water used	prevention	UEP*

\* Umweltentlastung Produktion (indicator used to measure the environmental impact of production)



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E3 – Water and Marine Resources – metrics

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Data Point	Unit	2024	2025
<b>Water withdrawals, consumption and discharges [E3-4]</b>			
Total water consumption*	m <sup>3</sup>	314,087	416,368
Total water withdrawals	m <sup>3</sup>	1,490,173	1,517,967
Total water discharges	m <sup>3</sup>	1,176,086	1,101,599
Total water consumption in areas at water risk, including areas of high-water stress	m <sup>3</sup>	0	0
Total water recycled and reused (between different processes)	m <sup>3</sup>	2,761	2,482
Total water recycled and reused (closed loop)	m <sup>3</sup>	785,769	836,948
Water intensity ratio	m <sup>3</sup> /mil. €	12.33	15

\*Water consumption increased year-on-year due to increased vehicle production, but this increase was partially offset by a reduction in wastewater production, thanks to the introduction of water-saving measures – a recirculation system in water testing technology, and maintenance of the cooling circuit technology.



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## E3 – Water and Marine Resources – metrics information

[MDR-M 77a]

### Water use

#### Total water withdrawal, consumption and discharge

The amount of water consumed represents the difference between the total water withdrawal and the volume of water discharged. Water withdrawal is measured using water meters. Input data is obtained from online transmission, regular water-meter readings, and water withdrawal invoices. Data on wastewater discharges is derived from billing data and from readings recorded by measuring equipment installed at Škoda Auto discharge points, and are disclosed after deducting stormwater.

#### Total volume of recycled and reused water (between different processes)

The reuse of water involves the use of rainwater and the recycling of water between various plants or processes. Water reused in the same process or within the same plant (with or without prior treatment), which only extends its lifespan, is not included. Examples include closed cycles in car washes and recirculated water for the rinsing process in paint shops.

#### Total volume of recycled and reused water (closed-loop)

Water reused in the same process or within the same plant (with or without previous treatment) that only extends its life. These includes, for example, closed-loop water systems in car wash units and recirculated water used for rinsing processes in the paint shop.

The calculation methodology includes measurements using flow meters, estimates based on the capacity of recycling facilities, and calculations based on the amount of water before and after recycling. Values from water meters, flow meters and calculations according to the volume of production were used as input data.

#### Water intensity

The calculation methodology is based on the ratio of total water consumption (m<sup>3</sup>) to net revenue from own operating activities (€ millions).



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# Biodiversity and Ecosystems



## Impact, risk and opportunity assessment

[REV-SBM-3, REV-IRO-2]

### Direct drivers of biodiversity loss

#### Water, soil, and air pollution

Pollution and contamination of water, soil, and air within the Company's own operations may affect local ecosystems. Activities such as painting vehicles, washing, cleaning, using, and disposing of materials containing VOCs can have a potential impact on the environment, even though the Company complies with all emission limits and operating permit conditions (see the Pollution chapter). Manufacturing plants are not located in biodiversity-sensitive areas and do not have a negative impact on such areas.

The Company owns two recreational facilities located near ecologically sensitive areas with high levels of biodiversity. All Company activities related to the operation of these facilities are managed in a way that ensures these areas are not negatively affected.

## Impacts and dependencies on ecosystem services

Extractive activities in the upstream value chain cause long-term changes to landscapes and local ecosystems. These include permanent to medium-term landscape changes, the removal of vegetation, and impacts on both terrestrial and marine habitats of wild fauna. Such activities may result in habitat destruction, fragmentation, and ecosystem disturbance.

Biodiversity and ecosystems are affected across Škoda Auto's upstream value chain. The extraction of raw materials (e.g. mica in India, Brazil, and the USA) may lead to landscape degradation, habitat loss, and contamination of resources. Deforestation (e.g. in Brazil and in Indonesia for rubber cultivation) may reduce biodiversity and release carbon. Pesticides (used, for example, in rubber cultivation in South-East Asia) may harm insect populations and pollute water. Logistics activities may contribute to the spread of invasive species and to environmental pollution.

Topic, Subtopic	IRO*	Upstream	Own operations	Downstream	Addressed by		
					policies	activities	targets
Impacts and dependencies on ecosystem services	-		Water, soil, and air pollution		✓		
Direct impact drivers of biodiversity loss - Pollution	-	Damage to ecosystem services					

\*Materiality type (impacts, risks, opportunities)

+ Positive impact   - Negative impact   ! Risk   ● Actual   ○ Potential



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The impact of new construction is mitigated through the enhancement of green spaces, the greening of buildings, the infiltration of rainwater, and the installation of biodiversity features (e.g. insect hotels).

## Implementation of strategy

[REV-E4-2]  
[REV-GDR-P 33, 34a, 34b, 34c]

The topic of biodiversity in manufacturing forms part of Škoda Auto's GreenFactory environmental strategy, which is closely linked to the Volkswagen Group's environmental mission and strategies (goTOzero, regenerate+) (these strategies and policies are described in [the Strategy – Environment chapter](#)).

Under its environmental policy, Škoda Auto undertakes to prevent negative environmental impacts and to eliminate existing impacts across the entire product life cycle. In the area of environmental protection, the Company aims to implement at least two projects per year focused on supporting tree planting and enhancing local ecosystems.

The Company regularly monitors the extent and quality of unsealed areas using Group metrics within the framework of biodiversity assessment tools, specifically through the biodiversity land use indicator (BLI).

Projects exceeding statutory thresholds (such as the construction of new facilities, increases in production capacity, or major technological changes) are subject to environmental impact assessment (EIA), including an assessment of impacts on biodiversity. Construction-related impacts are offset through improvements to green areas, the greening of buildings, rainwater infiltration, and the installation of biodiversity features (e.g. insect hotels, bird nesting boxes, and deadwood). Selected buildings are fitted with green roofs and façades. When expanding existing facilities and parking areas, green spaces are being occupied. All projects assessed so far under the EIA have been deemed immaterial in terms of their impact on biodiversity.

Since 2025, a long-term approach to the maintenance of green areas has been implemented. This includes:

- the designation of areas within the Mladá Boleslav plant to support biodiversity, with reduced mowing;
- the planting of exclusively local, climate-resilient species;
- the use of regional and species-diverse seed mixes;
- the elimination of invasive species.

The Company also identifies high-risk glass surfaces and secures them against bird collisions, thereby protecting local bird populations.

To educate employees, workshops are held in cooperation with the Czech Union for Nature Conservation (ČSOP) and the Nature Conservation Agency of the Czech Republic (AOPK).

[REV-E4-2 14a]

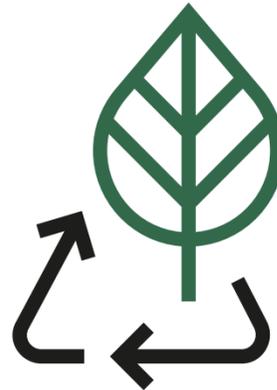
Škoda Auto requires all its partners to be environmentally responsible. Requirements in this area are defined in the Code of Conduct for Business Partners. Škoda Auto maintains traceability of products, components, and raw materials through the Raw Material Due Diligence Management System (RMDDMS) ([see the Business Conduct chapter](#)).

To monitor risks and impacts, the Company keeps a list of biodiversity-sensitive sites located within 10 km of its manufacturing plants. The list includes key information on protected features. EIAs have not identified any negative impact by Škoda Auto on these areas.

# Responsibility

Škoda Auto requires environmental responsibility from all business partners.

# Resource Use and Circular Economy



Topic, Subtopic	IRO*	Upstream	Own operations	Downstream	Addressed by		
					policies	activities	targets
Waste	-		Waste generation		✓	✓	
Resource inflows, including resource use	+	Preference for suppliers focusing on circularity			✓	✓	
	!	Dependence on critical and rare materials			✓	✓	
	-	Utilisation of non-renewable limited resources			✓	✓	
Resource outflows related to products and services	+		Use of recyclable materials in products		✓	✓	
	-		End-of-life vehicles and spare parts end up in landfills if recycling is insufficient		✓	✓	

\*Materiality type (impacts, risks, opportunities)

## Impact, risk and opportunity assessment

[REV-SBM-3, REV-IRO-2]

### Waste and resource outflows related to products and services

The growing number of end-of-life vehicles (ELVs) poses a global environmental challenge. Vehicles comprise a mix of materials (e.g. metals, plastics, glass, and rubber) which, if not adequately recycled, end up in landfills and contribute to environmental degradation. Finished vehicles remain material-intensive throughout their use phase, with the consumption of spare parts, tyres, and other materials creating a long-term resource burden. For Škoda Auto vehicles, at least 85% of the vehicle mass is recyclable, a further 10% can be recovered for energy purposes, and no more than 5% of materials are non-recoverable and typically disposed of in landfills.

In the Company's own operations, waste is generated primarily through material consumption, with metal waste from production representing the most significant component. Since 2020, Škoda Auto has not disposed of any production waste to landfill.

### Resource inflows, including resource use

Automotive manufacturing requires extensive use of materials derived from non-renewable resources, such as steel (from iron ore), aluminium (from bauxite), plastics (from crude oil), and rare metals. Where these materials do not originate from secondary sources, their extraction and processing are associated with significant environmental impacts (see the chapters on [Pollution](#), [Water and Marine Resources](#), and [Biodiversity and Ecosystems](#)), including high energy intensity across the upstream value chain.

Cooperation with suppliers aimed at maximising circularity and the use of recycled materials reduces reliance on primary non-renewable resources and contributes to greater material resilience.

### Dependence on critical and rare materials

The automotive industry is reliant on critical raw materials (e.g. deposits of rare earth elements – REEs) concentrated in a limited number of politically unstable regions, as well as on technologies subject to geopolitical competition. This dependency creates a risk of supply chain disruption and price volatility.

At present, heightened risk is associated with the limited availability of magnets containing elements such as neodymium and terbium. These are subject to export restrictions imposed by China, which accounts for nearly 70 % of global REE production.

Similarly, a shortage of recycled plastic feedstock within the EU may jeopardise compliance with European Union regulatory requirements, such as the End-of-Life Vehicles Regulation. This regulation mandates a minimum share of recycled plastics in new vehicles and, given the limited availability of suitable recyclates, poses a significant risk. Failure to meet these requirements could result in vehicles not being homologated, thereby restricting production.

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**Implementation of strategy**

[REV-E5-1]  
[REV-GDR-P 34a, 34b]

Circular economy considerations are embedded in the Volkswagen Group's sustainability policies and regenerate+ strategy and in Škoda Auto's goTOzero mission. They build on the GreenProduct strategy and the Sustainable Dealership Concept described in [the Strategy – Environment chapter](#). Implementation in this area focuses on:

- increasing the processing rate of production waste, including packaging waste, in line with the waste hierarchy (recycling, removal from waste status, etc.);
- reducing material losses;
- using waste as an input material;
- developing new materials in cooperation with key stakeholders;
- establishing circular supply-chain models in cooperation with key stakeholders (production and development within Škoda Auto; suppliers);
- securing key materials, including REEs, magnesium (Mg), aluminium (Al), copper (Cu), and platinum group metals (PGMs).

Škoda Auto is committed to improving its UEP, an indicator measuring the environmental impact of production, including the amount of production waste sent to landfill. The indicator and the related target are described in the [Strategy – Environment chapter](#).

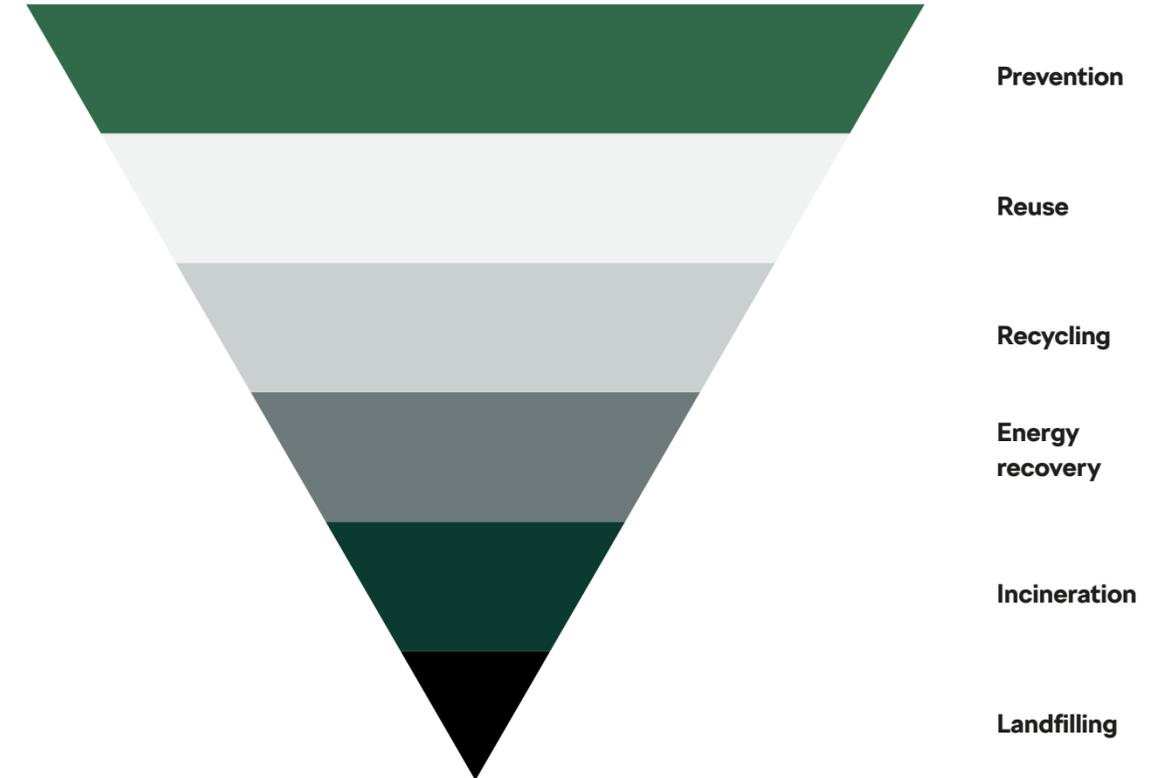
In response to geopolitical risks and rising prices of critical raw materials, Škoda Auto focuses on the effective management of its supply chains. In line with EU environmental initiatives, including End-of-Life Vehicles-related requirements, the Company is establishing stable partnerships based on circular economy principles.

Škoda Auto also cooperates with suppliers on the development of new sustainable materials, with a focus on circular materials and post-consumer recyclate. With circular materials a particular emphasis is placed on closed material loops. One flagship example of this effort is the Bumper-to-Bumper project, which aims to recover recycled material from end-of-life bumpers and use it in the production of new bumpers.

In 2025, the CLEAN project was implemented, resulting in the definition of a clear strategic framework for navigating a changing regulatory environment. Key outputs included the development of a strategy to meet requirements arising from instruments such as the End-of-Life Vehicles Regulation (ELVR), the Packaging and Packaging Waste Directive (PPWR), and the Batteries and Accumulators and Waste Batteries and Accumulators and Repealing Directive (BD), as well as securing the necessary material flows and establishing processes for their implementation.

The project outputs address not only challenges associated with the transition to a circular economy, but also innovation in business models. While most activities will be initiated following the establishment of specific regulatory targets, the Company already integrates circularity into project processes and plans to strengthen awareness through training and education across the Company.

**Waste management hierarchy**





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Key activities in 2025

[REV-E5-2]  
[REV-GDR-A 37a, 37b]

Key activities and action plans	Expected outcomes and current status	Classification under the mitigation hierarchy	Related targets
Change from waste regime to wastewater regime	Transition from a waste regime to a wastewater regime in Paint Shop B through the implementation of a compliant wastewater treatment technology from January 2025. This is expected to reduce waste volumes by approximately 1,000 tonnes per year.	Prevention	UEP*
Remelting of gearbox housings	Remelting of gearbox housings at the Vrchlabi plant from April 2025, expected to reduce waste volumes by approximately 8–10 tonnes per year.	Prevention	
SATURNIN project (from March 2025)	Use of steel offcuts as an input material without the need for recycling, in partnership with BENEVA. During body production, steel offcuts (e.g. side panels or roof sections from vehicles with panoramic sunroofs) are generated that are sufficiently large to be reused. The SATURNIN project run by the Czech company BENEVA collects data on steel offcuts from multiple companies and matches them with the needs of manufacturers of smaller components. Through the direct reuse of these parts, waste is converted back into a valuable raw material, supporting industrial decarbonisation and the development of the circular economy. Škoda Auto contributes to the project by supplying offcuts from the Octavia, Karoq, Kodiaq, and Enyaq models. It also explores opportunities for the reuse of additional components and for cooperation with suppliers. Initial participating suppliers include Tawesco, Karsit, KV Final, and HAUK. By avoiding energy-intensive recycling in steelworks, this approach saves energy, reduces greenhouse gas emissions, and provides an input material with a neutral carbon balance. By the end of September 2025, a total of 547.5 tonnes of steel offcuts had been delivered to BENEVA.	Prevention	
Deployment of low-emission steel supplied by Arvedi	Reduction of the product's carbon footprint	Mitigation	

\* Umweltentlastung Produktion (indicator used to measure the environmental impact of production)

Škoda Auto actively seeks new opportunities in waste management in terms of both the circular economy and advancing waste management practices in line with the waste hierarchy.

Škoda Auto provides for the take-back of end-of-life tyres from final users in the Czech Republic through its authorised service network and additional partners. A list of take-back locations is available online (<https://www.skoda-auto.com/company/extended-producer-responsibility>). In 2025, a total of 3,020 tonnes of tyres were collected under the individual compliance scheme. The majority of this waste was processed into secondary raw materials suitable for further use, thereby reducing reliance on primary resources. The Company's registration number in the Register of Producers is 00052/14-PCZ. The take-back rate in 2025 reached 99.2%. Total costs associated with the take-back, treatment, and recovery of end-of-life tyres amounted to

€454 thousand. The financial guarantee provided pursuant to the Act totalled €81.4 thousand (CZK 2 million).

Take-back costs are shown on the invoice as a separate line item per product (CZK 34 per unit).\*

Since August 2025, Škoda Auto has focused on securing key materials (REEs, Mg, Al, Cu, PGMs, etc.) that underpin comprehensive end-to-end value-chain management.

Škoda Auto also uses low-emission steel supplied by Arvedi to reduce the carbon footprint of its products. This project commenced at the end of 2025 with a volume of approximately 50 tonnes, with an increase to approximately 1,000 tonnes expected during 2026.

\* Disclosure pursuant to Act No 542/2020 on end-of-life products

ZEvRA (Zero Emission electric Vehicles enabled by haRmonised circularity), a research project for the period 2024–2026, is funded by the EU and focuses on material circularity in the automotive industry. It draws on cooperation between suppliers and original equipment manufacturers. Within the project, a methodology for assessing circularity was developed with a view to improving electric vehicle production, based on the 9R strategy. The methodology is applied to the development of key materials covering more than 84% of the material mix of the Škoda Enyaq PA model: steel; three forms of aluminium (wrought, cast, and foam);

1 Refuse, Rethink, Reduce, Reuse, Repair, Refurbish, Remanufacture, Repurpose, Recycle and Recover.

thermoplastic composites; plastics; glass; and tyres. Development will be supported by digital tools for the production of selected components and their virtual integration into the vehicle. The project will also assess economic feasibility and will offer training for the automotive industry and the wider public aimed at raising awareness of the proposed solutions. The final pillar of the project will be the development of specific circular materials, their testing, and subsequent implementation in the Škoda Enyaq PA demonstration vehicle.



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E5 – Resource use and circular economy – metrics

Data point	Unit	2023	2024	2025
<b>Resource inflows [E5-4]</b>				
Overall total weight of products and technical and biological materials used	t	993,098	1,094,829	1,272,293
<b>Resource outflows [E5-5]</b>				
<b>Total amount of waste generated</b>	<b>t</b>	<b>195,619.23*</b>	<b>207,920.45*</b>	<b>213,781.84**</b>
<b>Hazardous waste diverted from disposal (waste for further use)</b>	<b>t</b>	<b>19,071.36</b>	<b>19,678.71***</b>	<b>17,557.47***</b>
– preparation for reuse	t	291.02	327.42	366.00
– for recycling	t	133,392.56	14,125.04	12,794.13
– other recovery operations	t	5,387.78	5,226.25	4,397.33
<b>Non-hazardous waste diverted from disposal (waste for further use)</b>	<b>t</b>	<b>176,369.33</b>	<b>188,091.43</b>	<b>195,947.67</b>
– preparation for reuse	t	0.00	0.00	0.00
– for recycling	t	170,935.82	183,358.34	191,286.18
– other disposal operations	t	5,443.51	4,733.09	4,661.48
<b>Hazardous waste directed to disposal (waste for disposal)</b>	<b>t</b>	<b>0.3090</b>	<b>0.29</b>	<b>0.13</b>
– incineration	t	0.31	0.29	0.13
– landfill	t	0.00	0.00	0.00
– other disposal operations	t	0.00	0.00	0.00



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Data point	Unit	2023	2024	2025
<b>Non-hazardous waste directed to disposal (waste for disposal)</b>	t	<b>178.24</b>	<b>150.02</b>	<b>276.58</b>
- incineration	t	0.00	0.00	0.00
- landfill	t	178.24	150.02	276.58
- other disposal operations	t	0.00	0.00	0.00
<b>Total amount of non-recycled waste</b>	<b>t</b>	<b>10,999.84</b>	<b>10,109.65</b>	<b>9,335.52</b>
<b>Percentage of non-recycled waste</b>	<b>%</b>	<b>5.62</b>	<b>4.86</b>	<b>4.37</b>
Total amount of hazardous waste	t	19,071.67	19,679.00	17,557.59
Total amount of radioactive waste	t	0.00	0.00	0.00

\*Iron and non-ferrous metals (Fe, Al and their compounds), car wrecks, blasting material, packaging - paper, plastic, glass, composite and metal packaging, mixed plastics, mixed municipal waste, absorbents, paint and varnish waste, construction waste, street sweepings, medical waste.

\*\* Ferrous and non-ferrous metals (Fe, Al and their compounds), car wrecks, Li-Ion batteries, blasting materials, packaging - paper, plastic, glass, composite and metal packaging, mixed plastics, mixed municipal waste, absorbent agents, waste from paints and varnishes, construction waste, street sweepings, medical waste.

\*\*\* The reduction in the amount of hazardous waste was mainly achieved by reclassifying paint booth sludge as wastewater after finding an external wastewater treatment plant with suitable technology for its purification and by decreasing the water content in liquid waste through increased evaporator capacity.



## E5 – Resource Use and Circular Economy – metrics information

[MDR-M 77a]

### Resource inflows

#### Total weight of products and technical and biological materials used

The calculation methodology is based on a weighted average of the weights and volumes of vehicles sold in the EU27+2+UK markets. Input data comprises actual weight and registered volumes from the Carport system. A weight of 75 kg representing the driver is excluded, as it does not form part of the material weight of the product. All data is derived from direct measurement.

Due to the lack of high-quality data from the value chain, the Company does not report metrics regarding recycled content in products.

### Resource outflows

#### Key products and materials leaving the undertaking’s production process and designed in line with circularity principles, including durability, reusability, repairability, disassembly, remanufacturing, refurbishment, recycling, recirculation through the biological cycle, and optimisation of product or material use through other circular business models.

Key products comprise passenger cars, with a particular emphasis on electrification (BEVs and PHEVs), and battery systems designed for long service life and remanufacturing. The Company applies circularity principles through the use of recycled materials, packaging optimisation, and by ensuring the repairability and disassembly of components. The strategy also includes battery recirculation and the development of business models aimed at extending product life cycles, for example through service offerings and parts refurbishment.

### Waste

#### Amount of waste generated

#### Total amount of waste (by weight) diverted from disposal, broken down into hazardous waste and non-hazardous waste, and further classified by recovery operation: (i) preparation for reuse; (ii) recycling; and (iii) other recovery operation.

The methodology is based on weighing; it therefore does not involve calculation, but relies on data obtained from weighbridge tickets or waste records provided by business partners. All data is derived from direct measurement. Relevant waste streams for the sector and activities include metal waste and glass. Materials contained in waste are metals and minerals.

#### Amount of waste (by weight) directed to disposal, broken down by waste treatment type, and the total amount across all three methods, with a split between hazardous waste and non-hazardous waste. The waste treatment types to be disclosed are as follows: (i) incineration; (ii) landfilling; and (iii) other disposal methods.

The methodology is based on weighing; it therefore does not involve calculation, but relies on data derived from weighbridge tickets. All data is derived from direct measurement. A key assumption is that waste weighing is a statutory obligation.

#### Total amount of hazardous waste and radioactive waste generated by the undertaking, with radioactive waste defined in Article 3(7) of Council Directive 2011/70/Euratom

The methodology is based on weighing; it therefore does not involve calculation, but relies on data derived from weighbridge tickets. All data is derived from direct measurement. A key assumption is that waste weighing is a statutory obligation. Radioactive waste does not occur at Škoda Auto.

#### Total amount and percentage of non-recycled waste

The methodology is based on weighing, followed by conversion into percentages. Input data comprises values from weighbridge tickets, which are subsequently converted into percentages. All data is derived from direct measurement. A key assumption is knowledge of the waste management method applied to individual waste streams.



**Social**



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# Strategy – Social Sustainability



Škoda Auto delivered 20 vehicles to social care organisations in the Mladá Boleslav, Rychnov, and Vrchlabí regions.

The Škoda Auto Social Sustainability Strategy forms a core part of the Company's overall sustainability strategy and is grounded in respect for human rights, diversity, and responsible business conduct. It is based on the principle of CSV (creating shared values) for the Company, its employees, neighbouring communities, and other stakeholders.

## Summary of strategy and policy

[REV-S1-1; REV-S1-2; REV-S2-1; REV-S2-2; REV-S3-1; REV-S3-2; REV-S4-1; REV-S4-2]  
[REV-GDR-P 34a, 34b, 34c, 34d]; [S1-1 12, 13]

## Social Sustainability Strategy

The strategy covers five areas:

1. Education;
2. Mobility;
3. Wellbeing;
4. Volunteering;
5. Diversity.

Each area comprises an internal dimension, focused on employees, and an external dimension, focused on the community. Activities and positive outcomes of the social sustainability strategy, together with contributions to the wider community that go beyond the Company's direct responsibility and business relationships, are described in the Corporate Citizenship chapter.

The Social Sustainability Strategy primarily targets regions in which Škoda Auto operates production facilities – the Mladá Boleslav district, the Rychnov nad Kněžnou district, and Vrchlabí and Jilemnice (both municipalities with extended powers) – while activities are also carried out nationwide and internationally, including assistance in humanitarian crises and in the event of natural disasters.

The strategy is developed on the basis of consultations with experts and affected communities. The Company discusses the Social Sustainability Strategy with the KOVO trade-union (see the [Own Workforce chapter](#)). At regional level, Škoda Auto works closely with municipalities and other key institutions. In specific thematic areas, the Company cooperates with expert organisations, including: PAQ Research, which conducts data-driven research in education, social inequalities, and public policy with the aim of improving quality of life in the Czech Republic; CZEPA – the Czech Paraplegic Association, which advocates for the rights of people with spinal cord injuries and supports their social inclusion and improved health and social care; Nadace Partnerství (Partnership Foundation), which promotes sustainable landscape development, civil society, and climate-change adaptation measures, including tree planting and organic farming; and AISIS, an organisation focused on innovation in education, particularly in regions where Škoda Auto operates (see the [Corporate Citizenship chapter](#)).

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Škoda Auto also engages in broader dialogue with communities and experts through events such as Broumovské diskuze (Broumov Discussions), a public debate forum for the in-depth discussion of societal issues, including culture, mutual understanding, democracy, and regional development, as well as through initiatives such as Aspen Institute CE, an independent platform promoting values-based leadership, democratic principles, and interdisciplinary cooperation across the Central European region.

Implementation of the Social Sustainability Strategy is organised into thematic areas, with responsibility for each area assigned to specific specialist units in cooperation with partners. Internally, topics are coordinated through the Social Sustainability Working Group at specialist-unit level. The highest level of coordination was previously overseen by the Social Sustainability Board (SSB), which included a member of the Board of Management. In the fourth quarter of 2025, ongoing organisational changes and a review of senior governance bodies resulted in a change to the format and structure. As part of a broader transformation aimed at strengthening sustainability governance, the SSB is being reorganised into a Social Sustainability Council, which will fall under the External Relations Department. The Council will have a mandate to ensure alignment with strategic social priorities and clearer accountability and will operate without the participation of a Board member.

The Social Sustainability Strategy is complemented by extensive Company policies and measures addressing specific material impacts on Škoda Auto's own workforce, workers in the upstream value chain, and end users of the Company's products. These policies focus on social dialogue, adequate wages, occupational health and safety, work-life balance, and the prevention of discrimination. Sub-policies and processes are described in the respective chapters.

Škoda Auto has established a human rights policy and is developing a system of ongoing due diligence to prevent and mitigate impacts on human rights and the environment within the supply chain. This overarching policy consists of the individual commitments and key elements described below, and its implementation is further detailed in the chapters Workers in the Value Chain and Affected Communities, Corporate Citizenship, and Business Conduct.

Škoda Auto is headquartered in the Czech Republic and is therefore not exposed to an elevated risk of human rights violations. At the same time, it is subject to the jurisdiction of the Czech legal environment, including international treaties and commitments in the areas of human rights, ethical business

conduct, and environmental protection, including the principles of the United Nations (UN) Global Compact, the guidelines of the Organisation for Economic Co-operation and Development (OECD), the Drive Sustainability initiative, and its own Code of Conduct. Among other things, it has binding documents at its disposal, such as Directive KRL.0.35 – HR Compliance, the Collective Agreement, and the Work Rules. Škoda Auto also holds ISO 27001 certification, confirming its commitment to the robust and systematic management of information security.

Sustainability requirements are based on the ten principles of the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, the conventions of the International Labour Organisation (ILO), and the core principles of the Drive Sustainability initiative, of which the Volkswagen Group is a member. The Code is also grounded in internationally recognised standards, including the Universal Declaration of Human Rights, as reflected in particular in the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR).

Respect for human rights and environmental protection standards is anchored in Our Code, a document binding on the Company's management and all employees. The Code of Conduct for Business Partners sets out a comprehensive set of requirements applied by the Company to its partners within business relationships, including requirements relating to sustainability, ethical business conduct, and the responsible sourcing and handling of raw materials.

Škoda Auto actively promotes sustainability in its supply chain through the Code of Conduct for Business Partners and the S-Rating system, which verifies compliance with social requirements. Business partners are subject to due diligence. For suppliers of production materials containing monitored raw materials, transparency across the entire supply chain, down to the place of extraction, is required. High-risk suppliers are subject to sustainability audits (see the Business Conduct chapter). In managing its suppliers, Škoda Auto also places a particular emphasis on protecting groups of persons exposed to a high risk of human rights violations. To this end, the Company applies due diligence processes set out in its internal policies. In this context, due diligence centres on the ongoing identification of risks and the adoption of preventive and mitigating measures. Human Rights Focus, a system forming part of the broader framework of the Code of Conduct (see the Business Conduct chapter),

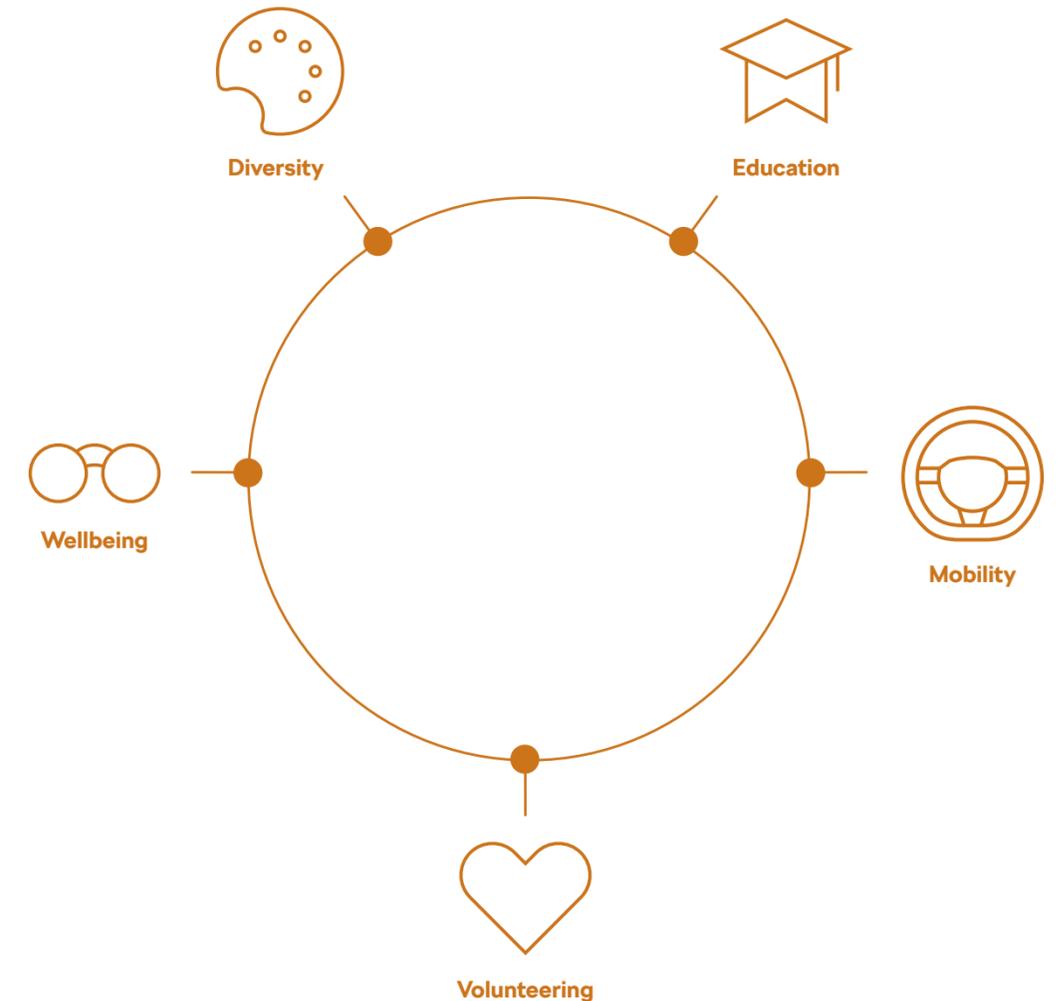
enables the Company to respond effectively to serious risks to human rights and the environment across its entire supply chain. The system is based on internal analyses and allows the Company to focus on those parts of the supply chain where the risk of adverse impacts on human rights is particularly high.

Škoda Auto has also established an extensive whistleblowing system, which is also open to external complainants (see the Business Conduct chapter).

Employees are introduced to process and organisational documentation via the Company's electronic platform, which automatically assigns relevant documents to each employee according to their defined scope of responsibility. Completion of the review is mandatorily confirmed within the "Moje POD" application. The process is regularly monitored by line managers,

who have access to an overview of acknowledgement status and are required to verify fulfilment of this obligation at least every three months, ensuring that no employee is excluded from the system. This systematic approach provides demonstrable and auditable assurance that all employees are familiar with current internal rules and directives, while also ensuring the timely communication of changes, thereby contributing to transparency and the sustainability of corporate processes.

Suppliers submit mandatory internal policies (so-called Group Minimum Requirements) covering ethical principles, working conditions, human rights, occupational safety, business ethics, and environmental protection. Self-assessment questionnaires give suppliers the opportunity to voluntarily document employee training in these areas.



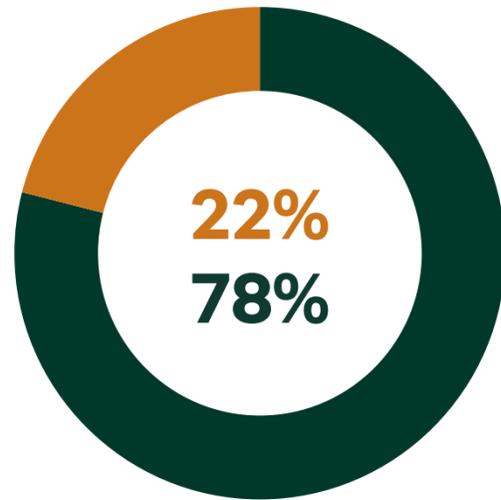
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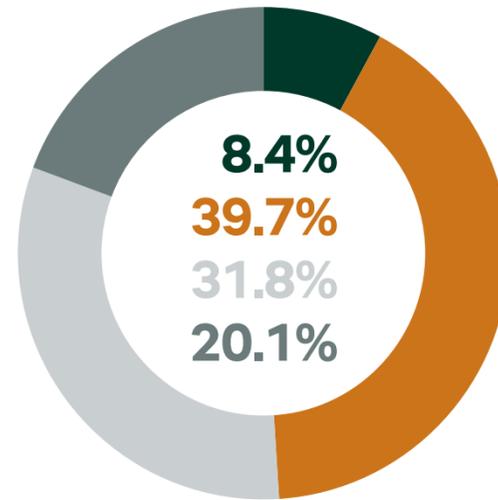
Proportion of men and women  
(permanent employees)



Proportion of men and women

- Men
- Women

Qualification structure of the Company's  
permanent employees as at 31 December 2025



Education of permanent employees

- Lower secondary
- Vocational
- Upper secondary with school-leaving certificate
- Degree holders

Company workforce



Apprentices

770

Permanent employees

33,231

Total\*

34,006

2024 34,215 (0.6%)

\* Škoda Auto headcount as at 31 December 2025 in the Czech Republic, including apprentices, excluding temporary agency staff (3,353 non-employees) and excluding subsidiaries

# Own Workforce



## Impact, risk and opportunity assessment\*

[REV-SBM-3, REV-IRO-2]

### Employee support and innovative approaches to working conditions

Škoda Auto applies an equal pay policy that goes beyond statutory and market standards. The minimum wage at the Company is 67 % above the statutory minimum and amounts to approximately three quarters of the average wage in the Czech Republic. The Company's average wage also significantly exceeds the national average.

Škoda Auto actively supports work-life balance through a wide range of flexible working arrangements that are broadly accessible to employees. This approach goes beyond the objectives of Directive (EU) 2019/1158 and applicable legal requirements. The available tools are open to all employees, not only parents and caregivers. All employees also have the option of shorter working hours or job sharing through a combination of part-time

positions. Škoda Auto also offers the option of remote working without restrictions for individual groups of employees whose job description allows it. Flexible working hours are also part of the Company's remote working concept.

The Škoda Academy provides education and development for all Company employees, as well as students of the Škoda vocational school. It supports reskilling and upskilling, as well as the development of both professional and soft skills. The Academy offers programmes focused on technical and digital skills, language proficiency, personal development, and the promotion of physical and mental health, and also develops HR development tools and concepts.

Topic, Subtopic	IRO**	Own operations	Addressed by		
			policies	activities	targets
Work-life balance	+	Flexibility of working conditions	✓	✓	
Health and safety	+	Health prevention and diagnostics	✓		✓
	-	Work injuries, occupational diseases, and impacts of climate	✓		✓
Social dialogue	+	Effective social dialogue and transparent communication to employees	✓	✓	
Collective bargaining, including rate of workers covered by collective agreements	+	Protection of employees through collective agreements	✓	✓	
Working time	-	Impact of shift work on employees' health	✓	✓	
Adequate wages	+	Wages and benefits above regional average	✓		✓
Gender equality and equal pay for work of equal value	+	Transparency in remuneration and gender balance	✓		✓
Diversity	+	Improvement of work atmosphere and support for inclusion	✓	✓	✓
Training and skills development	+	Employee development beyond (legislative) job responsibilities	✓		✓
Other work-related rights	+	Prevention of human rights violations	✓		

+ Positive impact - Negative impact ! Risk Actual Potential

\*Does not affect upstream and downstream value chain / \*\*Materiality type (impacts, risks, opportunities)



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● Average wage in the Czech Republic
 ● Minimum wage at Škoda Auto
 ● Minimum wage in the Czech Republic



The **annual total remuneration ratio** for 2025 was **37.6:1**

The **difference in remuneration between women and men** for 2025 was **4.07 %**



## Health, safety, and wellbeing

Any manufacturing inherently involves work activities that carry a risk of serious occupational injuries. Shift work, which is essential for production, further increases these risks and generally has an adverse impact on employee health.

Škoda Auto has responded by implementing a comprehensive occupational health and safety management system (details are described under [Implementation of strategy](#) in this Statement), with the aim of not exceeding 1.2 occupational injuries with lost working time per million hours worked. This system is supported by the long-standing OHS Travelling Cup competition in production and logistics.

On the basis of agreements with KOVO trade-union representatives, Škoda Auto protects employees from the impacts of climate change through preventive measures, including microclimate breaks during the summer months and additional protective regimes during periods of extreme temperatures.

In 2025, the Company launched the comprehensive mapping of psychosocial risks to enable the timely introduction of measures and systematic actions aimed at reducing stress and supporting employee wellbeing.

Škoda Auto has a dedicated unit for health protection, occupational safety, and ergonomics. Its activities focus not only on identifying health issues arising from work-related strain but also on risks associated with lifestyle-related conditions. In this respect, the Company supports physical and mental health through preventive programmes, places a strong emphasis on workplace ergonomics, and offers online medical services, first-aid training, and initiatives that promote physical activity and a healthy lifestyle.

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**Equal treatment, opportunities, and diversity**

Škoda Auto continuously assesses differences in remuneration between women and men. In 2025, the gap between the average hourly earnings of women and men stood at 4.07% in favour of men, remaining below the EU average. This result underscores the effectiveness of the Company's long-term strategy and the measures implemented.

Škoda Auto has introduced a broad range of activities aimed at achieving a more balanced representation of women and men in management and fostering an inclusive and safe workplace culture. These activities are delivered under the Next Level Škoda Diversity Strategy 2030 and apply to all employees. They address multiple dimensions of diversity (including gender, nationality, sexual orientation, family status, health status, and age).

The Company focuses on nine key dimensions of diversity, supported by targeted initiatives:

- Gender balance – Women's Day, Men's Health Month, WomeN@work;
- Family-friendly policy – parent guide, webinars;
- LGBT+ inclusion – Prague Pride, Škoda Proud;
- Intergenerational cooperation – working groups, workshops;
- Internationalisation – Internationals@Škoda;
- Employee resource groups (ERGs);
- Individual abilities – neurodiversity projects;
- Diversity of thinking – educational events, Elroq Respectline, manufacturing companies' summit;
- You – individuality at the centre – European Diversity Month.

**Social dialogue**

Collective agreements apply to all employees of Škoda Auto and ensure favourable working conditions. Agency workers are protected under the Agency Work Charter.

With strong support from the KOVO trade-union organisation, the Company maintains open and structured communication with employees through regular satisfaction surveys, meetings, and internal communication channels. Social dialogue is conducted in cooperation with the trade-union organisations and contributes to transparency, trust, and employee satisfaction.

**Prohibition of child and forced labour**

Škoda Auto does not tolerate child or forced labour in its operations. The Company has implemented robust preventive measures focused on the recruitment process to ensure that this does not occur. This process is subject to monitoring and external auditing.





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## Implementation of strategy

[REV-S1-1]  
[REV-GDR-P 34a]

Škoda Auto's strategy for its own workforce is to provide all employees with above-standard working and remuneration conditions, support their development both in and beyond the workplace, and ensure fair and safe treatment in the workplace.

The objective of this strategy is to promote employee long-term satisfaction and stability, foster professional development, and strengthen engagement and a sense of belonging. Its successful implementation is essential for employees and for Škoda Auto's continued performance and growth.

Collaboration, openness to new ideas, and enthusiasm for innovation are core elements of the Company's corporate culture. To support and assess this culture, the Company uses the Culture Mindset Index (CMX), developed to support and chart an environment in which the Škoda brand values of being human, surprising, and simplifying can thrive. The CMX evaluates selected cultural values and behaviours through a simple questionnaire. The results are then communicated to all employees and, together with staff and the management of individual departments and divisions, discussed in detail, analysed, and used to identify ways to further improve the Company's culture.

### Social dialogue and cooperation with trade-unions

The Company has a collective agreement with the KOVO trade-unions that applies to all Škoda Auto employees. Agency staff are covered by the Agency Employment Charter, which was created in cooperation between Škoda Auto management and KOVO union leaders and guarantees comparable and decent conditions for agency employees. The Charter ensures comparable and dignified working conditions aimed at equal treatment and guarantees of conditions such as accommodation standards, access to catering, incentive bonuses, workwear, opportunities for recuperation, and the option to transition to permanent employment after twelve months.

Social dialogue is conducted through regular communication between the employer and employees represented by the KOVO trade-union organisations. Trade-union meetings provide updates on planned changes and strategic intentions, and are attended by selected employer representatives. Employees may raise suggestions and concerns during these meetings. Employee satisfaction is also monitored through regular surveys. The results are carefully analysed and evaluated and are then systematically addressed within the relevant Company units.

Responsibility for implementing the social dialogue policy lies with the head of the HR Planning & Governance unit and the chairs of the individual KOVO trade-union organisations.

### Fair and equal remuneration for all employees

The Company applies an equal-pay policy that significantly exceeds statutory and market standards and is supported by a wide range of benefits.

The policy is based on a commitment to ensure fair and equal remuneration for all employees, regardless of gender, age, nationality, or other personal characteristics. The value of work is assessed on the basis of objective criteria, including required skills, responsibilities, task complexity, and working conditions. The aim is to create a transparent and fair environment that supports equal opportunities and motivates employees. This approach is key to the Company's competitiveness and its ability to attract and retain skilled employees.

As part of internal benchmarking, Škoda Auto regularly monitors and compares employee wages and their development over time, taking into account the Company's different divisions, the various professions, specific job positions, employee performance appraisals, the activities performed, levels of competence, and the fulfilment of qualification requirements. Responsibility for implementing the policy lies with the head of the HR Planning & Governance unit.

# 100%

of employees covered  
by collective agreements

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**Support for flexibility and work-life balance**

Škoda Auto supports the work-life balance of its employees through New Work, an initiative that includes job sharing, desk sharing, and, in particular, remote working. These tools are available to parents and caregivers as well as other employees.

The New Work initiative further ensures compliance with the statutory requirements on work-life balance arising from Directive (EU) 2019/1158 (the so-called Work-Life Balance Directive). Compliance with these requirements is also ensured at Škoda Auto by the relevant internal regulation.

In 2025, Škoda Auto met requests from more than 297 employees for reduced working hours and approved job-sharing arrangements in almost 33 positions. Remote working, which also significantly supports flexibility, was available to almost 10,000 employees whose job roles allowed it.

For completeness, it should be noted that, in addition to the New Work initiative, the Company also supports work-life balance through traditional tools that have been part of Czech legislation for more than 20 years, such as flexible working hours and reduced working hours.

Responsibility for implementing this initiative lies with the head of the HR Planning & Governance unit.

Support for employees on maternity and parental leave, provided under the Family-friendly Policy, is one of the key pillars of the Next Level Škoda 2030 Diversity Strategy. The measures offered cover the entire period – from preparation for departure, through the leave itself, to return to work – and reflect the needs of parents with children in different age categories.

**297**

requests for reduced working hours approved

**Employee health, safety, and wellbeing**

The Company places a strong emphasis on a safe working environment that does not endanger health. Its approach includes measures responding to climatic conditions, the implementation of certified occupational health and safety management systems, active risk prevention, and extensive health-promotion programmes.

The objective of this policy is to minimise the number of occupational injuries, involve employees directly in the implementation and continuous improvement of occupational health and safety, and contribute to the prevention of lifestyle-related diseases. The collective agreement also includes a chapter devoted to cooperation between the Company and the Odbory KOVO trade-unions organisation in the field of occupational health and safety.

The employer also provides all employees with an electronic benefits system (Cafeteria Benefits Škoda). Points earned can be exchanged on this portal for benefits in the areas of health, sports, culture, travel, wellness, experiences, education, or books.

**Working conditions and safety**

- Microclimatic conditions are regulated by the collective agreement. This includes the provision of protective drinks and the setting of breaks during periods of high temperatures (specific measures also apply during cold periods).
- The Company has implemented a certified occupational health and safety management system in accordance with ISO 45001. Every accident is duly recorded and investigated, and preventive measures are adopted to prevent recurrence.
- Regular occupational health and safety training is provided, including induction, periodic, and specialised training. Employees may also participate in improving occupational safety through initiatives such as ZEBRA or the Team League.
- New technologies and equipment undergo acceptance procedures prior to commissioning, covering not only operational safety, but also ergonomics.
- Responsibility for the implementation of this policy lies with the head of the OHS and Ergonomics Unit.

**Psychosocial and ergonomic risks**

- The Company actively maps psychosocial risks and implements targeted measures. Škoda Auto holds ISO 45003 certification.
- The Ergonomics and Work Physiology Department is currently focusing on the digitalisation of health-risk management processes and the optimisation of authorised assessment methods, with the aim of preventing the emergence of hazardous working conditions, responding flexibly to changes in industry, and protecting employee health.
- Responsibility for the implementation of this policy lies with the head of the OHS and Ergonomics Unit.

**Health promotion and prevention**

- Preventive programmes focus on identifying health problems arising from work-related strain, lifestyle-related diseases, and seasonal illnesses.
- Initiatives include Health Days, first-aid training, vaccination, rehabilitation and preventive programmes, digital tools such as Doctor Online 24/7, and other activities supporting physical and mental health.
- The Company supports physical activity through the ŠkoFit programme and organises public campaigns in cooperation with partners.
- Responsibility for the implementation of this policy lies with the head of the OHS and Ergonomics Unit.

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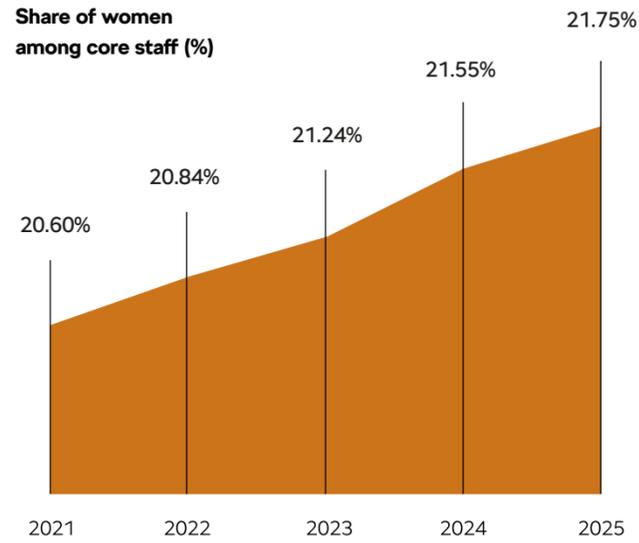
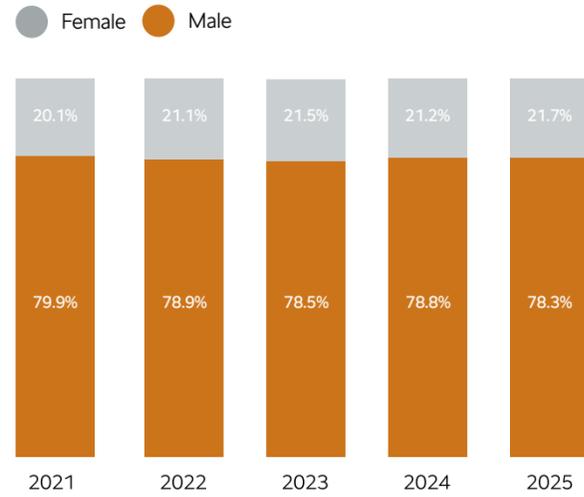
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[REV-S1-1]  
 [REV-GDR-P 34a]  
 REV-S1-1 12, 13]

Diversity

Own workforce structure by gender (%)



Support for diversity

The Company has established and embedded Next Level Škoda Diversity Strategy 2030, which is divided into nine dimensions. The following are key strategy points:

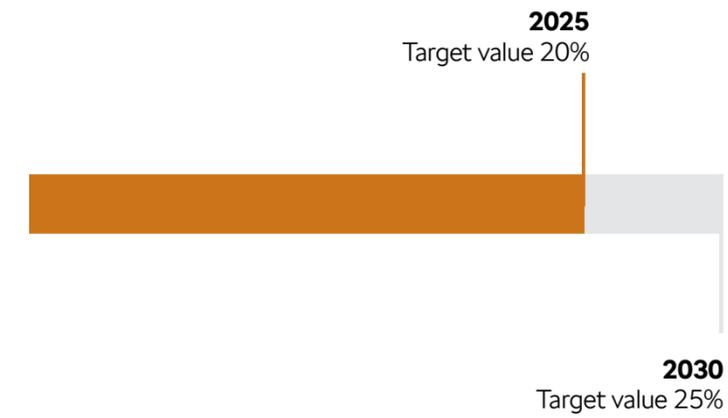
1. Creating an inclusive workplace: building a working environment with a high level of psychological and physical safety, in which every employee feels respected and included;
2. Wellbeing and flexible forms of work as a standard: ensuring that care for mental and physical health and the flexibility of working conditions are a normal part of the corporate culture;
3. Compliance with statutory and Group requirements: monitoring and fulfilment of legislative requirements and the rules of the Volkswagen Group.
4. A Company that sets market standards: acting as an example in the field of diversity and inclusion both internally and externally, through cooperation with external partners and participation in public initiatives. The Company cooperates with organisations such as Business for Society, OPIM, Pride Business Forum, Prague Pride, and Czechitas, thereby linking its activities with the broader market and reflecting current trends and stakeholder expectations.

5. Direct employee engagement: diversity is promoted not only by the central Diversity and Inclusion team, but also through employee resource groups, working groups, and cross-functional teams across the Company. Individual dimensions of the strategy are developed in cooperation with internal communities that propose and implement specific activities. Current internal groups include Škoda Proud, Internationals@Škoda, and WomeN@work, involving hundreds of employees. Activities are designed to be accessible to all employees, regardless of self-identification, thereby supporting an inclusive culture.

The strategy is further specified and updated annually through the Diversity Plan, which responds to feedback and emerging stakeholder needs. Effectiveness is monitored by evaluating progress towards targets for the representation of women in management.

Responsibility for implementing this strategy lies with the head of the Transformation department.

Diversity - Representation of women in management



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**Education**

The education policy is a key pillar of Škoda Auto's sustainability strategy. Its objective is to promote lifelong learning, the development of qualifications, and employees' ability to adapt to technological change in the automotive industry, particularly in the areas of digitalisation and electromobility.

The Company has long invested in education and develops this policy in cooperation with the Odbory KOVO trade-union organisation. Implementation is delivered through the Škoda Academy, a training centre that provides comprehensive training to all employees, as well as to students of the Škoda Auto Secondary Technical School of Mechanical Engineering.

The objective of the Škoda Academy is to make education accessible to all employees and to align it with the Company's needs and the strategic direction of the Volkswagen Group Academy.

The portfolio of educational programmes includes technical skills, digital technologies and artificial intelligence, the development of managerial competencies and support for women in leadership positions, language skills, agile thinking, corporate culture workshops, and support for physical and mental health. A significant part of the Škoda Academy's activities also lies in developing HR development concepts and tools for talent management and career development.

The Company has also established Institute 42 Prague, which has become a significant centre of technological education in the Czech Republic over the past three years. It offers free IT education to all interested individuals, regardless of age, background, or prior experience. Teaching is delivered through a peer-to-peer model in a campus open 24/7, with an emphasis on independence, cooperation, and practical problem-solving. To date, more than 2,000 people have participated in the programme, with approximately 300 persons currently enrolled. Graduates of the main programme achieve 100% employability in the IT sector. The Institute actively supports diversity, with women accounting for 33% of participants and international students for 50%. The objective is to open the world of IT to more than 8,000 people by 2030, thereby strengthening digital skills and the competitiveness of Czech industry.

As part of its education activities, the Company also delivers a range of events and programmes aimed at the general public, with the objective of developing and promoting technical education. These programmes are described in the [Corporate Citizenship chapter](#).

Responsibility for implementing this policy lies with the head of the Škoda Academy.

**Human rights and training**

Škoda Auto applies internal principles and procedures designed to prevent any violations of human rights. This overarching policy is described in the [Strategy – Social Sustainability chapter](#).

Employees are required to report suspected violations of human rights and environmental protection principles via the Volkswagen Group Central Whistleblower System.

In addition to the Volkswagen Group Central Whistleblower System, Škoda Auto also operates an internal channel for submitting and resolving complaints that goes beyond the legal framework for reporting unlawful conduct. This mechanism allows employees, managers, specialised units, or even external parties to report suspected breaches of work discipline in any form — whether as an oral or written statement or through direct observation of an incident. Reports may come from colleagues, anonymous sources, business partners, or public authorities. Responsibility for implementing corrective measures rests with the heads of the relevant units, and in situations where a conflict of interest may arise, the case is handled by an independent body to ensure impartiality.

All employees are required to complete human rights training, which also provides guidance on identifying and reporting related risks to the relevant contact points.

The Company focuses on the risk of child and forced labour in its own recruitment process. To eliminate this risk, a mandatory process has been introduced to verify the suitability of each job applicant in accordance with the minimum standards described in Group Directive 35 HR Compliance. The effectiveness of the process is regularly verified and subject to internal audit.

In the case of agency workers, initial verification is carried out by the employment agency as the employer. The agency is bound by a framework agreement with Škoda Auto, under which it undertakes to comply with ethical principles and the legal regulations of the Czech Republic. The agency prevents the employment of children through identity card checks. Further verification is conducted on the first day of an agency worker's assignment at Škoda Auto.

Responsibility for implementing the policy relating to the Company's own workforce lies with the management of Škoda Auto.



Škoda Elroq Respectline – the second Respectline model represents all dimensions of diversity and inclusion, respect for the environment, and the brand's history.

**Agency Employment Charter – ensuring fair conditions for temporary agency workers**

The Agency Employment Charter is a unique document developed in cooperation between company management and employee representatives, aimed at ensuring comparable, transparent, and dignified working conditions for all temporary agency workers. The Charter defines a broad range of guarantees, including access to quality accommodation, affordable meals, an extended motivational bonus system, provision of work clothing, opportunities for rehabilitation, and the possibility to transition into core employment after twelve months of assignment. It also ensures fair access to benefits, including the recognition of assignment duration for calculating work anniversaries. Furthermore, the Charter sets a maximum number of agency workers allocated to production plants, with the option of a temporary increase valid until the end of 2026.

These measures contribute to a high level of stability, experience, and loyalty among agency workers, who significantly support production continuity—particularly during periods of increased operational pressure, such as the pandemic, parts shortages, or high levels of unplanned absence among core staff. The Charter therefore represents an essential tool for maintaining operational continuity, quality, and transparency in human resources management.



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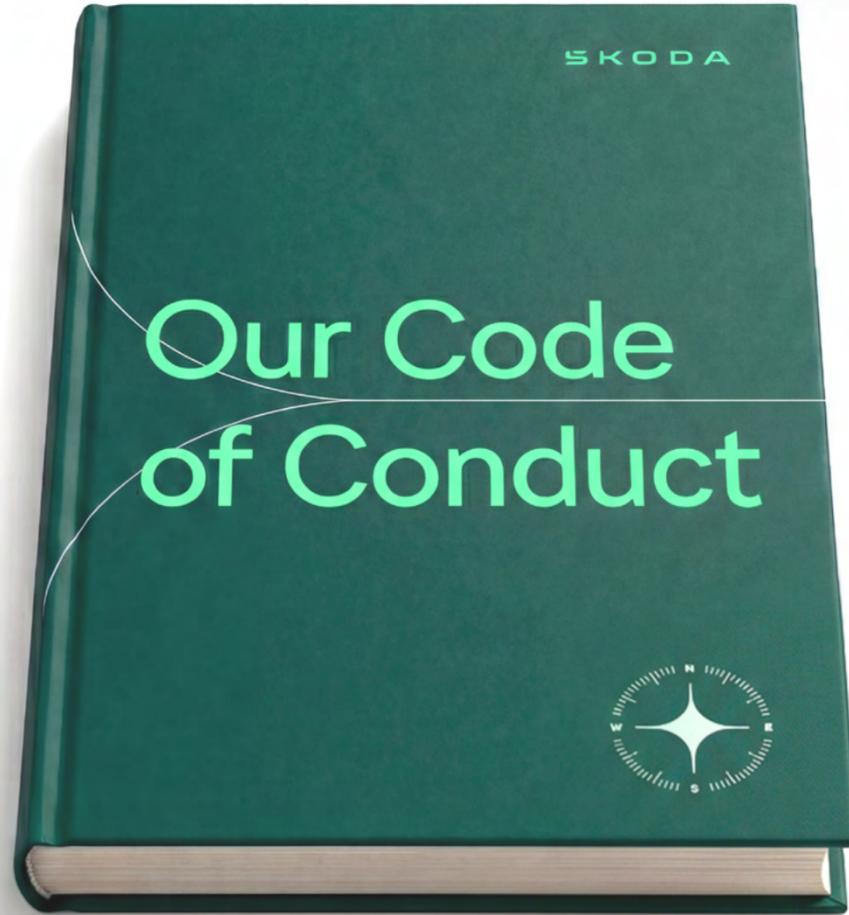
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Our Code is an code of conduct mandatory for all Škoda Auto employees



Illustrative image

Key activities in 2025

[REV-S1-3, REV-GDR-A 37a, 37b]

Key activities and action plans	Expected outcomes and current status	Classification under the mitigation hierarchy	Related targets
Conclusion of collective bargaining and related agreements within the set of agreements and documents Conclusion of a new collective agreement for the coming years	Agreement reached in collective bargaining and conclusion of a new collective agreement for the upcoming period	renewal	
Support for reduced working hours and job sharing	Currently: 297 employees are on reduced working hours, and 0.21% of employees use job sharing	prevention	
Enable flexible working conditions and financial support for parents and carers	In 2025, 914 parents were on maternity/parental leave	prevention	
Maintain the share of employees with disabilities	Minimum 1.58% of employees have disabilities	prevention	

# Policies

Škoda Auto enforces internal policies and procedures to prevent any violations of human rights.



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## Targets

[REV-S1-4]

[REV-GDR-T 43a, 43b, 43e]

Target description	Target value	Units	Status in 2025	Target year	Target type	Additional information
Rate of work-related injuries with lost working time (Index 1)	keep below 1.2	work-related injuries per million hours worked	1.1	2025	absolute	Applies to work-related injuries with lost working time
Share of women in management	20 25	% %	20.8	2025 2030	absolute	Result for 2024: 20.4% women in management
Number of training activities and hours per employee	minimum 30 hours per employee per year	training activities per year hours of study per employee	average 82,12 hours	ongoing ongoing	relative absolute	
Annual employee turnover	keep below 6	%	5.1		relative	
Gender pay gap	keep below 5	%	4.07		relative	



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## S1 – Own Workforce – metrics

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Data point	Unit	2023	2024	2025
<b>Own employees [S1-6]</b>				
Characteristics of undertaking's employees - number of employees by gender	number of men	26,878	26,254	26,015
	number of women	7,247	7,213	7,216
Number of employees (headcount)	number	34,125	33,467	33,231
Average number of employees (headcount)	number	34,150	33,736	33,206
Number of permanent employees	men	26,392	25,871	25,314
	women	7,027	7,048	6,977
Number of temporary employees	men	486	383	701
	women	220	165	239
Number of employees with non-guaranteed hours	men	148	134	130
	women	159	158	158
Number of full-time employees	men	26,853	26,224	25,977
	women	7,055	6,986	6,957
Number of part-time employees	men	25	30	38
	women	192	227	259
Number of employee who have left undertaking	number	1,747	1,736	1,602
Percentage of employee turnover	%	5.1	5.1	4.8



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Data point	Unit	2023	2024	2025
<b>Non-employees [S1-7]</b>				
<b>Number of non-employees in own workforce</b>	number	2,945	2,690	3,353
Number of non-employees in own workforce - self-employed people	number	0	0	0
Number of non-employees in own workforce - people provided by undertakings primarily engaged in employment activities	number	2,945	2,690	3,353
<b>Collective bargaining coverage and social dialogue [S1-8]</b>				
Percentage of total employees covered by collective bargaining agreements	%	100	100	100
Percentage of employees covered by workers' representatives, reported at the country level for each EEA country in which the undertaking has significant employment	%	0	0	0
<b>Diversity metrics [S1-9]</b>				
Gender distribution in number of employees (headcount) at top management level	number of men	274	266	267
	number of women	37	41	37
Gender distribution in percentage of employees at top management level	% of men	88.1	86.6	87.8
	% of women	11.9	13.4	12.2
Distribution of employees (headcount) under 30 years old	number	5,187	4,553	4,139
Distribution of employees (percentage) under 30 years old	%	15.2	13.6	12.4
Distribution of employees (headcount) between 30 and 50 years old	number	21,169	20,532	20,063
Distribution of employees (percentage) between 30 and 50 years old	%	62	61.4	60.4
Distribution of employees (headcount) over 50 years old	number	7,769	8,382	9,029
Distribution of employees (percentage) over 50 years old	%	22.8	25	27.2



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Data point	Unit	2023	2024	2025
<b>Adequate wages [S1-10]</b>				
All employees are paid an adequate wage, in line with applicable benchmarks	yes/no	yes	yes	yes
Percentage of employees paid below the applicable adequate wage benchmark	%	0	0	0
<b>Social protection [S1-11]</b>				
All employees are covered by social protection, through public programmes or through benefits offered, against loss of income due to sickness	yes/no	yes	yes	yes
All employees are covered by social protection, through public programmes or through benefits offered, against loss of income due to unemployment starting from when own worker is working for undertaking	yes/no	yes	yes	yes
All employees are covered by social protection, through public programmes or through benefits offered, against loss of income due to employment injury and acquired disability	yes/no	yes	yes	yes
All employees are covered by social protection, through public programmes or through benefits offered, against loss of income due to parental leave	yes/no	yes	yes	yes
All employees are covered by social protection, through public programmes or through benefits offered, against loss of income due to retirement	yes/no	yes	yes	yes
<b>Persons with disabilities [S1-12]</b>				
Percentage of persons with disabilities amongst employees	%	1.3	1.3	1.58
<b>Training and skills development metrics [S1-13]</b>				
Number of employees that participated in regular performance and career development reviews	number	34,125	33,467	33,231
Percentage of employees that participated in regular performance and career development reviews, by gender	% of men	66	68	78.3
	% of women	34	32	21.7
Average number of training hours, by gender	hours per men	-	23.76	77.18
	hours per women	-	28.49	100.14
Average number of training hours, per employee	number	-	24.77	82.12



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Data point	Unit	2023	2024	2025
<b>Health and safety metrics [S1-14]</b>				
Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	%	100	100	100
Number of fatalities among own employees as a result of work-related injuries	number	0	0	0
Number of fatalities among own employees as a result of work-related ill health	number	0	0	0
Number of fatalities among non-employees as a result of work-related injuries	number	0	0	0
Number of fatalities among non-employees as a result of work-related ill health	number	0	0	0
Number of recordable work-related accidents for own employees	number	70	49	57
Number of recordable work-related accidents for non-employees	number	21	15	12
Rate of recordable work-related accidents for own employees	rate	1.4	0.9	1.1
Number of cases of recordable work-related ill health of employees	number	1	2	6
Number of days lost to work-related injuries and fatalities from work-related accidents	number	2,205	1,342	1,930
Number of days lost to work-related ill health and fatalities from ill health related to employees	number	0	0	0
<b>Work-life balance metrics [S1-15]</b>				
Percentage of employees entitled to take family-related leave	%	100	100	100
Percentage of entitled employees that took family-related leave	%	3.14	2.9	2.7
Percentage of entitled employees that took family-related leave, by gender	% of men	1.2	1.3	1.4
	% of women	98.8	98.7	98.6
All employees are entitled to family-related leave through social policy and/or collective bargaining agreements	yes/no	yes	yes	yes



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Data point	Unit	2023	2024	2025
<b>Remuneration metrics (pay gap and total remuneration) [S1-16]</b>				
Gender pay gap	%	-	4.27	4.07
Annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees	ratio	-	38.4:1	37.6:1
<b>Incidents, complaints and severe human rights impacts [S1-17]</b>				
Number of incidents of discrimination	number	0	0	0
Number of complaints filed through channels for people in own workforce to raise concerns	number	0	0	0
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	number	0	0	0
Amount of fines, penalties, and compensation for damages as result of incidents of discrimination, including harassment and complaints filed	€	0	0	0
Number of severe human rights issues and incidents connected to own workforce	number	0	0	0
Number of severe human rights issues and incidents connected to own workforce that are cases of non respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises	number	0	0	0
No severe human rights issues and incidents connected to own workforce have occurred	yes/no	no	no	no
Amount of fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce	€	0	0	0

## S1 – Own Workforce – metrics information

[MDR-M 77a]

### Characteristics of the undertaking’s employees

#### Permanent employees

Figures are reported as headcount as at 31 December 2025, with each employee counted once regardless of working time, including employees on fixed-term and open-ended contracts. The figures represent the closing physical headcount as at that date. The calculation methodology is based on the number of unique personnel numbers as at the reporting date. A SAP report was used as the data source.

#### Temporary employees

Figures are reported as the number of persons as at 31 December 2025 who have a fixed-term employment contract. The figures represent the closing physical headcount as at that date. The calculation methodology is based on the number of unique personnel numbers as at the reporting date. A SAP report was used as the data source.

#### Non-guaranteed hours employees

Figures are reported as the number of persons as at 31 December 2025 working under Czech-law arrangements outside standard employment contracts, specifically dohoda o provedení práce (DPP, “agreement to perform a specific task”) and dohoda o pracovní činnosti (DPČ, “agreement to perform work”). The figures represent the closing physical headcount as at that date. The calculation methodology is based on the number of unique personnel numbers as at the reporting date. A SAP report was used as the data source.

#### Total number of employees who left the undertaking

The calculation methodology is based on the number of persons who left the Company during the reporting period. A SAP report was used as the data source.

#### Employee turnover rate (fluctuation)

The calculation methodology is based on the number of persons who left the Company, divided by the average number of employees during the reporting period. The monthly average physical headcount is calculated as the sum of daily headcounts

divided by the number of calendar days in the month; the annual average physical headcount is calculated as the sum of monthly averages divided by 12. A SAP report was used as the data source.

### Characteristics of non-employees in the undertaking’s own workforce

#### Total number of non-employees in the own workforce

The data is presented as the number of individuals working as temporarily assigned agency workers as at 31 December 2025. A SAP report was used as the data source.

### Collective bargaining coverage and social dialogue

#### Percentage of employees covered by collective bargaining agreements

The calculation methodology is based on the collective agreement, which covers all employees. For the purposes of this collective agreement, an employee is any person with whom the employer has validly entered into an employment contract, an agreement to perform a specific task (DPP), or an agreement to perform work (DPČ). Headcount is reported as at 31 December 2025. A SAP report was used as the data source.

#### Overall percentage of employees represented by workers’ representatives

The calculation methodology includes all employees, i.e. 100% for the reporting period. Pursuant to Section 24(1), the trade-union organisation concludes the collective agreement on behalf of all employees. Accordingly, all employees are represented, including those who are not trade-union members. A SAP report is used for the calculation. The methodology is based on physical headcounts as at the reporting date and therefore covers 100% of employees.

### Diversity metrics

#### Gender distribution in number and percentage at top-management level

The calculation methodology is based on the number of employees as at 31 December 2025 within the undertaking’s defined top-management population, which comprises the Board of Management, TMK (Group Top Management), OMK (Senior Management Circle) and MK (Management). The methodology includes a calculation of the percentage share relative to the total number of persons, classified by gender. A SAP report was used as the data source.

#### Distribution of employees by age group (under 30 years old; 30-50 years old; over 50 years old)

The calculation methodology is based on the number of persons as at 31 December 2025, broken down by age category. A SAP report was used as the data source.

### Adequate wages

#### Whether all employees are paid an adequate wage in line with applicable benchmarks

The calculation methodology is based on the number of employees in the reporting period. The SAP report system was used as the data source. The methodology assumes that 100% of employees are paid wages in line with applicable benchmarks. Any activities or sources excluded from the calculation are derived from the collective agreement. The Company has no employees with wages below the level of an adequate wage.

## S1 – Own Workforce – metrics information

[MDR-M 77a]

### Persons with disabilities

#### Percentage of own employees with disabilities

The calculation methodology is based on the number of employees as at 31 December 2025 who have a disability recorded in the system. This includes the calculation of the percentage relative to the total number of persons. A SAP report was used as the data source.

### Training and skills development metrics

#### Percentage of employees that participated in regular performance reviews (broken down by gender)

The calculation methodology is based on the regular MAG (Mitarbeitergespräch) performance review across all employee categories and reports the number of unique personnel numbers as at 31 December 2025. A SAP report was used as the data source. Only core employees (i.e. employees on fixed-term and open-ended employment contracts) are included in the calculation. Individuals on agreements to perform a specific task (DPP) and agreements to perform work (DPC) are not included.

#### Percentage of employees that participated in career development (broken down by gender)

The calculation methodology is based on the ratio of the number of unique personnel identification numbers to the total number of employees, expressed as a percentage. The number of such identification numbers is reported as at 31 December 2025. A SAP report containing the number of hours and gender (based on salutation) was used as the data source. Employee numbers are taken from a report provided by HR Planning and Social Services. No estimation methodology is applied. All employees are included in the calculation.

#### Average number of training hours per employee (broken down by gender)

The calculation methodology is based on the total number of training hours completed and their ratio to the number of employees, broken down by gender. Training hours represent the time spent on internal or external training, including time devoted to self-study or e-learning without direct participation in a training session. A SAP report containing the number of hours and gender (based on salutation) was used as the data source. Employee numbers are taken from a report provided by HR Planning and Social Services. The hours from external platforms were then divided according to the number of women and men in administrative positions, who are the main users of these trainings (although all employees have access). All employees are included in the calculation.

The aim of the Škoda Academy is to meet the current educational needs of the company for the given year. Each year, specific thematic educational areas are defined, which the company requires and which employees undergo across the organization. The established objectives are based on corporate requirements, which are mandatory for us as well. Therefore, we include them in KPI reporting—even if there are periods where we do not achieve them or, conversely, exceed them.

### Health and safety metrics

#### Percentage of people who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines

The calculation methodology is based on legal requirements: the occupational health and safety management system applies to the entire workforce, including agency staff. In addition to statutory requirements, ISO 45001 certification is applied and is valid for all Company sites and also applies to 100 % of the workforce, including agency staff. No estimates were used. The entire workforce is included in the calculation.

#### Number of fatalities as a result of work-related injuries and work-related ill health

The calculation methodology is based on the numbers of internal employees and agency workers. SAP system data and data from the e-Pracovní úrazy application (the electronic accident register – accidents marked "S", i.e. fatal accidents) are used as the data source. In the case of contractors, fatal occupational accidents are recorded in the accident register and subsequently in SAP in the same way as for internal employees. Under Czech legislation, for statistical purposes a fatal occupational accident also includes cases where the injured person dies as a result of the injury within one year. In the case of contractors, fatal occupational accidents are recorded in the accident register and subsequently in SAP in the same way as for internal employees. For occupational diseases, enquiries can identify the number of fatalities due to occupational disease only for agency workers; such information is not available for contractors. Fatalities resulting from occupational diseases cannot be reported, as a direct causal link between death and occupational disease may not be demonstrable (self-employed persons, contractors, etc.).

#### Number and rate of recordable work-related accidents

The calculation methodology is based on the number of occupational accidents resulting in incapacity for work (involving hospitalisation and other accidents) among internal employees, and on Index 1, which represents the number of occupational accidents resulting in incapacity for work per million hours worked by internal employees. SAP system data and data from the e-Pracovní úrazy application (the electronic accident register – accidents marked "H" for hospitalisation exceeding five days and "O" for other cases with incapacity for work) is used for the calculation. No estimates were used. The accident rate under Index 1 is reported only for internal employees and does not cover agency workers or self-employed persons.

#### Number of cases of recordable work-related ill health

The calculation methodology is based on the number of recognised occupational diseases among internal employees. Statistics from Health, Occupational Safety and Ergonomics and Social Relations and HR Compliance Departments were used as data sources. Occupational diseases are included only where recognised by the Occupational Diseases Clinic. Occupational diseases affecting self-employed persons and agency workers are not included due to a lack of data. Likewise, occupational diseases of internal employees with "under investigation" status are not included, as it is not confirmed whether the disease will be recognised.

#### Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health

The calculation methodology is based on the number of days lost. Data from the SAP system and from the e-Pracovní úrazy application is used for occupational accidents, and statistics from Social Relations and HR Compliance Department are used for occupational diseases affecting internal employees. No estimates were used. Only internal employees are included in the calculation, as data for other categories of persons is not available.

Work-related ill health are assessed on the basis of decided cases in a given year, regardless of when the investigation began or the ill health originated.

## S1 – Own Workforce – metrics information

[MDR-M 77a]

### Work-life balance metrics

#### Percentage of employees entitled to take family-related leave

The calculation methodology is based on the total number of employees entitled to family-related leave as at 31 December 2025. SAP report data types and sources were used for the calculation.

#### Percentage of entitled employees that took family-related leave (broken down by gender)

The calculation methodology is based on the total number of employees as at 31 December of the given year (broken down by gender) who took family-related leave. SAP report data is used for the calculation.

### Remuneration metrics

#### Gender pay gap

The calculation methodology follows the Volkswagen standard. Data from the SAP report system is used for processing. This includes total annual remuneration paid to each employee in the reporting period, as well as annual hours worked, including overtime, recorded in the relevant time-recording systems and paid in the reporting period. The data is further broken down by gender (male, female, other). On this basis, the average hourly remuneration for men and for women is calculated. The difference between these values is then calculated relative to the average hourly remuneration of men and expressed as a percentage. This metric serves to ensure transparent monitoring of gender equality in remuneration.

#### Annual total remuneration ratio of the highest-paid individual to the median annual total remuneration for all employees (compensation ratio)

The calculation methodology follows the Volkswagen standard. Data from the SAP report system is used for processing. This includes total annual remuneration paid to each employee in the reporting period, including overtime, recorded in the relevant time-recording systems and paid in the reporting period. The ratio expresses how many times higher the remuneration of the highest-paid employee is compared with the median remuneration of all employees. The median represents the value at which half of employees receive higher remuneration and half receive lower remuneration.

### Incidents, complaints and severe human rights impacts

#### Total number of incidents of discrimination, including harassment, reported in the reporting period

The calculation methodology follows the Volkswagen standard. Data used for processing is sourced from SAP and ZEUS HR, with data entered by HR staff. By the tenth working day following the end of the month, this data is converted into anonymised statistics and subsequently entered in the ZEUS HR system. The accuracy of data entry is verified by Social Relations and HR Compliance Department, which is the unit responsible for HR compliance. The objective is for the data to be fully processed and confirmed by the fifteenth working day as of the end of the month. No activities or sources are excluded from the calculation.

#### Number of complaints filed through channels for people in the undertaking's own workforce to raise concerns

The calculation methodology follows the Volkswagen standard. Data used for processing is sourced from SAP and ZEUS HR.

# Workers in the Value Chain and Affected Communities



## Implementation of strategy

[REV-S2-1, REV-S3-1, REV-GDR-P 34a]

Škoda Auto actively prevents negative impacts in the area of labour and human rights by incorporating its Code of Conduct for Business Partners into all contracts and by running a sustainability assessment system (S-Rating, see the Business Conduct chapter, which also sets out the related activities and target). Through self-assessment questionnaires and, where appropriate, targeted audits, business partners are required to demonstrate compliance with mandatory minimum requirements. At the same time, they must demonstrably prevent violations of the rights of employees and surrounding communities, with adherence to these principles verified through documentation. Risk areas are identified based on the type and location of business activities. Particular attention is paid to raw-material supply chains from conflict-affected or high-risk areas, where Škoda Auto applies a stringent system of control, governance, and communication to promote ethical and responsible practices and to prevent the financing of conflicts or unethical practices in raw-material sourcing.

The consistent application of these principles not only strengthens social responsibility across the entire value chain but also protects the Company's reputation and reduces financial risks associated with cooperation with non-compliant partners.

## Impact, risk and opportunity assessment\*

[REV-SBM-3, REV-IRO-2]

### Working conditions, equal treatment, and human rights in the upstream value chain

Within the upstream segment of the value chain, there are areas with a higher risk of violations of human and labour rights, including inadequate remuneration, insufficient occupational health and safety protection, discrimination, harassment, abuse, child and forced labour. Elevated risks of their occurrence arise in particular in raw material extraction or in services subject to a low level of regulation. Such risks occur more frequently in specific regions (e.g. parts of Asia and Africa), with vulnerable groups of workers (e.g. migrants) particularly exposed. Any violation of these rights poses a significant reputational risk for Škoda Auto.

With its active approach, the Company creates a positive impact in this area. It counters these risks through its Code of Conduct for Business Partners and other supplier management tools. Although the primary purpose of the Code is to prevent negative phenomena, its application also contributes to the overall improvement of working conditions in the upstream value chain.

Topic, Subtopic	IRO**	Upstream	Downstream	Addressed by		
				policies	activities	targets
Working conditions	-	Threats to health and safety of employees		✓		
	+	Protection of employee health and safety and fair compensation		✓		
Equal treatment and opportunities for all	+	Support for discrimination prevention		✓		
	-	Insufficient measures against discrimination		✓		
Other work-related rights	+	Prevention of human rights violations		✓		
	-	Potential human rights violations		✓		
	!	Potential human rights violations, such as child labour and forced labour		✓		
Communities' economic, social and cultural rights	-	Mining risks: community health and land rights		✓		

\*Does not affect own-operations value chain  
 \*\*Materiality type (impacts, risks, opportunities)



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# Corporate Citizenship



## Impact, risk and opportunity assessment\*

### Corporate Citizenship at Škoda Auto

Corporate Citizenship is a key pillar of social responsibility within the Volkswagen Group, its principles being integrated into the Company under the broader area of Social Sustainability Strategy. This Strategy supports projects and implements activities across five strategic areas – education, mobility, volunteering, wellbeing, and diversity – primarily in the regions where Škoda Auto operates. The overarching objective is to deliver tangible improvements in living conditions within communities surrounding the Company’s production plants and other operations.

Support is provided mainly through donations and sponsorship approved by the Sponsorship Committee, alongside strategic partnerships with regional and supra-regional organisations and institutions. Additional systematic support is delivered in cooperation with the Škoda Auto Endowment Fund (ŠAEF). The impacts of these activities are predominantly medium-term and are assessed at the level of individual projects.

Responsibility for implementation, strategic project management, and stakeholder relationship management rests with the relevant specialist units, according to their respective areas of expertise. Coordination across units is managed via the Social Sustainability Working Group. The highest level of coordination was previously provided by the Social Sustainability Board (SSB), a top-level governance body with the participation of the Board member responsible for People and Culture. In the fourth quarter of 2025, as part of efforts to strengthen sustainability governance and ensure closer alignment with strategic priorities, the SSB was reorganised into the Social Sustainability Council, which now operates under the External Relations Department.

The development of metrics for this area began during the reporting year and, as such, the impacts cannot yet be reliably quantified. The initiatives already implemented, which contribute positively to local communities and the environment, are outlined in the following text, grouped according to the pillars of the Social Sustainability Strategy.

## 1. Education

Key areas of support cover education at all levels (from preschool through to lifelong learning), the development of leadership capabilities, technical and IT education across all stages, and the promotion of diversity, particularly the participation of girls and women in technical and IT fields. Further activities include cooperation with communities and schools through the Škoda Auto Endowment Fund (ŠAEF). Education policy focuses on improving access to high-quality educational activities, strengthening partnerships with schools and universities, supporting innovative projects (such as the EDU.Lab mobile technology laboratory, Technology Literacy lectures, Girls Day, and 42 Prague), and reinforcing the regional education ecosystem through ŠAEF programmes, with a particular focus on primary and nursery schools.

**Action plans (for 2025 and beyond)** include the expansion of Škoda Academy activities, continued support for projects promoting technical disciplines, long-term cooperation with regional schools, and initiatives aimed at promoting equal opportunities.

**Key results in 2025** included engagement with 128 schools across all education levels (11 nursery schools, 49 primary schools, 45 secondary schools, and 23 universities), the involvement of more than 10,000 students in the EDU.Lab project, the increased participation of women in IT education (e.g. 42 Prague: 33% women), and the further development of technological literacy (120 lectures of Technology Literacy and 1500 students at the Technology Olympiad). In 2025, Škoda Auto not only provided financial support to universities and secondary schools, but also donated teaching aids (83 non-homologated cars, 687 devices, 113 PCs, 50 engines/transmissions and 2 batteries).

## 2. Mobility

Mobility and road safety are a core element of Škoda Auto’s corporate social responsibility. Activities focus on: barrier-free mobility for people with disabilities through targeted programmes and grants; sustainable mobility through the provision of vehicles, including electric vehicles, to public-benefit organisations and providers of social and healthcare services; the development of innovative solutions to enhance road safety (e.g. the Movitren virtual driving simulator); and road-safety education and prevention in cooperation with the Škoda Auto Endowment Fund (ŠAEF) and other expert partners. The overarching objective is to ensure accessible and safe mobility, educate young and novice drivers through Mentor L17 courses and Start Driving programmes, develop partnerships with specialist organisations (e.g. Konto Bariéry, Centrum Paraple), and support projects improving road safety in regions where Škoda Auto operates.

**Action plans (for 2025 and beyond)** include: the continued provision of vehicles to partner organisations; further development of educational programmes (Mentor L17 courses, Start Driving courses, and the use of the Movitren virtual driving simulator at events); and the continuation of ŠAEF grant calls. The strategy is delivered in cooperation with expert partners, municipalities, and regional stakeholders, with participant feedback informing the further development of activities.

**Key results in 2025** included: 147 participants across 13 Mentor L17 courses; 20 participants in the Start Driving programme for women; 14 road-safety projects supported in cooperation with the ŠAEF; 13 people with disabilities supported through the Škoda Bez Bariér programme; 20 vehicles provided to organisations delivering social and healthcare services in regions where Škoda Auto operates; and 8 vehicles used for educational and community purposes within the Czech Republic.

Topic, Subtopic	IRO**	Upstream	Own operations	Addressed by		
				policies	activities	targets
Corporate citizenship	+		Sharing values and projects with affected communities	✓	✓	

\*Does not affect downstream value chain

\*\*Materiality type (impacts, risks, opportunities)

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**3. Volunteering**

Volunteering and employee involvement in volunteer activities form an important component of Škoda Auto’s corporate social responsibility. The overarching objective is to strengthen employee engagement, align corporate activities with community needs, and develop long-term partnerships with non-profit organisations. Activities primarily include tree planting, environmental clean-ups, support for social services, and employee fundraising initiatives for selected organisations. As part of this strategy, trees are planted under the Škoda Stromky grant programme in collaboration with expert partners. Volunteering activities are also part of the Krakonoš Gardens (Krakonošovy zahrádky) grant, a program run by the ŠAEF that aims to support projects that enhance biodiversity, help protect nature, and involve local residents and schools in caring for their surroundings.

**Action plans (for 2025 and beyond)** include further development of the volunteering platform, continuation of the Škoda Trees programme, tree-planting activities with an environmental impact and local community involvement, the continued implementation of employee fundraising initiatives, and support for charitable events. Activities are carried out in cooperation with regional partners, non-profit organisations, the Odbory KOVO trade-union organisation, and the ŠAEF, with feedback used to refine and optimise programmes. The volunteering concept was also recognised by the Association of Social Responsibility through the Giving Tuesday Awards, which honour outstanding stories of solidarity and generosity. The Employee Fundraising Project is a long-standing pillar of Škoda Auto’s corporate responsibility and actively involves employees in supporting non-profit organisations and community initiatives. The collections have a nationwide reach and provide stable, systematic support to selected organisations. In 2023, a Memorandum was concluded with ten non-profit organisations for the fourth round of the project, covering the period 2024–2028. Employees make regular monthly contributions, which Škoda Auto matches, thereby substantially increasing the overall impact of their donations. A portion of the support is also directed towards sustainable initiatives in the vicinity of Škoda’s plants in India, reflecting the Company’s global approach to sustainability. In 2025, employee contributions exceeded €206,220 (CZK 5 million). Following the Company’s matching contribution, total support surpassed €412,422 (CZK 10 million).

**Key results in 2025** included: more than 750 volunteers engaged through the Škoda Volunteers (Dobrovolníci Škoda) platform; 250 participants in the Clean Up the Czech Republic (Uklidíme Česko) initiative, resulting in the collection of eight tonnes of waste; the planting of thousands of trees under the Škoda Trees (Škoda Stromky) programme; and the involvement of 10 organisations in employee fundraising initiatives. Under the Krakonoš Gardens grant, six projects were implemented in 2025, with volunteers participating in three of them. Another 6 projects were approved for implementation in the following year, 2026.

**4. Wellbeing**

Škoda Auto supports the wellbeing of both employees and communities in the regions where its production facilities are located. Wellbeing is treated as a comprehensive strategic topic encompassing overall health and psychosocial wellbeing. Methodological responsibility for this area lies with the OHS and Ergonomics Unit, which coordinates preventive health initiatives for employees and the public. In 2025, Škoda Auto co-organised Family Health Day, a public event generally aimed at promoting prevention and an active approach to health care. Another example of know-how sharing is the Škoda Stresu public website, which has also been available in an English-language version since 2025.

**Action plans (for 2025 and beyond)** include continued cooperation with regional partners, the ŠAEF, and the Odbory KOVO trade-union organisation on preventive health initiatives for employees and the public, further development of the Škoda Stresu website, and additional activities supporting the wellbeing of communities in which Škoda Auto is present.

**Key results in 2025** included: more than 1,000 participants attended Family Health Day; the public website [skodastresu.cz](http://skodastresu.cz) recorded 4,000 new users.



Employees of Škoda Auto participated in the Clean Up the Czech Republic initiative by cleaning natural areas around their factories.

**5. Diversity**

Diversity and inclusion are core values for the Company, both internally in relation to employees ([see the Own Workforce chapter](#)) and externally. One outcome of the Next Level Škoda Strategy – Diversity 2030 is a broader perception of Škoda Auto as a role model in the field of diversity and inclusion. Awareness of Škoda Auto as an inclusive employer is strengthened through two main approaches. The first consists of activities primarily aimed at employees, based on the principle outlined in the Own Workforce chapter that the satisfaction and inclusion of each individual extend to their family and immediate surroundings. The second approach comprises externally visible activities and cooperation with other entities, including organisations bringing together companies that actively address diversity and inclusion, as well as other companies operating independently in the market and addressing similar topics within their business activities.

**Action plans (for 2025 and beyond)** include the preparation of the 2026 Diversity Plan describing individual dimensions of diversity in 2026. They also include the fostering of connections between employee groups, working groups, and teams across the Company’s divisions addressing diversity and inclusion.

**Key results in 2025** included: Czech Donors Forum Award: Communication 2025 - Annual Report (2nd place) for Diversity Report 2024; LGBTQ+ Friendly Employer Award (Bronze); Charter of Diversity Award for a project on intergenerational cooperation (Special Award); presentation of the Škoda Elroq Respectline symbolising the values of diversity and inclusion -

34 events, 165 days on the roads; European Diversity Month - 15 events, reach over 1,500 internal people; the engagement of 970 employees in 3 employee groups; visibility at the Prague Pride festival attended by approximately 45,000 people; and Men’s Health Matters campaign with 2,600 views.

**Financial resources for the implementation of key activities**

Within the pillars of the Social Sustainability Strategy, Corporate Citizenship activities are financed predominantly from Škoda Auto’s internal resources, primarily through monetary and in-kind donations, grant schemes, and sponsorship. The implementation of key actions does not depend on external subsidies or major public-policy changes; however, it is subject to annual budget approval within internal governance processes.

In the 2025 reporting period, a total of € 12 million (approximately CZK 299 million) was allocated to these activities, comprising € 11.9 million in monetary donations and € 0.2 million in in-kind donations (SAP data, including VAT). In keeping with IFRS, these amounts are recognised under donations and sponsorship expense line items.

A comparable level of support is expected in future periods, subject to budget approval and the priorities of the individual pillars.

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Based on a signed memorandum with the City of Mladá Boleslav, the ŠAEF will support projects with more than €5,856,878.

**Škoda Auto Endowment Fund**

The Škoda Auto Endowment Fund (ŠAEF) is a key instrument through which Škoda Auto supports regional development and strengthens communities in the Mladá Boleslav, Rychnov nad Kněžnou, and Vrchlabí regions. Its mission is to improve quality of life in these regions and to support and inspire civil society, including active organisations, local authorities, and individuals. The Fund's strategy is based on partnership, trust, responsible stewardship of resources, respect for people and local context, and openness to innovation. The ŠAEF is an endowment fund established and managed by Škoda Auto. Its activities are governed by a Board of Trustees and overseen by a Supervisory Board. Decisions on support are taken in line with the Fund's mission, with the involvement of expert partners and advisory bodies to ensure the quality, independence of expert assessment, and measurability of impacts. The Fund regularly publishes annual reports and information on its activities in the Collection of Instruments and on its website.

Key areas of support for regional development include the creation and development of high-quality public spaces that are sustainable, inclusive, resilient, and accessible to all, while supporting adaptation to climate change. Further areas focus on strengthening civil society and community cohesion through community centres, cultural activities, and support for local associations and initiatives aimed at enhancing social cohesion. An innovative and entrepreneurial mindset also plays an important role, encompassing start-up development, the testing of new technologies, and support for cross-sector cooperation linking the private, public, and non-profit sectors, thereby strengthening regional ecosystems and facilitating knowledge sharing. A further focus is improving the quality of education through systemic support for schools in the regions, leadership development, competency-based learning, and cooperation between educators and school founders, with the aim of improving educational outcomes and the school climate.

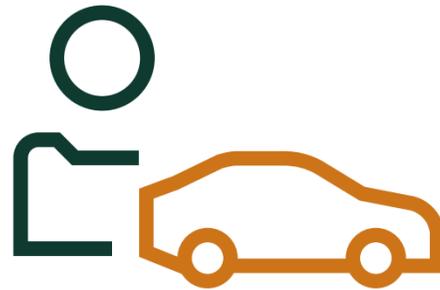
In 2025, the Fund updated its vision and mission, priority areas, and implementation activities for the period ahead. At the end of 2025, key objectives and indicators were redefined in relation both to the Fund's overarching objective and to individual activities.

Major action plans and significant activities include the development of innovation infrastructure through the reconstruction of the historic Klementinka building in Mladá Boleslav, which will become an innovation and community centre, and the revitalisation of the Pluhárna site to support community and cultural activities in Mladá Boleslav. Further priorities include the implementation of the Memorandum of Cooperation in the fields of public space and community life with the City of Mladá Boleslav, and the development of memoranda of cooperation with the Rychnov nad Kněžnou and Vrchlabí regions, focusing on joint development projects and education. Long-term grant calls aimed

at strengthening civic initiatives and cultural projects form an integral part of the strategy.

The ŠAEF works with key stakeholders, including communities, local authorities, non-governmental organisations, schools, experts, and Škoda Auto employees. Engagement takes place through consultations, participatory processes, grant schemes, workshops, and volunteering activities. The Fund regularly assesses needs through surveys, evaluations, and feedback. This information is then used to redirect its support. Representatives of communities and local authorities are involved in the design of grant schemes and evaluation committees, and the Fund shares examples of good practice through its communication platforms. This approach ensures that activities respond to actual needs and contribute to the long-term sustainability of the regions.

# Consumers and End-users



## Impact, risk and opportunity assessment

[REV-SBM-3, REV-IRO-2]

### Personal safety of consumers and/or end-users

Škoda Auto is working hard on continuously improving road safety, which remains an utmost priority. Despite intensive research and development efforts and established processes aimed at accident prevention and product safety, road traffic remains inherently risky. As a result, fatalities and injuries in road accidents involving Škoda Auto products continue to occur. This creates an ongoing need for innovation, preventive measures, and cross-disciplinary cooperation to enhance overall vehicle safety and minimise risks.

The Company supports activities related to product quality for customer safety and protection through educational initiatives and grant calls, thereby positively influencing the end users of its vehicles in terms of safety.

Digitalisation and automation projects aimed at improving product quality and safety deploy modern technologies that increase process efficiency and reliability. Key initiatives include:

- Automation of inspection activities using Computer Vision, replacing manual visual inspections with camera-based systems that enable precise assessment of product complexity and data-driven real-time optimisation of production, thereby improving quality control and reducing error rates;
- Group Threat Intelligence, focused on monitoring and identifying cybersecurity threats across the clear, deep, and dark web. This approach enables the proactive protection of vehicle cybersecurity and mitigation of potential attacks.

The effectiveness of activities related to the development and research of a cyber-resilient vehicle platform/architecture is assessed through external cyber penetration testing conducted by expert firms, feedback from white hackers, and external audits.

### Implementation of strategy

[REV-S4-1]  
[REV-GDR-P 34a, 34b, 34c]

The Company's long-term objective is to enhance the safety of all participants in road traffic and to raise standard technologies in the compact vehicle segment to a higher level. Škoda Auto complies with all applicable legal and internal requirements relating to the protection of consumers and end-users. The Company places a strong emphasis on a high standard of active safety in its vehicles, including advanced driver-assistance systems and consistently strong crash-test results. Product quality is ensured through rigorous inspection and defect prevention prior to market launch, thereby minimising risks to customer health and safety.

Product safety is ensured through certified management systems in accordance with ISO 9001 (quality management), UN Regulation ECE R155 (vehicle cybersecurity), ISO/IEC 27001 (information security), and chemical safety requirements. Vehicle physical safety is verified through mandatory tests required by applicable legislation, and also through independent assessments (e.g. Euro NCAP). Škoda vehicles rank among the safest in their class, as evidenced by the maximum five-star rating achieved by all models since 2008. Independent studies (e.g. NCBS, TÜV Report) are used for sector benchmarking, with Škoda Auto taking the results of the NCBS study into account and incorporating them into further work.

Particular attention is paid to the needs of vulnerable groups of the population, especially persons with disabilities. For these users, the Škoda Handy programme is intended to support a full and active life without unnecessary limitations. Through specialised financing, insurance, and vehicle adaptations, the programme significantly improves the mobility and day-to-day lives of persons with disabilities. These services increase their independence and quality of life. In 2025, a total of 775 vehicles were sold under this programme, a 14% increase compared to 2024 (384 vehicles for the ZTP category and 391 vehicles for the ZTP/P category).

Road safety is further supported through educational initiatives (e.g. courses for L17 mentors, Start Driving for women, and the Movitren virtual driving simulator) and through grant calls administered by the Škoda Auto Endowment Fund in the regions (see the Corporate Citizenship chapter). The Company also invests in innovations to enhance passenger safety and regularly analyses technical vehicle defects. Further details are provided in the Corporate Citizenship chapter (under the Mobility pillar).

Topic, Subtopic	IRO*	Upstream	Own operations	Downstream	Addressed by		
					policies	activities	targets
Personal safety of consumers and/or end-users - Health and safety	-			Road traffic risks	✓	✓	✓
	+			Customer safety	✓	✓	✓

\*Materiality type (impacts, risks, opportunities)

+ Positive impact  
 - Negative impact  
 ! Risk  
 Actual  
 Potential

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Škoda Auto ensures the secure and efficient handling of customer feedback and complaints through a customer relationship management (CRM) system across multiple communication channels (email, hotline, dealers, etc.). Each case is addressed individually, taking account of specific needs, including those of vulnerable groups. Customers who express dissatisfaction are contacted within 24 hours to provide clarification and support, thereby reducing potential risks.

A competitive quality index (CQI) is calculated annually, reflecting current topics in customer satisfaction, product quality, and digital product performance. Increasing expectations serve as a driver for continuous improvement.

The international call centre (CIC) uses AI-based tools, including real-time translation in 15 languages and an English-language voice assistant, to ensure rapid communication. A particular emphasis is placed on the quality of aftersales services and the real-time customer experience, with a focus on incident prevention and customer protection.



The Škoda Elroq received a five-star rating in Euro NCAP this year, and the Enyaq and Octavia models maintained the same rating.

**Key activities in 2025**

[REV-S4-3] [REV-GDR-A 37a]

Key activities and action plans	Expected outcomes and current status	Classification under the mitigation hierarchy	Related targets
Development and research of cyberattack-resistant vehicle platforms/architectures	A robust platform/architecture that takes into account developments in the external environment (white hackers, black sites, incidents, etc.) and the latest trends in the automotive sector.	Prevention / mitigation	Enhanced vehicle safety, trustworthiness, customer satisfaction, and CQI

**Targets**

[REV-S4-4] [REV-GDR-T 43a, 43b]

Target description	Target value	Units	Status in 2025	Target year	Target type	Additional information
Maintain a high level of vehicle safety within the class	5	stars	Five-star rating maintained	ongoing	absolute	Maximum rating (five stars) achieved by all models since 2008



# Governance

# Business Conduct

Topic, Subtopic	IRO*	Upstream	Own operations	Downstream	Addressed by		
					policies	activities	targets
Political engagement and lobbying activities	+	Informed decision-making through political engagement			✓		
	!	Insufficient political engagement			✓		
Corruption and bribery	-	Prevention and detection of corruption			✓		
Corporate culture	+	Values, ethics, and innovation in corporate culture			✓		
Protection of whistleblowers	+	Culture of trust, compliance, and whistleblowing			✓		
Management of relationships with suppliers including payment practices	+	Proactive suppliers' relationship development			✓		✓

\* Materiality type (impacts, risks, opportunities)

+ Positive impact   - Negative impact   ! Risk   Actual   Potential



Škoda Auto, in collaboration with the KOVO Union, awarded ten Elroq electric cars in a raffle to employees for their improvement suggestions.

## Impact, risk and opportunity assessment

[REV-SBM-3, REV-IRO-2]

### Corporate culture, including the prevention of corruption and bribery

Škoda Auto interacts with public authorities at multiple levels, which underscores the need for rigorous compliance with ethical standards and the effective mitigation of corruption risks. The Company has therefore established a comprehensive framework of prevention, training, and oversight and, in line with the requirements set out in the Code of Conduct for Business Partners, expects an equivalent standard from its suppliers. While this area does not directly concern the Company's products, it plays an important role in cultivating an ethical business environment and reinforcing transparent conduct.

A strong emphasis on innovation and employee initiative forms an integral part of the corporate culture. These values are embedded in the Company's strategies and applied in day-to-day operations, in particular through ZEBRA, a continuous improvement programme that enables employees to participate actively in process improvement and to implement their own ideas, supporting self-realisation and a sense of shared responsibility for results. Employee proposals contribute to improvements in quality, efficiency, and process sustainability. The programme delivers significant financial savings, reduces waste, optimises production, and enhances occupational safety and ergonomics, with a direct positive effect on the working environment and employee satisfaction.

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**Political engagement and lobbying activities**

To enable policymakers to take informed decisions on complex issues, reliable information from entities with practical experience is required. Škoda Auto operates in a highly regulated environment and therefore engages in discussions with regulators to represent its interests at local, regional, national (Czech), and international levels. The Company is registered in the Czech Lobbying Register (RELOB), maintained by the Ministry of Justice of the Czech Republic, under number RL4249569300. The Company does not engage directly in lobbying at international level, except for meetings with representatives of third countries held in the Czech Republic. Its interests vis-à-vis European institutions are represented by the Volkswagen Group through the Brussels office.

During the reporting period, no member of the administrative, management, or supervisory bodies held a comparable position in public administration. Consequently, no relevant connections were identified that might pose a potential conflict of interest.

Škoda Auto actively involves trade-union partners in matters relating to labour rights and supports the cultivation of lobbying. This approach ensures that discussions with regulators are constructive and grounded in practical realities. Trade-unions participate actively in the dialogue and provide a realistic perspective, contributing to the development of balanced rules with a positive impact on employees, industry, and society at large.

Insufficient lobbying entails significant financial risk, as regulatory changes may interfere with the established business model, result in direct financial losses, and affect the viability and appropriate timing of major investments.

Poorly conducted or misinterpreted lobbying activities, including the perceived inadequate protection of working conditions, could also give rise to reputational risk and, in extreme cases, to industrial action.

**Management of relationships with suppliers, including payment practices**

The Company supports fair payment practices and equitable procurement conditions and actively promotes the development and competitiveness of suppliers, for example through training, knowledge-sharing (including cooperation with Škoda Auto on material development), and the option of shortened payment terms.

**Škoda Auto promotes interests in line with the Volkswagen Group in the following areas**



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**Strategy and policies**

[REV-G1-1, REV-GDR-P 34a]

Škoda Auto’s policy sets out ethical principles and internal regulations governing the conduct of all employees, suppliers, and partners. The objective is to ensure responsible business conduct in line with the principles of transparency, equality, respect for human rights, environmental responsibility, and zero tolerance for corruption.

The policy was developed in close cooperation with the Compliance Office and internally consulted with the HR, Legal, and Sustainability departments. It is regularly updated based on the outcomes of compliance training, employee surveys, and feedback from the whistleblower system.

Responsibility for the implementation of and compliance with the Company policy rests with the Quality System Management department, which supervises the application of the principles in practice.

The requirement for ethical conduct by Škoda Auto employees is set out in the Code of Conduct called Our Code, which establishes binding principles of responsible and ethical behaviour for employees and management, in line with Volkswagen Group values. The Code covers human rights, equality, environmental protection, ethics, occupational safety, and transparency, and supports an active approach to addressing ethical dilemmas through internal channels and the reporting system.

Within the upstream value chain, the principle of sustainability is embedded in the Code of Conduct for Business Partners. In line with the requirements of the German Supply Chain Due Diligence Act (LKSG), the Code establishes binding requirements relating to responsibility, transparency, and environmental protection. Compliance with these requirements is contractually binding, as the Code of Conduct for Business Partners forms part of the general purchasing conditions and therefore applies to all contracts. Business partners agree to these requirements upon registration in the Group supplier database and again upon signing each contract. Compliance is verified through sustainability assessments (S-Rating). The overall process is described in Group Directive Sustainability Management in Supplier Relations, the implementation of which falls within Škoda Auto’s remit.

**Implementation of strategy**

**Corporate culture, including the prevention of corruption and bribery**

[REV-GDR-1, REV-GDR-2]

The Corporate Governance framework contributes to the responsible, qualified, and transparent management of the Company, with a focus on long-term success and the protection of the interests of relevant stakeholders. Corporate Governance, *inter alia*, defines the allocation of rights and responsibilities among relevant parties, including shareholders, management, Company bodies, employees, and business partners.

The Company manages and continuously develops a comprehensive and structured Integrity and Compliance Management System, encompassing all relevant measures and processes in these areas. A particular emphasis is placed on processes for the assessment of the integrity and compliance of business partners, the assessment of potential conflicts of interest, the prevention of corruption, money laundering prevention, integrity and compliance in HR processes, and whistleblowing mechanisms. Responsibility for implementation is delegated to the relevant Chief Compliance Officer.

Topics relating to integrity and compliance are communicated regularly through the Company’s established communication channels. To ensure awareness of the importance of these themes, related measures include communication at top management level as well as discussions at the level of individual divisions and teams.

The Company regularly assesses integrity and compliance risks and defines appropriate measures to mitigate identified risks. The results of these risk assessments are used for the ongoing systematic development of the Integrity and Compliance Management System. The Company also manages the implementation of the Integrity and Compliance Management System and the risk management system in subsidiaries and associated companies within the Škoda Auto value chain.

[REV-G1-2 10b]

The Company applies a zero-tolerance approach to corruption, which is embedded in the Code of Conduct (“Our Code”) and other internal regulations. A system for the prevention and detection of corruption-related risks is in place, together with processes for reporting, assessing, and preventing potential conflicts of interest involving the Company’s personnel.

The Company has not identified any indications of deficiencies in this system, and the relevant measures and processes are implemented across the entire value chain.

Exposure to corruption risks applies to all white-collar employees, MK (coordinator, management circle), and OMK (manager, senior management circle) who interact with external parties. Measures to mitigate corruption risks therefore apply to all employees, irrespective of their position within the organisational structure.

Anti-corruption measures are defined within the internal compliance risk assessment (ICRA). Compliance with specific preventive measures is monitored on a quarterly basis and further reported on an annual basis in the compliance reporting tool (CoRT). Under this tool, significant risks in the area of integrity and compliance — including those relating to corruption — are reported on a quarterly basis (so-called Hot Topic Reporting).

[REV-G1-2 10a]

Another important area of risk management is risk prevention in the supply chain. This is supported by a set of procedures that primarily include the Raw Material Supply Chain Risk Management System (RMDDMS), follow-up audits and analyses. Within the RMDDMS system, 18 monitored raw materials and high-risk areas of their extraction were identified at the Group level. Every demand for components containing these raw materials includes a specification sheet that sets out the Volkswagen Group’s sustainability requirements. If a business partner does not provide the required information about their supply chain, they will not receive a positive S-Rating, without which a contract cannot be concluded. In the event that the raw materials come from risk areas, the partners are required to demonstrate due diligence. The inspection process for monitored raw materials covers the entire supply chain from extraction and ensures that parts that contain raw materials from high-risk sources that do not meet the Company’s standards are not purchased.

The Volkswagen Group is an active member of Drive Sustainability, an initiative that focuses on identifying and preventing social and environmental risks in the upstream value chain. The initiative has developed and regularly updates a self-assessment questionnaire evaluating supplier performance in key areas of social responsibility and sustainability. This questionnaire forms the basis for evaluating the sustainability of suppliers (S-Rating). Suppliers identified as risky on the basis of regular risk analyses and media monitoring must undergo an additional on-site inspection (audit). These audits are carried out by an external audit

firm and, in accordance with the requirements defined in the Code of Conduct for Business Partners, focus primarily on compliance with human rights and environmental standards. If the audit result does not meet the set criteria, the supplier is assigned a negative S-Rating, which leads to its Group-wide blocking for new orders. To resume cooperation, the supplier must develop and implement a Corrective Action Plan (CAP) within the agreed deadline. In the case of serious findings, a follow-up audit is also required after the implementation of these measures. Strict fulfilment of the CAP is a key condition for the future award of contracts.

The S-Rating is a supplier sustainability assessment system introduced by Škoda Auto in 2019. New contracts are awarded exclusively to suppliers holding a positive S-Rating. The assessment is not permanent; its validity may expire or be withdrawn. The S-Rating is based on a sustainability self-assessment questionnaire (SAQ), which must be completed by all suppliers with more than nine employees. For suppliers of non-production material and services, the relevance of the assessment depends on the type of business and the contract value. As part of the SAQ, all suppliers are required to submit documentation relating to working conditions, human rights, occupational safety, ethical principles, and environmental standards. Suppliers with more than 99 employees must additionally submit extended documentation in these areas. Where suppliers operate their own production facilities, they must provide a valid environmental management system certificate. ISO 14001 certification or EMAS registration is accepted. The supply chain grievance mechanism (SCGM) is used to identify breaches of the Code of Conduct for Business Partners and to define appropriate corrective measures. Any indication of a potential breach, whether arising from whistleblowing or media monitoring, is immediately and thoroughly examined. Relevant cases are then transferred to the Volkswagen Group SCGM team, which determines the brand responsible for addressing the potential breach. The local SCGM team subsequently verifies the credibility of the report, decides whether to initiate an investigation, and, where allegations are confirmed, proposes and implements appropriate measures, such as training, audits, or contractual amendments. In the event of a serious breach, a negative S-Rating may be assigned, resulting in an automatic Group-wide block on new business with the supplier.

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**Training**

[REV-G1-2 10c]

Škoda Auto has implemented a comprehensive training framework covering governance, risk management, and compliance, the latest version of which is effective from February 2025. Training is structured by risk area, including integrity and compliance (Code of Conduct, human rights, anti-corruption and anti-money laundering, whistleblower system), risk management, personal data protection, and business partner responsibility. Training forms part of onboarding HR processes, leadership programmes, and regular training cycles and is typically repeated every two to three years. Delivery formats include e-learning and in-person training.

All employees in the Procurement Division, as well as employees in other divisions who manage commercial cases or procure materials or services from external suppliers, are required to complete annual online S-Rating and SCGM training. Suppliers are supported through training focused on the Code of Conduct, human rights, and S-Rating, which is also available in Czech.

Functions at risk are identified within the target groups of relevant training sessions (see the first column of the table). The Company’s general objective is to achieve 100 % training completion; however, this is affected by natural staff turnover. Training completion is monitored and regularly reported.

Target group	Training	Frequency
<b>All employees (white-collar and blue-collar)</b>	Code of Conduct; Human Rights; Compliance Basics	Every two years (Code of Conduct, Human Rights); upon new assignment (Compliance Basics)
<b>White-collar employees and foremen</b>	Prevention of Corruption and Money Laundering; Data Protection	Every two years
<b>Coordinators and managerial positions</b>	Prevention of Corruption and Money Laundering	Every two years
<b>Foremen</b>	Compliance Advanced – Basic	Upon new assignment
<b>Managers (foremen, supervisors)</b>	Integrity & Compliance Within WS Company Culture	Upon new assignment
<b>Candidates for managerial positions</b>	Integrity & Compliance Within Management Advanced Program	Upon new assignment
<b>Board of Management</b>	Code of Conduct; Prevention of Corruption and Money Laundering	Upon new assignment
<b>Gatekeeper functions</b>	Compliance Training for Local Gatekeepers	Upon new assignment
<b>Specific employee groups</b>	Whistleblower System	Every two years
<b>Business partner compliance contact</b>	Code of Conduct for Business Partners	Upon new assignment / Volkswagen Group requirement

**Whistleblowing**

Škoda Auto provides its employees, Group employees, business partners, and external parties with a confidential and reliable means of reporting potential breaches of applicable legal and/or internal regulations. Two whistleblower systems operate within the Company for this purpose: a whistleblower system under Czech Act No 171/2023 on the protection of whistleblowers, and the Volkswagen Group Central Whistleblower System. Both systems ensure protection against retaliation for whistleblowers or other relevant persons using these channels. Under the statutory system, reports may be submitted via personal meetings, email, telephone, or postal mail. In addition, the Group Central Whistleblower System allows submissions via an online form, a mobile application, or through ombudspersons – external lawyers bound by confidentiality.

Within the Company, the Governance, Risk & Compliance Unit is responsible for implementing the Whistleblowing System in accordance with Act No 171/2023 on the protection of whistleblowers, as well as the Volkswagen Group’s Central Whistleblower System.

The Board of Management and the Supervisory Board of the Company are regularly informed about the effectiveness of the whistleblowing systems, in accordance with the applicable legislation.

The effectiveness of the Company’s reporting channels is evidenced by their active use by employees and other whistleblowers, and by the consistent handling of reports in accordance with applicable internal policies and legal requirements. Corrective measures are implemented where necessary as part of these procedures. The underlying internal processes are subject to regular review and are further refined where appropriate.



The Company encourages its employees to report any breaches of regulations and potential issues.



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#### Political engagement and lobbying activities

In the areas of lobbying, business policy, labour law, and other strategically important fields, the Company acts in cooperation with the trade-union organisation OS KOVO.

The Company advocates its interests across various regulatory areas in line with its needs and priorities. Oversight of interest representation is the responsibility of the Head of External Relations, a management position directly reporting below a member of the Board of Management. In discussions with regulators, the Company primarily addresses the following topics:

- the future of industry and mobility;
- decarbonisation and sustainability (linked to significant impacts and risks identified in the areas of climate change and energy);
- digitalisation and innovation;
- competitiveness, transparency, and trade;
- the labour market, labour law, and education (linked to significant impacts and risks identified in relation to the Company's own employees);
- industrial and regional policy;
- international trade.

Škoda Auto prepares position papers on key regulatory topics and promotes these positions either through designated employees or through membership of external organisations engaged in lobbying activities.

Over the long term, the Company advocates realistic yet ambitious objectives in relation to proposed regulatory measures that set binding targets. Competitiveness and the achievability of defined targets constitute a core element of communication with representatives of political institutions. A failure to communicate risks arising from proposed regulations could result in future non-compliance with applicable legislation. Lobbying activities also serve to protect the Company's financial interests, where non-fulfilment of targets could lead to disproportionate compliance costs, penalties, or, in extreme cases, a suspension of production.

Among the most significant legislative initiatives in 2025 were the revision of greenhouse gases (especially carbon dioxide – CO<sub>2</sub>) targets for passenger cars and the proposal for a Regulation on End-of-Life Vehicles. In both cases, the regulation sets binding targets for automotive manufacturers, the non-fulfilment of which may entail a substantial financial burden or, in extreme cases, a suspension of production. In response, the Company advocated the realistic calibration of targets in light of market conditions, together with additional flexibilities for manufacturers, in order not to jeopardise the competitiveness of EU automotive producers. The specific changes advocated may evolve during the legislative process, depending on the positions of political actors and other stakeholders. Through its communication on regulatory topics, the Company supports representatives of political institutions in making decisions based on a broad range of information from different stakeholder groups.

#### Management of relationships with suppliers, including payment practices

At Škoda Auto, payment terms vis-à-vis suppliers are governed by a policy detailed in methodological procedures for general connectivity procurement, an internal policy which is informed by methodological guideline that establishes a framework for standard invoice maturity periods, the transparency of payment terms, and mechanisms ensuring fair commercial relationships across the entire supply chain. All payment terms form part of framework agreements and purchase orders, which are subject to approval by authorised persons.

The company does not differentiate between categories of suppliers. Standard payment terms correspond to a 30-day maturity, and 94.64% of payments comply with these standard terms. The remaining 5.36% of payments that are not made in line with the agreed terms are caused by several factors, most commonly missing goods receipt entries in the system, missing information from the supplier, or supplier invoices being submitted late.

The policy is based on the principles of transparency, fairness, and compliance. Its key objective is to ensure equal conditions for all suppliers through clearly defined sourcing strategies, such as competitive tendering or the allocation of contracts at equal prices. The scope of the policy covers all payment processes

related to the procurement of production material, services, and indirect material. It applies to all suppliers engaged under framework agreements and purchase orders and covers Škoda Auto's operations in the Czech Republic. The policy affects not only suppliers, but also internal employees (procurement teams and finance) and, indirectly, local communities through fair commercial relationships. In setting the policy, supplier views are taken into account through assessments, audits, and feedback mechanisms.

Responsibility for implementing the policy lies primarily with the Procurement Department, in particular the teams managing framework agreements in EBON and purchase orders in SAP. The Department of Legal Affairs records no legal proceedings relating to late payments in which the Company is the debtor.

### Targets

[REV-G1-3]

[REV-GDR-T 43a, 43b, 43c, 43d, 43e, 43f, 43g]

Target description	Target value	Unit	Status in 2025	Target year	Target type	Additional information
Share of suppliers with a positive S-Rating in total procurement volume over the past 12 months	95	%	94%	2040 (milestone: 85% in 2025)	relative	Production procurement and general procurement  Škoda Auto achieved the Group target for 2030 (90%) by the beginning of 2024 and continues to maintain it.



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G1 – Business Conduct – metrics

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Data point	Unit	2023	2024	2025
<b>Corruption and bribery [G1-4]</b>				
Number of convictions for violation of anti-corruption and anti-bribery laws	number	0.00	0.00	0.00
Amount of fines for violation of anti-corruption and anti-bribery laws	€	0.00	0.00	0.00
<b>Political influence and lobbying activities [G1-5]</b>				
Financial political contributions made	€	0.00	0.00	0.00
In-kind political contributions made	€	0.00	0.00	0.00
Financial and in-kind political contributions made	€	0.00	0.00	0.00
<b>Payment practices [G1-6]</b>				
Average number of days to pay an invoice from the date when the contractual or statutory term of payment starts to be calculated	number	42.7	38.2	39.2
Percentage of payments aligned with standard payment terms	%	90.80	91.81	94.64
Number of outstanding legal proceedings for late payments	number	0.00	0.00	0.00



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# G1 – Business Conduct – metrics information

[MDR-M 77a]

## Incidents of corruption or bribery

### Number of convictions for violations of anti-corruption and anti-bribery laws

Social Relations & HR Compliance administers the disciplinary process. Where Škoda Auto employees (including agency and other workers) breach their obligations, and the conduct is proven to involve corruption or bribery, the case is recorded in disciplinary proceedings.

No cases of corrupt or bribery-related conduct have been identified under criminal law, whether involving natural persons or legal persons.

### Fines for violations of anti-corruption and anti-bribery laws

Under Czech labour law, financial penalties are not permitted for proven breaches of work discipline. Accordingly, no fine may be imposed on a Škoda Auto employee for a proven breach of labour-law obligations.

Financial sanctions in the form of monetary penalties may be imposed for breaches of criminal-law regulations; however, the Company records no such breaches in this area.

Accordingly, no fine or other financial sanction has been imposed on the Company for breaches of anti-corruption and anti-bribery regulations.

## Political influence and lobbying activities

Oversight of lobbying activities lies with the Head of External Relations. This department falls within the remit of the Board member responsible for People and Culture.

Monetary and other donations to political parties and politically exposed persons are prohibited under internal rules. The Company has therefore not provided any such contributions. In 2025, Škoda Auto paid a total of €55,682 to associations with relevance for lobbying activities, in accordance with the payment rules of those organisations.

## Payment practices

### Average time the undertaking takes to pay an invoice from the date when the contractual or statutory term of payment starts to be calculated, in number of days

The calculation is expressed as the ratio of trade payables and received advances to turnover, multiplied by the number of days in a year:

$(\text{payables/turnover}) \times 365 = \text{average number of days to settle payables}$

Data sources within the SAP system are used for the calculation. No estimates or projections are applied in the calculation.

### Description of the undertaking's standard payment terms in number of days by main category of suppliers and the percentage of its payments aligned with these standard terms

The percentage of payments made in compliance with standard payment terms is calculated as the ratio of invoices paid before and after the respective due date.

The invoice payment date is indicated by the document settlement date in SAP FI, while the invoice due date is the date recorded for each invoice in SAP FI. No estimates or forecasts are used. All invoices (within the meaning of "tax documents" under Czech law) are included.

### Number of legal proceedings currently outstanding for late payments

Records of legal proceedings are kept by Legal Affairs.



# EU Taxonomy



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The EU Taxonomy Regulation and its associated delegated acts form a key pillar of the European Green Deal, providing a framework for the classification of sustainable economic activities and financial flows. In this way, they support and accelerate the transition to climate neutrality by 2050. All Škoda Auto's economic activities have been assessed for eligibility and alignment with the sustainability criteria pursuant to Article 8 of the EU Taxonomy Regulation in order to underpin stakeholder transparency and the Company's decision-making.

Škoda Auto is part of the consolidated Volkswagen Group. Its activities are covered by reporting at Group level and, accordingly, the Company is not required to submit a separate report pursuant to Article 8 and Article 10(2) of Regulation (EU) 2020/852 and related delegated acts ("EU Taxonomy"). Nevertheless, Škoda Auto is fully committed to providing its stakeholders with all necessary sustainability-related data and has therefore decided to report voluntarily in line with the EU Taxonomy criteria. Further details, together with information at Group level, are available in the EU Taxonomy section of the Sustainability Statement in the [Group's Annual Report](#).

In 2025, 26% of Škoda Auto's sales revenue, 56% of its capital expenditure, and 36% of its operating expenditure were aligned with the taxonomy criteria for sustainable economic activities.

Fiscal year 2025	Total	Share of EU Taxonomy-eligible economic activities		Share of EU Taxonomy-aligned economic activities		Share of EU Taxonomy-non-eligible economic activities	
		€ million	%	€ million	%	€ million	%
Sales revenue	<b>27,797</b>	26,391	95	7,122	26	1,406	5
Capital expenditure (CapEx)	<b>1,756</b>	1,756	100	977	56	0	0
Operating expenditure (OpEx)	<b>562</b>	562	100	204	36	0	0

EU Taxonomy-aligned activities, as defined in the Taxonomy Regulation, meet the screening criteria for a substantial contribution to climate change mitigation and the "do no significant harm" (DNSH) criteria in relation to the other sustainability objectives (namely climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems). These activities adhere to the minimum safeguards relating to human and consumer rights, anti-corruption and anti-bribery, taxation, and fair competition.

EU Taxonomy-eligible activities are defined in the Regulation and may therefore contribute to at least one of the six sustainability objectives. Activities that are not eligible under the EU Taxonomy are not described in the Regulation.



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## EU Taxonomy – eligibility assessment

Škoda Auto's business model spans the full value chain of vehicle development, production, and marketing, together with related activities. Under the EU Taxonomy Regulation, these activities have the potential to make a substantial contribution to the environmental objective of climate change mitigation by promoting clean and climate-neutral mobility.

The Company has classified its relevant activities under the economic activity "3.3 Manufacture of low-carbon technologies for transport" in relation to the environmental objective of climate change mitigation. This classification applies to all vehicles produced, irrespective of the drive technology used, and also includes the sale of genuine spare parts.

In addition, the Company has included the economic activity "3.18 Manufacture of automotive and mobility components". This activity has been added for reporting purposes in order to capture components that play a key role in reducing greenhouse gas emissions. Intra-Group sales of engines, assemblies, and materials for fully electric vehicles are allocated to this activity.

Hedging transactions and activities of a minor nature, recognised in Škoda Auto's financial statements as other sales income, are not considered eligible under the EU Taxonomy.

Although certain activities directly associated with vehicle-related business should also fall under "3.3 Manufacture of low-carbon technologies for transport" and "3.18 Manufacture of automotive and mobility components", they are currently not classified as EU Taxonomy-eligible due to uncertainty surrounding the appropriate allocation of such economic activities under the EU Taxonomy. These activities include the sale of engines and powertrain units, the supply of parts, and manufacturing under third-party licences, which are also reported as other sales income.

## EU Taxonomy – alignment assessment

As the objectives of the EU Taxonomy Regulation overlap with the topics covered by ESRS disclosure requirements, relevant details on Škoda Auto's substantial contribution to these objectives, together with the context for avoiding any misalignment with them, are set out in the sections of this report addressing the respective sustainability topics.

### Substantial contribution

The screening criteria used to assess the fulfilment of Škoda Auto's key performance indicators relate to the CO<sub>2</sub> emissions of vehicles produced by the Company. A comprehensive analysis of the CO<sub>2</sub> emissions of all vehicle models and powertrain technologies was carried out in accordance with the Worldwide Harmonised Light Vehicles Test Procedure (WLTP). This analysis makes it possible to identify vehicles that, among all EU Taxonomy-eligible vehicles, meet the screening criteria and make a substantial contribution to climate change mitigation.

During the reporting period, the BEV model lines Škoda Enyaq, Škoda Enyaq Coupé, and Škoda Elroq met the CO<sub>2</sub> emissions criterion of 0 g/km. In addition, the PHEV model lines Škoda Kodiaq, Škoda Superb, and Škoda Octavia met the CO<sub>2</sub> emissions criterion of less than 50 g/km during the reporting period.

### Do no significant harm

In accordance with the EU Taxonomy, environmentally sustainable economic activities are required to contribute to one or more defined environmental objectives while ensuring that they do not significantly harm other environmental objectives. To exclude any significant harm to these objectives, economic activities must meet the "do no significant harm" (DNSH) criteria.

During the reporting period, a thorough analysis of the DNSH criteria for the economic activities "3.3 Manufacture of low-carbon technologies for transport" and "3.18 Manufacture of automotive and mobility components" was carried out for Škoda Auto at Group level. For vehicle-related business, the analysis was performed largely for all-electric vehicles and at the individual production sites responsible for the manufacture or production planning of Škoda vehicles that meet the screening criteria or are expected to do so within the five-year planning horizon.

Based on the Group methodology, the potential impact on the other environmental objectives was assessed for Škoda Auto at Group level.

### Climate change adaptation

Škoda Auto assessed climate risks and vulnerabilities to identify which of its production sites may be affected by physical climate risks. The assessment of physical climate change-related risks was carried out based on the useful life of the relevant assets. Škoda Auto assesses climate-related DNSH criteria on the basis of Representative Concentration Pathways (RCP8.5) and Shared Socioeconomic Pathways (SSP5-8.5) up to 2050, thus assuming the highest CO<sub>2</sub> concentration scenario according to the Intergovernmental Panel on Climate Change (IPCC). For the identified threats, their relevance in the local environment was assessed and, where appropriate, the necessary risk-mitigation measures were developed.

### Sustainable use and protection of water and marine resources

Škoda Auto assessed its economic activities with regard to the sustainable use and protection of water and marine resources on the basis of three criteria: maintaining the quality of surface water used; conducting environmental impact assessments (EIAs) or comparable processes that take impacts on water resources into account; and implementing mitigation measures. Risks identified through environmental impact assessments or comparable processes are examined and, where appropriate, result in the adoption of measures and compliance with regulatory requirements. In its analysis, Škoda Auto primarily relied on ISO 14001 certificates, information from site approvals, and other external data sources relating to sites located in high-risk regions.

### Transition to a circular economy

Key aspects of Škoda Auto's environmental management system include environmentally responsible waste management in production, the reuse and use of secondary raw materials, and the long service life of products. Škoda Auto sets out its circular-economy guidelines in its environmental policy, the white paper "Integrated Production Process", and the Volkswagen Group's goTOzero strategy.

Requirements in passenger car production are addressed through compliance with statutory requirements relating to end-of-life vehicles in conjunction with vehicle type approval.

### Pollution prevention and control

For an economic activity to be considered environmentally sustainable, it must not significantly increase emissions of pollutants into air, water, or soil compared with the situation prior to the commencement of the activity. The automotive industry is already subject to strict regulation, as demonstrated, for example, by the publicly available Global Automotive Declarable Substance List (GADSL). Škoda Auto has implemented approval and monitoring processes to ensure compliance with statutory requirements and internal regulations applicable to its standard business operations.

Since 2024, Škoda Auto has been assessing options for substituting substances of very high concern (SVHCs). Further information on the parameters of the analysis and the process for assessing possible alternatives is provided in the chapter E2 Pollution.

### Protection and restoration of biodiversity and ecosystems

To verify compliance with requirements relating to biodiversity and ecosystems, relevant areas were identified. Where production sites are located in, or in close proximity to, biodiversity-sensitive areas, it was verified whether environmental assessments had been carried out and whether expert environmental measures had been imposed and implemented through permits issued under environmental legislation. Škoda Auto also assessed whether there had been any changes in the conservation status of specific areas.

Based on these assessments, Škoda Auto's production sites met the DNSH criteria during the reporting period for activities related to vehicle manufacturing, both for passenger cars and their components.

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#### Minimum safeguards

The framework for minimum safeguards is based on the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the fundamental conventions of the International Labour Organization (ILO), and the International Bill of Human Rights. The assessments confirm that these minimum safeguards were met during the reporting period.

As a company with global operations, Škoda Auto accepts its responsibility for human rights, fully recognises these conventions and declarations, and consistently affirms its commitment to their content and principles. Compliance with statutory requirements, internal regulations, and the principles set out in the Code of Conduct is among the Company's highest priorities. Accordingly, the Volkswagen Group has appointed a Human Rights Officer, whose remit focuses primarily on monitoring, oversight, and advisory activities within the meaning of the German Supply Chain Act (LkSG). Measures arising from this Act also apply to Škoda Auto.

The Act sets out due diligence obligations intended to prevent risks to human rights and the environment, including the performance of risk analyses, the implementation of preventive and remedial measures, and the establishment of a complaints mechanism. The whistleblower system serves as the central point of contact for reports of infringements by employees of the Volkswagen Group, including Škoda Auto employees, as well as by suppliers. Employees may also raise concerns through internal employee representatives. Remedial measures arising from risk analyses or required for other reasons are likewise defined and implemented by the responsible units.

In cooperation with the Volkswagen Group, Škoda Auto reviews, on a regular and ad hoc basis, whether the measures adopted effectively prevent or mitigate adverse impacts, as part of compliance monitoring. This review also verifies compliance with the Code of Conduct and the functioning of the complaints mechanism.

The Code of Conduct forms the ethical and values-based foundation for integrity and compliance in the Volkswagen Group. It consists of a set of binding guidelines for all employees in all brands and companies. Furthermore, Group policies provide the companies controlled by the Volkswagen Group, including Škoda Auto, with an organizational framework with regard to integrity and compliance in HR tools, actions and processes, and take local legal, collective-bargaining and operational regulations into account when implementing these.

The Company's relationships with its business partners are regulated, among other things, by the requirements of the Code of Conduct for Business Partners. For the supply chain, these requirements are implemented and monitored within a comprehensive management system (Responsible Supply Chain System) that covers the Company's due diligence duties in respect of human rights and the environment.

## Key performance indicators

To assess the eligibility and alignment of Škoda Auto's activities with the screening criteria, DNSH, and the minimum safeguards required under the EU Taxonomy Regulations (including Regulation (EU) 2026/73 of 4 July 2025 used for reporting for financial year 2025), the Company discloses key performance indicators for sales revenue (defined as revenue from sales in accordance with IFRS accounting standards), capital expenditure (CapEx), and operating expenditure (OpEx).

Revenue is allocated directly to the relevant economic activity where a direct link to vehicles can be established in line with the screening criteria.

CapEx and OpEx that cannot be directly linked to vehicles is allocated using an allocation formula designed to meet the screening criteria.

The allocation formulas applied are based on the long-term sales plan and the planned utilisation of capacities at individual sites. The data used and forecast values form part of the medium-term financial planning for the next five years, as approved by the Board of Management and the Supervisory Board of Škoda Auto.

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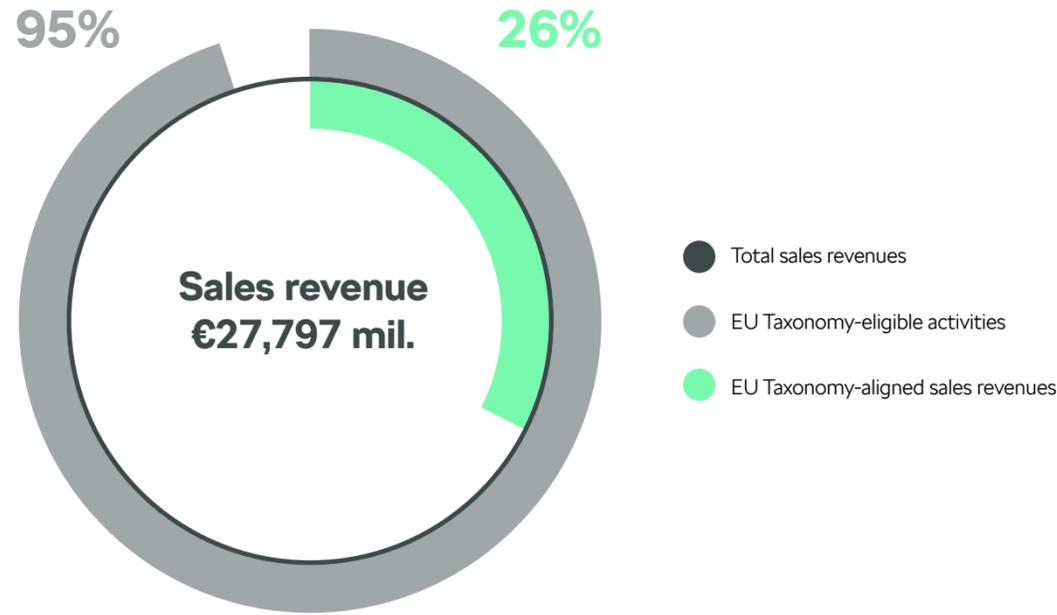
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Financial Section

## Sales revenue

Sales revenue for 2025 amounted to €27,797 million, of which €26,391 million (95%) was EU Taxonomy-eligible and €1,406 million (5%) was non-eligible. Of this sales revenue, €7,122 million (26%) was EU Taxonomy-aligned.



Under the EU Taxonomy, sales revenue corresponds to revenue from sales reported in the financial statements prepared in accordance with IFRS accounting standards and disclosed in the Annual Report. In the 2025 financial year, this amounted to €27,797 million.

Of this amount, €25,102 million, representing 90% of revenue, was attributable to the economic activity “3.3 Manufacture of low-carbon technologies for transport” and was classified as EU Taxonomy-eligible. This includes revenue from the sale of new and used vehicles, genuine spare parts, and extended warranties. Of the total amount, €1,289 million, representing 5% of revenue, was attributable to the economic activity “3.18 Manufacture of automotive and mobility components”. This includes revenue from the sale of electric motors and powertrain units.

In determining the key performance indicators for sales revenue, no double counting occurs, as the individual economic activities are monitored and reported separately. The combined revenue from the activities “3.3 Manufacture of low-carbon technologies for transport” and “3.18 Manufacture of automotive and mobility components” corresponds to the Company’s total sales revenues reported in the financial statements, excluding hedging transactions and activities of a minor nature. Further details are available in the Revenue section of the Notes to the Financial Statements.

Of the EU Taxonomy-eligible sales revenue, €7,122 million (26%) meets the screening criteria for a substantial contribution to climate change mitigation and, at the same time, the criteria for not significantly harming the other environmental objectives. This includes all fully electric vehicles produced by the Company.

EU Taxonomy assessment of sales revenue for 2025	Sales revenue		Substantial contribution to climate change mitigation		Compliance with DNSH criteria	Compliance with minimum safeguards	EU Taxonomy-aligned sales revenue	
	€ million	% <sup>1</sup>	€ million	% <sup>1</sup>			€ million	% <sup>1</sup>
<b>A. EU Taxonomy-eligible activities</b>	<b>26,391</b>	<b>95</b>	<b>8,467</b>	<b>31</b>	<b>Y/N</b>	<b>Y</b>	<b>7,122</b>	<b>26</b>
<b>Vehicle-related business</b>								
3.3 Manufacture of low-carbon technologies for transport	25,102	90	7,178	26	Y/N	Y	5,833	21
3.18 Manufacture of automotive and mobility components	1,289	5	1,289	5	Y	Y	1,289	5
<b>B. EU Taxonomy-non-eligible activities</b>	<b>1,406</b>	<b>5</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>
<b>Total (A + B)</b>	<b>27,797</b>	<b>100</b>	<b>8,467</b>	<b>31</b>			<b>7,122</b>	<b>26</b>

<sup>1</sup> All percentages relate to the Company’s total sales revenue.

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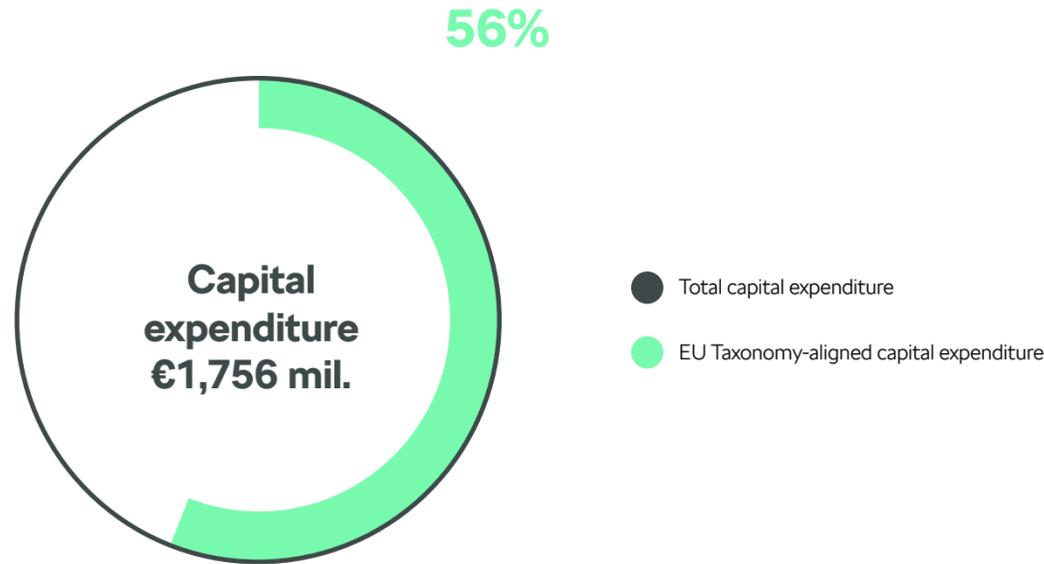
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Capital expenditure

Total capital expenditure for 2025 amounted to €1,756 million, of which €977 million (56%) was EU Taxonomy-aligned.



Under the EU Taxonomy, capital expenditure refers to specific line items reported in the financial statements prepared in accordance with IFRS accounting standards, namely additions to intangible assets and to property, plant and equipment (PPE). These items are presented in the "Intangible assets" and "Property, plant and equipment" sections of the Notes to the Financial Statements, which form part of the Annual Report.

All capital expenditure was allocated to the category "3.3 Manufacture of low-carbon technologies for transport". No significant capital expenditure was allocated to the category "3.18 Manufacture of automotive and mobility components". As a result, EU Taxonomy-eligible capital expenditure amounted to €1,756 million.

All capital expenditure related to the Company's business activities that meets the EU Taxonomy criteria was classified as EU Taxonomy-aligned. Capital expenditure that could not be directly attributed to a specific vehicle was allocated on a pro rata basis using an allocation formula.

The allocation formula for capital expenditure was defined by the Group for each model and brand based on the long-term sales plan or planned capacity and utilisation. It applies to all expenditure at production sites that are expected to manufacture only EU Taxonomy-aligned vehicles over the next five years.

EU Taxonomy-aligned capital expenditure, i.e. expenditure relating to vehicles that meet the screening criteria (including the DNSH criteria and minimum safeguards), amounted to €977 million in 2025, representing 56% of total capital expenditure.

EU Taxonomy assessment of capital expenditure for 2025	Capital expenditure		Substantial contribution to climate change mitigation		Compliance with DNSH criteria	Compliance with minimum safeguards	EU Taxonomy-aligned capital expenditure	
	€ million	% <sup>1</sup>	€ million	% <sup>1</sup>			€ million	% <sup>1</sup>
Economic activities					Y/N	Y/N		
<b>A. EU Taxonomy-eligible activities</b>	<b>1,756</b>	<b>100</b>	<b>1,017</b>	<b>58</b>	<b>Y/N</b>	<b>Y</b>	<b>977</b>	<b>56</b>
<b>Vehicle-related business</b>								
3.3 Manufacture of low-carbon technologies for transport	1,756	100	1,017	58	Y/N	Y	977	56
of which additions to capitalized development costs for BEVs	617	35	351	20	Y/N	Y	311	18
of which additions to other intangible assets for BEVs	267	15	74	4	Y/N	Y	74	4
of which additions to property, plant and equipment for BEVs	872	50	592	34	Y/N	Y	592	34
3.18 Manufacture of automotive and mobility components	0	0	0	0			0	0
<b>B. EU Taxonomy-non-eligible activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>
<b>Total (A + B)</b>	<b>1,756</b>	<b>100</b>	<b>1,017</b>	<b>58</b>			<b>977</b>	<b>56</b>

<sup>1</sup> All percentages relate to the Company's total capital expenditure.

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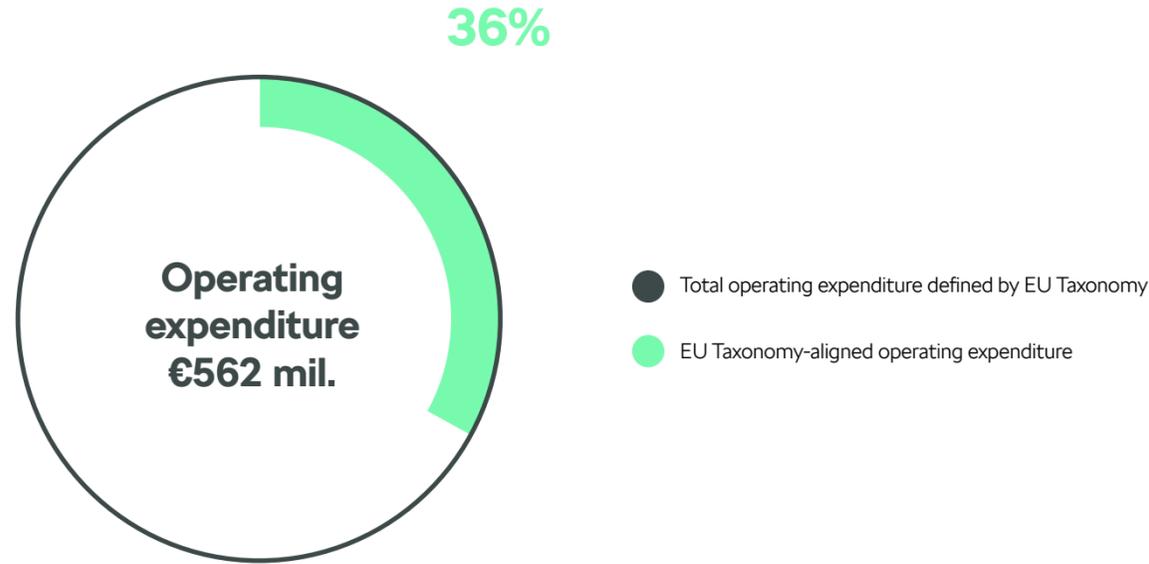
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## Operating expenditure

Total EU Taxonomy-eligible operating expenditure for 2025 amounted to €562 million, of which €204 million (36%) was EU Taxonomy-aligned.



All operating expenditure as defined in the EU Taxonomy Regulation (direct non-capitalised research and development costs, building renovation measures, short-term leases, maintenance and repairs, and other direct expenditure related to the day-to-day maintenance of property, plant and equipment necessary to ensure its continuous and efficient operation) relating to Škoda Auto's business activities falls under the economic activity "3.3 Manufacture of low-carbon technologies for transport". These expenditures were classified as EU Taxonomy-eligible.

Non-capitalised research and development costs are disclosed in the "Intangible assets" section of the Notes to the Annual Report.

Non-capitalised research and development costs were directly allocated to vehicles where possible. Research and development

costs relating to vehicles that are aligned with the EU Taxonomy were also classified as EU Taxonomy-aligned. Conversely, for vehicles that do not meet the EU Taxonomy criteria, no directly attributable non-capitalised research and development costs were classified as aligned. Non-capitalised research and development costs that could not be clearly attributed to a specific vehicle were allocated on a pro rata basis using allocation formulas. The same allocation formulas as for capital expenditure were applied to this and other operating expenditure.

As a result of the approach described above, operating expenditure of €562 million (100%) was classified as EU Taxonomy-eligible, and expenditure of €204 million (36%) was classified as EU Taxonomy-aligned with a substantial contribution to climate change mitigation for 2025.

EU Taxonomy assessment of operating expenditure for 2025	Operating expenditure		Substantial contribution to climate change mitigation		Compliance with DNSH criteria	Compliance with minimum safeguards	EU Taxonomy-aligned operating expenditure	
	€ million	% <sup>1</sup>	€ million	% <sup>1</sup>			€ million	% <sup>1</sup>
<b>A. EU Taxonomy-eligible activities</b>	<b>562</b>	<b>100</b>	<b>222</b>	<b>40</b>	<b>Y/N</b>	<b>Y</b>	<b>204</b>	<b>36</b>
<b>Vehicle-related business</b>								
3.3 Manufacture of low-carbon technologies for transport	562	100	222	40	Y/N	Y	204	36
3.18 Manufacture of automotive and mobility components	0	0	0	0			0	0
<b>B. EU Taxonomy-non-eligible activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>
<b>Total (A + B)</b>	<b>562</b>	<b>100</b>	<b>222</b>	<b>40</b>			<b>204</b>	<b>36</b>

<sup>1</sup> All percentages relate to the Company's total operating expenditure.



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Proportion of sales revenue, CapEx, OpEx associated with EU Taxonomy-eligible or EU Taxonomy-aligned economic activities – disclosure covering year 2025 (summary KPIs)

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KPI	Total	Proportion of EU Taxonomy-eligible economic activities	EU Taxonomy-aligned economic activities	Proportion of EU Taxonomy-aligned economic activities	Breakdown by environmental objectives of EU Taxonomy-aligned economic activities						Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	EU Taxonomy-aligned economic activities in previous financial year 2024	Proportion of EU Taxonomy-aligned economic activities in previous financial year 2024
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity					
	mil. €	%	mil. €	%	%	%	%	%	%	%	%	%	mil. €	%	
Sales revenue	27,797	95	7,122	26	26	0	0	0	0	0	26	0	0	4,471	18
Capital expenditure (CapEx)	1,756	100	977	56	56	0	0	0	0	0	56	0	0	617	45
Operating expenditure (OpEx)	562	100	204	36	36	0	0	0	0	0	36	0	0	208	36



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Proportion of sales revenue associated with EU Taxonomy-eligible or EU Taxonomy-aligned economic activities – disclosure covering year 2025 (activity breakdown)

Economic activities	Code	EU Taxonomy-eligible KPI (Proportion of EU Taxonomy-eligible sales revenue)	EU Taxonomy-aligned KPI (monetary value of sales revenue)	EU Taxonomy-aligned KPI (Proportion of EU Taxonomy-aligned sales revenue)	Environmental objective of EU Taxonomy-aligned economic activities						Enabling activity	Transitional activity	Proportion of EU Taxonomy-aligned economic activities in EU Taxonomy-eligible economic activities
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
		%	mil. €	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Manufacture of low-carbon technologies for transport	CCM 3.3	90	5,833	21	21	0	0	0	0	0	E		23
Manufacture of automotive and mobility components	CCM 3.18	5	1,289	5	5	0	0	0	0	0	E		100
Sum of alignment per objective					26	0	0	0	0	0			
Total KPI (sales revenue)		95	7,122	26	26	0	0	0	0	0	E		27



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Proportion of CapEx associated with EU Taxonomy-eligible or EU Taxonomy-aligned economic activities – disclosure covering year 2025 (activity breakdown)

Economic activities	Code	EU Taxonomy-eligible KPI (Proportion of EU Taxonomy-eligible CapEx)	EU Taxonomy-aligned KPI (monetary value of CapEx)	EU Taxonomy-aligned KPI (Proportion of EU Taxonomy-aligned CapEx)	Environmental objective of EU Taxonomy-aligned economic activities						Enabling activity	Transitional activity	Proportion of EU Taxonomy-aligned economic activities in EU Taxonomy-eligible economic activities
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
		%	mil. €	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Manufacture of low-carbon technologies for transport	CCM 3.3	100	977	56	56	0	0	0	0	0	E		56
Manufacture of automotive and mobility components	CCM 3.18	0	0	0	0	0	0	0	0	0	E		0
Sum of alignment per objective					56	0	0	0	0	0			
Total KPI (CapEx)		100	977	56	56	0	0	0	0	0	E		56



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Proportion of OpEx associated with EU Taxonomy-eligible or EU Taxonomy-aligned economic activities – disclosure covering year 2025 (activity breakdown)

Economic activities	Code	EU Taxonomy-eligible KPI (Proportion of EU Taxonomy-eligible OpEx)	EU Taxonomy-aligned KPI (monetary value of OpEx)	EU Taxonomy-aligned KPI (Proportion of EU Taxonomy-aligned OpEx)	Environmental objective of EU Taxonomy-aligned economic activities						Enabling activity	Transitional activity	Proportion of EU Taxonomy-aligned economic activities in EU Taxonomy-eligible economic activities
					Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
		%	mil. €	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Manufacture of low-carbon technologies for transport	CCM 3.3	100	204	36	36	0	0	0	0	0	E		36
Manufacture of automotive and mobility components	CCM 3.18	0	0	0	0	0	0	0	0	0	E		0
Sum of alignment per objective					36	0	0	0	0	0			
Total KPI (OpEx)		100	204	36	36	0	0	0	0	0	E		36



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## EU Taxonomy capital expenditure plan

The EU Taxonomy requires disclosure of the extent to which EU Taxonomy-aligned capital and operating expenditure: (a) relates to assets or processes associated with environmentally sustainable economic activities; or (b) forms part of a plan to expand EU Taxonomy-aligned economic activities or to bring EU Taxonomy-eligible economic activities into alignment with the EU Taxonomy (capital expenditure plan).

The EU Taxonomy capital expenditure plan presents total capital expenditure, defined as the aggregate of capital and operating expenditure expected to be incurred in the reporting period and over the five-year medium-term planning horizon, with the aim of expanding EU Taxonomy-aligned economic activities or bringing EU Taxonomy-eligible economic activities into alignment with the EU Taxonomy.

With regard to business activities related to vehicle manufacturing, the EU Taxonomy capital expenditure plan relates to the economic activity “3.3 Manufacture of low-carbon technologies for transport” under the environmental objective of climate change mitigation.

Additions arising from leased assets (primarily vehicle leasing) relate to existing environmentally sustainable activities and were therefore not included in the capital expenditure plan. Additions to intangible assets and to property, plant and equipment, as well as non-capitalised research and development costs, were allocated to the capital expenditure plan insofar as they are expected to result in EU Taxonomy-eligible economic activities becoming aligned with the EU Taxonomy or in the expansion of EU Taxonomy-aligned economic activities. For this purpose, the average expected volume of EU Taxonomy-aligned all-electric vehicle production in the medium-term plan was compared with the volume of EU Taxonomy-aligned all-electric vehicles produced in the reporting period, and EU Taxonomy-aligned capital expenditure was allocated on the basis of this ratio, taking into account, inter alia, any share exceeding the current volume of EU Taxonomy-aligned all-electric vehicle production.

On this basis, EU Taxonomy-aligned capital expenditure of €0.2 billion and EU Taxonomy-aligned operating expenditure of €0.03 billion are included in the EU Taxonomy capital expenditure plan for the reporting period. Total capital expenditure under the EU Taxonomy capital expenditure plan expected to be incurred in the reporting period and over the five-year medium-term planning horizon amounts to €1.3 billion. The capital expenditure plan was revised to reflect changes in market outlook, adjustments to medium-term planning, and a reassessment of EU Taxonomy requirements.

A white Skoda Fabia is parked on a paved road. A person's hand is visible on the left, holding a black charging cable connected to the car. The car's rear features the 'SKODA' and 'FABIA' badges, a license plate '6ST 7422', and a '130' badge. The background shows a scenic view of mountains and trees under a blue sky with clouds.

# Financial Section



Translation of a report originally issued in Czech – see Notes to the Financial Statements.

## Independent Auditor's Report To the Shareholder of Škoda Auto a.s.:

### Opinion

We have audited the accompanying financial statements of Škoda Auto a.s. (hereinafter also the "Company") prepared in accordance with IFRS Accounting Standards as adopted by the European Union, which comprise the balance sheet as at 31 December 2025, and the income statement, statement of other comprehensive income, statement of changes in equity and cash flows statement for the year then ended, and notes to the financial statements, including a material accounting policy information. For details of the Company, see notes to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Škoda Auto a.s. as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

### Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

### Responsibilities of the Company's Board of Directors and Supervisory Board for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors and the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Ernst & Young Audit, s.r.o.**  
License No. 401

**Milan Kočka, Auditor**  
License No. 1994

25 February 2026  
Prague, Czech Republic

A member firm of Ernst & Young Global Limited  
Ernst & Young Audit, s.r.o. with its registered office at Na Florenci 2116/15, 110 00 Prague 1 – Nove Mesto, has been incorporated in the Commercial Register administered by the Municipal Court in Prague, Section C, entry no. 88504, under Identification No. 26704153.



Translation of a report originally issued in Czech – see Notes to the Financial Statements.

## Independent Auditor's Limited Assurance Report on Sustainability Statement To the Shareholder of Škoda Auto a.s.:

We have conducted a limited assurance engagement on the Sustainability Statement of Škoda Auto a.s. (hereafter the "Company") included in section Sustainability Statement of the Annual Report as at 31 December 2025 and for the year then ended (the "Sustainability Statement").

### Identification of Applicable Criteria

The Sustainability Statement was prepared by the Board of Directors of the Company applying the criteria as described in the part General Information in the Sustainability Statement, ("Criteria").

The Criteria specifies the process to be performed by the Company to identify the information reported in the Sustainability Statement (the "Process").

### Inherent Limitations in Preparing the Sustainability Statement

As discussed in part General Information in the Sustainability Statement, there are significant inherent limitations associated with the measurement or evaluation of the sustainability matters against the applicable criteria.

The criteria, nature of the Sustainability Statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

In reporting forward-looking information in accordance with the Criteria, the Board of Directors of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Sustainability Statement, the Board of Directors of the Company interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

### Responsibilities of the Company's Board of Directors and Supervisory Board for the Sustainability Statement

The Company's Board of Directors is responsible for selecting the Criteria, and for presenting the Sustainability statement in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Sustainability Statement, such that it is free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the Company's sustainability reporting process.

### Our Responsibility

Our responsibility is to express a conclusion on the presentation of the Sustainability Statement based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

This standard requires that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Sustainability Statement in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

### Our Independence and Quality Management

We complied with the applicable independence and other ethical requirements of the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic (the "Code"). The Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We applied International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Description of procedures performed

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Sustainability Statement and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Obtaining an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by the Board of the Directors (e.g. stakeholder engagement, business plans and strategy documents); and
  - reviewing the Company's internal documentation of its Process;
- Evaluating whether the evidence obtained from our procedures about the Process implemented by the Company was consistent with the description of the Process set out in the part Information to materiality assessment in the Sustainability Statement;
- Obtaining an understanding of the Company's reporting processes relevant to the preparation of its Sustainability Statement by:
  - performing inquiries to understand the Company's control environment, processes and information systems relevant to the preparation of the Sustainability Statement;
- Evaluating whether material information identified by the Process to identify the information reported in the Sustainability Statement is included in the Sustainability Statement;

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- Evaluating whether the structure and the presentation of the Sustainability Statement is in accordance with the Criteria;
- Performing inquiries of relevant personnel and analytical procedures on selected disclosures in the Sustainability Statement;
- Performing substantive assurance procedures based on a sample basis on selected disclosures in the Sustainability Statement;
- Obtaining evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied;
- Obtaining an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Other procedures performed with respect to the EU taxonomy disclosures

We also performed such other procedures as we considered necessary in the circumstances.

**Ernst & Young Audit, s.r.o.**

License No. 401



**Milan Kočka, Auditor**

License No. 1994

25 February 2026

Prague, Czech Republic

**Limited Assurance Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Criteria.

**Other Matter**

Our assurance engagement does not extend to information in respect of earlier periods.

A member firm of Ernst & Young Global Limited  
Ernst & Young Audit, s.r.o. with its registered office at Na Florenci 2116/15, 110 00 Prague 1 – Nove Mesto, has been incorporated in the Commercial Register administered by the Municipal Court in Prague, Section C, entry no. 88504, under Identification No. 26704153.

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### Balance Sheet as at 31 December 2025

€ million	Note	31 December 2025	31 December 2024
<b>Assets</b>			
Intangible assets	4	3,550	3,086
Property, plant and equipment	5	3,801	3,560
Investments in subsidiaries	6	149	153
Investments in associates	7	0	0
Other non-current receivables and financial assets	8	342	268
Deferred tax asset	14	377	150
<b>Non-current assets</b>		<b>8,219</b>	<b>7,217</b>
Inventories	9	1,450	1,313
Current trade receivables	8	1,306	1,703
Other current receivables and financial assets	8	164	146
Current non-financial assets	8	323	283
Cash and cash equivalents	10	1,357	708
<b>Current assets</b>		<b>4,600</b>	<b>4,153</b>
<b>Total assets</b>		<b>12,819</b>	<b>11,370</b>

€ million	Note	31 December 2025	31 December 2024
<b>Equity and liabilities</b>			
Share capital	11	692	692
Share premium		65	65
Retained earnings	12	4,428	4,063
Other reserves	12	(32)	(173)
<b>Equity</b>		<b>5,153</b>	<b>4,647</b>
Current financial liabilities	13	318	303
Non-current non-financial liabilities	13	483	400
Non-current provisions	15	1,244	771
<b>Non-current liabilities</b>		<b>2,045</b>	<b>1,474</b>
Trade liabilities	13	3,097	2,916
Other current financial liabilities	13	151	200
Current non-financial liabilities	13	978	790
Current income tax liabilities		361	365
Current provisions	15	1,034	978
<b>Current liabilities</b>		<b>5,621</b>	<b>5,249</b>
<b>Total equity and liabilities</b>		<b>12,819</b>	<b>11,370</b>

The notes on pages 191 to 239 are an integral part of these financial statements.

**Income Statement  
for the Year Ended 31 December 2025**

€ million	Note	2025	2024
<b>Sales</b>	<b>16</b>	<b>27,797</b>	<b>25,469</b>
<b>Cost of sales</b>	<b>24</b>	<b>24,331</b>	<b>22,368</b>
Gross profit		3,466	3,101
Distribution expenses	24	734	679
Administrative expenses	24	483	471
Other operating income	17	385	362
Other operating expenses	18	377	225
<b>Operating profit</b>		<b>2,257</b>	<b>2,088</b>
Financial income		77	64
Financial expenses		46	49
<b>Net financial result</b>	<b>19</b>	<b>31</b>	<b>15</b>
<b>Profit before tax</b>		<b>2,288</b>	<b>2,103</b>
Income tax expense	21	438	448
<b>Profit for the year</b>		<b>1,850</b>	<b>1,655</b>

**Statement of Other Comprehensive Income  
for the Year Ended 31 December 2025**

€ million	Note	2025	2024
<b>Profit for the year, net of tax</b>		<b>1,850</b>	<b>1,655</b>
Items that will be reclassified to profit or loss:			
Net fair value gain / (loss) net of tax on financial derivatives designated as hedging instruments	12	186	(58)
Items that will not be reclassified to profit or loss:			
Net fair value gain / (loss) net of tax on equity instruments	12	(45)	(33)
<b>Total Other Comprehensive Income</b>		<b>141</b>	<b>(91)</b>
<b>Total comprehensive income for the year</b>		<b>1,991</b>	<b>1,564</b>

**Statement of Changes in Equity  
for the Year Ended 31 December 2025**

€ million	Share capital	Share premium	Retained earnings	Other reserves*	Total equity
<b>Balance as at 1 January 2024</b>	<b>692</b>	<b>65</b>	<b>3,658</b>	<b>(82)</b>	<b>4,333</b>
Profit for the year	-	-	1,655	-	1,655
Other comprehensive income / (loss)	-	-	-	(91)	(91)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1,655</b>	<b>(91)</b>	<b>1,564</b>
Dividends**	-	-	(1,250)	-	(1,250)
<b>Balance as at 31 December 2024</b>	<b>692</b>	<b>65</b>	<b>4,063</b>	<b>(173)</b>	<b>4,647</b>
<b>Balance as at 1 January 2025</b>	<b>692</b>	<b>65</b>	<b>4,063</b>	<b>(173)</b>	<b>4,647</b>
Profit for the year	-	-	1,850	-	1,850
Other comprehensive income / (loss)	-	-	-	141	141
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1,850</b>	<b>141</b>	<b>1,991</b>
Dividends**	-	-	(1,485)	-	(1,485)
<b>Balance as at 31 December 2025</b>	<b>692</b>	<b>65</b>	<b>4,428</b>	<b>(32)</b>	<b>5,153</b>

\* Explanatory notes on Other reserves are presented in Note 12.

\*\* Detailed information about dividends is presented in Note 11.

**Cash Flow Statement for the Year Ended 31 December 2025**

€ million	Note	2025	2024
<b>Cash and cash equivalents as at 1 January</b>	<b>10</b>	<b>708</b>	<b>73</b>
Profit before tax		2,288	2,103
Depreciation, amortisation, impairment loss and reversal of impairment loss of non-current assets	4,5,6,7	1,053	1,121
Change in provisions	15	529	294
(Gain) / loss of tangible and intangible assets and financial investments		1	(20)
Net interest (income) / expense	19	(11)	(4)
Income from dividends and shares	19	(12)	(11)
Adjustments for non-cash transactions on derivatives and other adjustments for non-cash transactions		18	(29)
Change in inventories	9	(144)	114
Change in receivables		379	(261)
Change in liabilities		239	338
Income tax paid from operating activities		(720)	(298)
Interest paid		(26)	(32)
Interest received		37	36
<b>Cash flows from operating activities</b>		<b>3,631</b>	<b>3,351</b>
Purchases of tangible and intangible assets	4,5	(836)	(924)
Payment for increase in equity of subsidiaries and associates	6,7	0	-
Additions to capitalised development costs	4	(617)	(547)
Proceeds from the sale of financial investments	7	-	-
Proceeds from sale of tangible and intangible assets		1	25
Proceeds from dividends and investments		12	11
<b>Cash flows from investing activities</b>		<b>(1,440)</b>	<b>(1,435)</b>
<b>Net cash flows (operating and investing activities)</b>		<b>2,191</b>	<b>1,916</b>
Dividends paid	11	(1,485)	(1,250)
Repayments of lease liabilities - principals		(57)	(31)
Repayment / utilisation of short-term loans		-	-
<b>Cash flows from financing activities</b>		<b>(1,542)</b>	<b>(1,281)</b>
<b>Net change in cash and cash equivalents</b>		<b>649</b>	<b>635</b>
<b>Cash and cash equivalents as at 31 December</b>	<b>10</b>	<b>1,357</b>	<b>708</b>

Total cash outflow from lease liabilities, short-term leases and leases of low-value assets was €76 million in 2025 (2024: €53 million). For non-cash transactions from investing activities relating to leases under IFRS 16 see Note 5.

The following table shows the changes in liabilities arising from financing activities according to the classification as cash and non-cash transactions:

€ million	Balance as at 1 January 2025	Cash-effective changes	Non-cash changes - additions	Balance as at 31 December 2025
Lease liabilities - interest	-	(6)	6	-
Lease liabilities - principal	144	(57)	160	247
<b>Lease liabilities total</b>	<b>144</b>	<b>(63)</b>	<b>166</b>	<b>247</b>

€ million	Balance as at 1 January 2024	Cash-effective changes	Non-cash changes - additions	Balance as at 31 December 2024
Lease liabilities - interest	-	(6)	6	-
Lease liabilities - principal	63	(31)	112	144
<b>Lease liabilities total</b>	<b>63</b>	<b>(37)</b>	<b>118</b>	<b>144</b>

The notes on pages 191 to 239 are an integral part of these financial statements.



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## Company Information

### Foundation and Company Enterprises

Škoda Auto a.s. ("the Company") was incorporated as a joint-stock company on 20 November 1990. The Company's principal business activities are the development, production and sale of vehicles and related accessories

Registered office: tř. Václava Klementa 869,  
293 01 Mladá Boleslav,  
Česká republika

Identification number: 00177041

Website: [www.skoda-auto.cz](http://www.skoda-auto.cz)

The Company is registered in the Commercial Register maintained by the Municipal Court in Prague, under File No. B 332.

### The organisational structure of the Company is divided into the following main areas:

- Central Management
- Finance, IT and Legal Affairs
- People & Culture
- Procurement
- Sales and Marketing
- Technical Development
- Production and Logistics

The Company has its main production plant in Mladá Boleslav and two other production plants in Vrchlabí and Kvasiny.

Škoda Auto a.s. is a subsidiary of VOLKSWAGEN FINANCE LUXEMBURG S.A. included in the consolidation group of its ultimate parent company and its ultimate controlling party, Volkswagen AG ("Volkswagen Group"), with its registered office in Wolfsburg, the Federal Republic of Germany (details disclosed in Note 29).

### Note

The financial statements have been prepared in Czech and in English. In all matters of interpretation of information, views or opinions, the Czech version of these financial statements takes precedence over the English version.

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# 1 Summary of Accounting Policies and Principles

## 1.1 Compliance Statement

These financial statements are separate financial statements of Škoda Auto a.s. for the year ended 31 December 2025. Financial statements of the Company, its subsidiaries, and associates are included in the consolidated financial statements of Volkswagen Group for the year ended 31 December 2025.

The Company as a controlled entity is required to be consolidated by its ultimate parent company Volkswagen AG in its financial statements prepared in accordance with IFRS Accounting Standards as adopted by European Union that are available for public use. The Company prepares the separate financial statements in accordance with IFRS Accounting Standards as adopted by European Union ("IFRS") based on the Company's sole shareholder's decision in accordance with provisions of paragraph 19a Article 7 Act No. 563/1991 Coll., on Accounting.

The Company publishes these separate financial statements as its only financial statements prepared in accordance with IFRS\* and relied on the exemption from consolidation under paragraph 4(a) of IFRS 10 and exemption from applying the equity method in accordance with paragraph 17 of IAS 28. The consolidated financial statements of Volkswagen Group prepared in accordance with IFRS will be publicly available on the following website after their release: <https://annualreport2025.volkswagen-group.com/>.

The Company publishes only separate financial statements in the Collection of Documents of the respective court maintaining the Commercial Register based on the exemption from consolidation under the provisions of paragraph 22aa Article 1 and 2 Act No. 563/1991 Coll., on Accounting (effective as at 31 December 2025). The consolidated financial statements of Volkswagen AG and the auditor's report thereon will be published in the Czech language in the Collection of Documents in the Commercial Register.

For more information about the Company see the preceding Note "Company information".

For more information about the ultimate parent company Volkswagen AG see Note 29.

\*The Company prepares the separate financial statements in accordance with IFRS Accounting Standards as adopted by European Union and as interpreted by the agenda paper issued by the European Commission Internal Market and Services for the meeting of the Accounting Regulatory Committee (document ARC/08/2007) about the relationship between the IFRS regulation and the 4th and 7th Company Law Directives, which were subsequently replaced by Directive 2013/34/EU of the European Parliament and of the Council. The Commission Services Department was of the opinion that, if a company chooses or is required to prepare its annual separate financial statements in accordance with IFRS Accounting Standards as adopted by European Union, it can prepare and file them independently from the preparation and filing of consolidated financial statements. At the time of preparation of these separate financial statements, the approved consolidated financial statements of Volkswagen Group have not been published.

## 1.2 New Standards, Amendments and Interpretations to Existing Standards

### New Standards, Amendments and Interpretations Relating to Existing Standards Mandatory for Accounting Periods Beginning on 1 January 2025

None of the new standards, amendments, or interpretations effective for the accounting period beginning on 1 January 2025 have been applied by the Company, as they were not relevant.

### New Standards, Amendments and Interpretations Relating to Existing Standards Published Not Yet Effective for the Accounting Period Beginning on 1 January 2025

The table below lists the new standards, amendments, interpretations and improvements relating to existing standards, which the Company will adopt, and which will have a material impact on its separate financial statements. The Company expects their application at the same time as the effective date in the European Union

## IFRS, interpretation

Effective in EU

### IFRS 18

1 January 2027\*

### Presentation and Disclosure in Financial Statements

IFRS 18 introduces new requirements for presentation within the income statement. It requires an entity to classify all income and expenses in the income statement into one of five categories: operating, investing, financing, income tax, and discontinued operations. These categories are supplemented by requirements to present subtotals and totals for "operating profit or loss", "profit or loss before financing and income tax", and "profit or loss". It also requires the disclosure of management-defined performance measures and introduces new requirements for the aggregation and disaggregation of financial information based on the designated "characteristics" of the primary financial statements and notes. Additionally, there are consequential amendments to other reporting standards. Retrospective application is required in both annual and interim financial statements.

The Company's management has assessed that the new accounting standard IFRS 18 will primarily impact the structure of reported information in the current and comparative period. A new category of income and expenses – investing – will be added to the income statement, and selected items of income and expenses will be reclassified from the financial result to this new category. Furthermore, additional performance measures defined by management may be disclosed.

In connection with the preparation for the application of the new standard, the Company's management has also reconsidered the scope of information disclosed within the classification of expenses by nature, see Note 24. The originally reported categories have been limited to the presentation of the most material information, in order to improve the clarity of information for users. These are now required by IAS 1 and will continue to be required by the new standard IFRS 18.

### IFRS 19

1 January 2027\*

### Subsidiaries without Public Accountability: Disclosures Amendment to IFRS 19

IFRS 19 allows certain eligible subsidiaries that do not have public accountability, and whose parent prepares publicly available consolidated financial statements in accordance with IFRS, to apply a reduced disclosure regime while retaining the full recognition, measurement, and presentation requirements. The amendment incorporates modifications to other IFRS standards that were not taken into account in the first edition of IFRS 19.

The Company's management has determined that the Company meets the criteria for applying the standard. The expected impact of adopting IFRS 19 will primarily be a reduction in the scope of the notes to the financial statements, due to reduced disclosure requirements regarding financial instruments, risks, lease agreements, employee benefits, provisions, and related party transactions. The fundamental principles of recognition, measurement, and presentation will remain unchanged. The Company expects that this change will lead to increased efficiency in the preparation of the financial statements and improved clarity of the information provided, without compromising its usefulness for users. A final decision on the application of IFRS 19 will be made based on a detailed analysis of its impacts, which will be carried out in 2026.

### Amendments to IFRS 9 and IFRS 7

1 January 2026

### Changes in the Classification and Measurement of Financial instruments

The amendments clarify that a financial liability is derecognised at the "settlement date" and introduce the option to derecognised financial liabilities settled via an electronic payment system before the settlement date, provided certain conditions are met. Additionally, the amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social, and governance (ESG) and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse loans and contractually linked instruments. The Company's management expects that the adoption of these adjustments will facilitate the process of cash management and payables. In the case of an irrevocable payment it will no longer be necessary to monitor the receipt of payment by the creditor when a liability is derecognised.

\* Not adopted by the European Union as at 31 December 2025 (this date represents the effective date under the IASB).

### 1.3 Impacts of the External Economic Environment

From 2024, the situation in the energy and basic commodities markets stabilised, and the Company did not identify any significant risks during this period related to a sudden increase in the price level of production inputs.

In 2024, the Company faced an increased risk of volatility in its production programme in connection with the transition to electromobility, which was reflected in an increase in the provision for purchase risks (see Note 15). In 2025, thanks to close and effective cooperation between teams across the entire company, the Company was able, in a timely manner, to identify and respond to potentially adverse circumstances in the supply chain, thereby ensuring uninterrupted production.

After terminating activities in the Russia region, the Company did not identify any additional significant risks arising from the Russia-Ukraine conflict that would lead to future expenditures, except for risks already considered in previous accounting periods as described in Note 15.

In 2025, the Company did not identify any significant adverse events that could significantly disrupt its production and sales activities. The outcome of this assessment confirms the Company's ability to continue its operations.

### 1.4 Impact of Climate Change on Reported Data

In connection with climate change and the resulting stricter emissions regulations, the transformation of the automotive industry towards electromobility and further digitalisation continues. The Company considers the most important goals in this area to be the reduction of CO<sub>2</sub> emissions produced by the vehicle fleet and the transformation of the Company's Czech production plants to achieve carbon neutrality. Both measures will contribute to the long-term reduction of greenhouse gases throughout the entire product lifecycle and thus to the goal of becoming a CO<sub>2</sub>-neutral company by 2050. In preparing the separate financial statements, the Company's management considered the potential impacts of climate change, current and future regulatory requirements in the area of emissions, and in particular the corresponding transformation towards electromobility.

Potential impacts, particularly on non-current assets and liabilities in respect of the provision for emission fee risks, have been included to the extent possible as part of the significant estimates and assumptions included in these separate financial statements, see Notes 2.19 and 15. In the coming years, the Company will spend increasing amounts to achieve a CO<sub>2</sub> neutral balance from the automotive to e-mobility transition. One of the measures to reduce the overall carbon footprint of the production and operation of electric vehicles is the acquisition of EACs\* and VERs\*\* certificates. The effects of the transformation towards e-mobility are taken into account in the medium-term planning and therefore in the calculation of future cash flows for the determination of the recoverable amount in the impairment tests for intangible assets, in particular in the planning of future vehicle models and in connection with investments in development costs and production facilities. In addition, the Company periodically evaluates whether these developments require adjustments to the useful lives of other tangible and intangible fixed assets.

Detailed information on how sustainability is considered within the Company's strategy is set out in the "Sustainability Statement" section and "Strategy" chapter of Management Report in the Company's Annual Report.

## 2 Basis of Preparation of Financial Statements

These separate financial statements have been prepared under the historical cost convention, except for fair value measurement of equity instruments measured at fair value through other comprehensive income, of financial assets and financial liabilities at fair value through profit or loss, and of all derivative contracts.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise their judgement in the process of applying material accounting policies. The Company's separate financial statements disclose material accounting policies that, if omitted, misstated or obscured, could affect the economic decisions of users made on the basis of those separate financial statements.

Amounts in these separate financial statements including the notes are disclosed in millions of euros (€ million), unless stated otherwise. All amounts have always been rounded, which may lead to slight variations when added together.

### 2.1 Foreign Currency Translation

#### Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The 2025 (2024) financial statements are presented in euros, which is the Company's functional and presentation currency. Transactions denominated in foreign currencies are translated into the functional currency based on the Group's exchange rates\* prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date at the Group's exchange rate\* ruling at that date. Exchange gains or losses arising from these transactions and from the translation of assets and liabilities at the balance sheet date are recognised in the income statement.

### 2.2 Intangible Assets

Separately purchased intangible assets with finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses. These are mainly software, licences, patents and trademarks granted for a limited period of time. Separately purchased intangible assets with indefinite useful lives are stated at cost less accumulated impairment losses. These are mainly trademarks that do not have a finite useful life.

Separately purchased rights to production equipment are also capitalised as intangible assets. These are the rights to use "common tools" (various specific machines, tools, moulds for casting or moulding, dies, etc.) used to manufacture parts for Volkswagen vehicles. Capitalised costs include direct costs and a corresponding proportion of the relevant overheads.

Research costs are recognised in the profit and loss account in the current period.

Development costs in connection with Škoda models and other product projects are recognised as intangible assets in accordance with IAS 38 if it is probable that the project will be successful in terms of its commercial and technical feasibility if the related costs can be measured reliably and if the cash-generating unit (see Note 2.4) to which the intangible asset can be allocated is not fully amortised. Capitalised development costs and other internally generated intangible assets are stated at cost less any accumulated amortisation and impairment losses. If the conditions for capitalisation are not met, the costs are recognised in the profit and loss account in the year in which they are incurred. As part of the Volkswagen Group's synergies, the Company participates with other Group brands in the development costs of joint Group projects. These development costs are monitored as a whole at Group level and are regularly allocated to the individual Group companies according to a predetermined allocation key. This cost allocation is reviewed in the event of changes, and adjustments may be made to previously invoiced cost amounts (e.g. if a new entity joins a project, the relevant financial amount will be refunded to the Company or development costs will be reallocated between the Company's development projects).

\*EACs (Energy Attribute Certificates) are certificates that are generated by renewable energy production.

\*\*VERs (Voluntary/Verified Emission Reduction Certificates): These are certificates that are based on the principle of compensation. A company can compensate the greenhouse gases it emits in one place in another place, e.g. through a reforestation projects, where one VER certificate is issued for each tonne of CO<sub>2</sub> that the forest can compensate for.

\*The exchange rate of the Volkswagen Group, which is derived from exchange rates from the Refinitiv database (provider of financial market data).

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The Company applies straight-line amortisation to intangible assets. The development costs are amortised using the straight-line method from the start of production over the expected life cycle of the models or components. Amortisation recognised during the year is allocated to the relevant functions in the income statement.

Amortisation rates are based on the estimated useful lives of intangible assets. The useful lives are determined according to the following table:

Capitalised development costs	2–9 years depending on the product life cycle
Software	3–5 years
Tooling rights	2–9 years depending on the product life cycle
Other intangible fixed assets	3–5 years
Licences	depending on product life cycle

Estimated useful lives and the amortisation method are reviewed on a regular basis, and the effect of any changes in estimates is accounted for prospectively.

Intangible assets not yet ready for use and intangible assets with indefinite useful lives (for example, trademarks and licences with indefinite use) are not amortised but are tested annually for possible impairment, see Note 2.4.

Intangible assets are derecognised on sale or when no future economic benefits from individual intangible assets are expected from their use or sale. The gains or losses arising from derecognition of an intangible asset, which are determined as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the profit or loss when the assets are derecognised.

**2.3 Property, Plant and Equipment**

All property, plant and equipment are stated at historical cost less cumulative depreciation and impairment losses. Acquisition cost includes expenditure that is directly attributable to the acquisition of the assets. In particular, administrative and other general overhead costs are not part of the cost of acquisition, as well as any proceeds from the sale of items generated by the tangible asset before the time at which it is ready for its intended use.

All repairs and maintenance costs are charged to the income statement during the reporting period in which they are incurred. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Land is not depreciated. Other assets are depreciated on a straight-line basis. Depreciation rates are determined on the basis of estimated useful lives. The useful lives are determined according to the following table:

Buildings	9–50 years
Machinery and equipment	3–18 years
Special tooling	Production cycle length, maximum 9 years
Other equipment, operating and office equipment	3–23 years
Means of transport	5–25 years

Estimated useful lives and the depreciation method are reviewed on a regular basis, and the effect of any changes in estimates is accounted for prospectively.

Items of property, plant and equipment are derecognised on sale or when no future economic benefits are expected from their use. The gains or losses arising from the derecognition of items of property, plant and equipment, which are determined as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the profit or loss when the assets are derecognised.

Property, plant and equipment also includes right-of-use assets arising from leases, see Note 2.13.

**2.4 Impairment of Assets**

For the purpose of impairment assessment, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as cash-generating units (CGUs). Due to the regulation of performance standards for emission limits, the individual models of the Company are significantly interdependent. Therefore, the cash-generating unit is determined at the level of tangible and intangible assets used within the Company's automotive business activities, specifically at the brand level of Škoda.

Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the amount by which the asset's carrying amount exceeds its recoverable amount.

Intangible assets that are not amortised (those not yet ready for use and those with an indefinite useful life) are allocated to the cash-generating unit (CGU) expected to benefit from their use for impairment testing purposes. To determine the recoverability of these intangible assets, the recoverable amount of the CGU to which the relevant intangible assets can be allocated is used. The recoverable amount represents the higher of the cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

The recoverable amount represents the higher of the cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

**2.5 Financial Instruments**

**2.5.1 Financial Assets**

**2.5.1.1 Classification and Measurement**

The Company classifies its financial assets at the time of acquisition and upon initial recognition. The Company categorises its financial assets into two main groups: debt and equity financial instruments. Upon initial recognition, financial assets are measured at fair value minus any transaction costs. A separate group of financial assets consists of financial derivatives with a positive fair value, which are reported as hedging derivatives, see Note 2.5.3.

**Debt Instruments**

A debt instrument is any contract that results in a financial asset for one party and a financial liability for the other party. Within debt instruments, the Company classifies financial assets into the following categories:

**a) Financial assets at amortised cost (portfolio AC)**

In this category, the Company presents debt instruments, which are held under a business model aimed at collecting all contractual cash flows and which also have contractual cash flows representing solely principal and interest on the outstanding principal. Subsequently, they are measured at amortised cost, as determined by the effective interest rate method (hereinafter "the amortised cost"). During the accounting period 2025 (2024), the Company had in this category other receivables and financial assets (see Note 8.1), trade receivables (see Note 8.2), deposits in Volkswagen Group companies and cash. Deposits in Volkswagen Group companies are included in cash equivalents (see Note 10).

**b) Financial assets at fair value through profit or loss (portfolio FVPL)**

Within this category, the Company classifies all other debt instruments that are held for trading purposes or their contractual cash flows that do not represent solely payments of principal and interest on the principal amount outstanding. Subsequently, they are measured at the fair value through profit or loss. Within the debt instruments, the Company had only trade receivables in this category that were held for sale through factoring arrangements during the 2025 (2024) accounting period (see Notes 2.18 and 8.2). The realised and unrealised losses from the changes in the fair value of these receivables were included in the financial expenses in 2025 (2024).

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Derivatives are classified in category FVPL, provided that they do not meet the conditions of hedge accounting. During the accounting period 2025 (2024), the Company had receivables from trading derivatives in this category (see Note 2.5.3 and 8.1). The realised and unrealised gains and losses from changes in the fair value of financial derivatives held for trading were included in other operating income or other operating expenses in 2025 (2024).

**Equity Instruments**

An equity instrument is a contract that evidences a residual interest in the assets after deducting all liabilities. For equity securities that are not held for trading purposes, the Company decided at the time of their initial recognition that subsequent changes in fair value will be reported in other comprehensive income.

These equity instruments are therefore classified in the category: Financial assets at fair value through other comprehensive income (FVOCI portfolio). Upon derecognition, realised gains or losses from these equity instruments are not reclassified from other comprehensive income to profit or loss for the current period. Dividends are included in profit or loss only when they represent a return on investment.

During the accounting period of 2025 (2024), the Company had an investment in equity instruments of another entity classified in this category (FVOCI) (see Note 8.1), which does not have a market price quoted in an active market.

**2.5.1.2 Impairment**

The Company applies an impairment model reflecting expected credit losses (ECL), under which an allowance is recognised before a credit loss occurs. For trade receivables, the Company has opted to apply the simplified approach using an impairment matrix.

**Simplified Approach to Impairment**

**Simplified approach using provision matrix**

The Company determines the amount of allowances using a provision matrix for trade receivables. The provision matrix is based on the application of the appropriate loss rate to the outstanding balances of trade receivables (i.e. the ageing analysis of receivables).

The Company applies the following steps to estimate impairment allowances using the simplified approach. The Company first divides its individual trade receivables into groups of receivables with similar credit risk characteristics. The Company identifies the most important factors driving the credit risk of each group. In the second step, the Company establishes a historical loss rate for each group with similar credit risk characteristics. This rate is based on the past 3 consecutive accounting periods. In the next step, the Company determines the expected loss rate for each group of receivables, which is further divided into subcategories based on the number of days past due (e.g. the loss rate for receivables that are not due, the loss rate for receivables 1–30 days past due, loss rate for receivables 31–60 days past due, etc.). When determining the expected loss rate, the Company takes into account whether the historical loss rates were incurred under economic conditions that correspond to the expected conditions during the exposure period of the given portfolio of receivables at the balance sheet date.

In the last step, the Company calculates the amount of impairment allowances based on the current gross amount of receivables multiplied by the expected loss rate.

If a trade receivable is categorised as irrecoverable, the allowance is set for 100% of the amount of the trade receivable. The creation of allowances is recognised in other operating expenses in profit or loss. In cases where a receivable can no longer be subject to enforcement activity (e.g. the receivable ceases to exist, as a result of a court resolution due to the lack of assets in the bankruptcy, the debtor ceased to exist without a legal successor, etc.), the receivables are written off against the related impairment allowance.

**2.5.1.3 Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership, or when the Company has neither transferred nor retained substantially all risks and rewards but transferred control.

**2.5.2 Financial Liabilities**

**Classification**

The classification depends on the purpose for which the financial liabilities were contracted. The Company's management determines the appropriate classification of financial liabilities at their initial recognition. A separate group of financial liabilities consists of financial derivatives with a negative fair value, which are reported as hedging derivatives (see Note 2.5.3).

The Company classifies financial liabilities into the following categories:

**a) Financial liabilities measured at fair value through profit or loss**

Financial liabilities at fair value through profit or loss are financial liabilities held for trading or so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedging instruments. Realised and unrealised gains and losses from changes in the fair value of financial liabilities at fair value through profit or loss are included in other operating expenses or in other operating income. During the accounting period 2025 (2024), the Company only had financial derivatives in this category (Note 2.5.3 and 13.1).

**b) Financial liabilities measured at amortised cost**

Financial liabilities are measured at fair value net of transaction costs at initial recognition. Subsequent measurement is at amortised cost by applying the effective interest rate method. In this category, the Company recognises trade payables (see Note 13.2) and lease liabilities (see Note 13.1). For lease liabilities, specific valuation procedures apply at initial recognition, see Note 2.13.

**Derecognition**

The Company derecognises financial liabilities only when the contractual liabilities of the Company are discharged, cancelled or expired. The difference between the carrying amount of a derecognised financial liability and the consideration paid is recognised in profit or loss.

**2.5.3 Financial Derivatives**

The Company uses derivative financial instruments to hedge currency and price risks. The main types of derivative financial instruments used are currency forwards and commodity swaps.

For the purpose of these separate financial statements of the Company, a currency risk is defined for future foreign currency sales and purchases as the risk arising from changes in exchange rates against the euro. In the area of accounting under Czech legislation (hereinafter "the tax area"), the outputs of which serve as the basis for determining current tax expense in these separate financial statements, currency risk is defined as the risk arising from changes in exchange rates against the Czech koruna (CZK).

Derivative financial instruments are measured at fair value. To determine the fair values of financial derivatives that are not traded on an active market, valuation techniques, such as the present value of expected future cash flows, are used. The fair value of currency forwards is determined as the present value of future cash flows based on market interest rates (OIS - Overnight Indexed Swap). The fair value of commodity swaps is determined as the present value of future cash flows based on LME (London Metal Exchange) rates.

The method of recognising gains or losses from the revaluation and subsequent realisation of financial derivatives depends on whether the derivative is classified as a hedging derivative or a trading derivative.

The Company classifies as hedging derivatives only those derivatives that meet the conditions for hedge accounting. The Company hedges against changes in cash flows resulting from changes in spot exchange rates and, starting from 2024, also against changes resulting from other price changes. (During 2024, the Company implemented hedge accounting for other price risks arising from a combination of commodity and currency risks.) The hedged items are highly probable forecast transactions. The Company determines the volume of highly probable forecast transactions which is designated for hedging of a specific risk (the so-called nominal) and hedges 100% of this nominal value. (The nominal value of the financial derivative corresponds to the nominal value of the hedged item.) Therefore, the hedging ratio is set at 100%.

Changes in the value of the spot and forward components of currency financial derivatives and changes in the fair value of commodity swaps that meet the criteria for effective cash flow hedging are recognised in the cash flow hedge reserve in equity, which is part of other comprehensive income.

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If the hedged forecast transaction subsequently results in the recognition of a non-financial asset (e.g. inventory), the Company removes the values from the revaluation of derivatives in the cash flow hedge reserve in equity and includes them directly in the acquisition cost of the non-financial asset. If the hedged forecast transaction (e.g. hedge of future revenues) results in the recognition of a financial asset, the Company removes the values from the revaluation of derivatives in the cash flow hedge reserve in equity and includes them in the income statement as revenue or a reduction of revenue in the period in which the hedged item affects the income statement. Hedge ineffectiveness is recorded in the income statement.

If the hedging instrument no longer meets the criteria for hedge accounting or is settled early, the cumulative gains or losses arising from the hedging instrument, which is recognised in other comprehensive income during the effectiveness of the hedging instrument, remains there until the original forecasted hedged transaction is finally recognised. However, if it is no longer expected that the forecasted transaction will occur, the cumulative gains or losses that were recognised in other comprehensive income are immediately transferred to the income statement. Hedge effectiveness is primarily determined prospectively using the Critical Terms Match (CTM) method.

Until 2023, the Company economically hedged against other price changes related to commodity risk using commodity swaps and related currency forwards, for which hedge accounting was not applied. Changes in the fair value of these derivative instruments were recognised directly in the income statement and classified as income or expense for the period. Following the reinstatement of hedge accounting during 2024, for previously contracted commodity swaps and related currency forwards (concluded before the date of application of the hedge accounting), only the portion of the change in fair value arising from the remeasurement of the derivative that was realised after the date of transition to hedge accounting is recognised in the hedging reserve within equity.

In the tax area, all financial derivatives, both derivatives used to hedge currency risk arising from changes in exchange rates against the euro and derivatives used to hedge other price risk, are classified as trading, leading to temporary differences and impacts on deferred tax.

**2.5.4 Offsetting of Financial Instruments**

The Company presents financial assets and financial liabilities offset in the statement of financial position in a net amount only when it has currently a legally enforceable right to set off the recognised financial asset and liability and intends to settle

on a net basis or to realise the asset and settle the liability simultaneously. A legal right must be enforceable both in the normal course of business, but also in the event of default, insolvency or bankruptcy of any contractual counterparty.

**2.6 Investments in Subsidiaries and Associates**

Subsidiaries are investees that are controlled by the Company. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Associates are all entities in which the Company has significant influence, which is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies. This significant influence is generally connected with ownership of 20 to 50 per cent of the voting power or is usually evidenced in one or more of the following ways:

- (a) representation on the Board of Management or equivalent governing body of the investee;
- (b) participation in policy-making processes, including participation in decisions about dividend or other distributions;
- (c) material transactions between the investor and the investee;
- (d) interchange of managerial personnel; or
- (e) provision of essential technical information.

**Recognition, Measurement and Derecognition**

Investments in subsidiaries and associates are carried in the separate financial statements at cost less any impairment loss. The cost of the investment represents the cost of the investment as agreed between the parties, which represents the consideration paid by the Company to the selling party.

The Company recognises a dividend from a subsidiary or associate in financial income when the right to receive the dividend is established.

Financial assets are derecognised from the balance sheet if the right to receive cash flows from the investments has expired or has been transferred and the Company has transferred substantially all the risks and rewards of ownership or if the Company has not transferred substantially all the risks and rewards but did not retain the control.

**Impairment**

The Company determines at each reporting date whether there is objective evidence that the value of the share in the equity of subsidiaries and associates is impaired. In the event of impairment (or reversal of impairment) of investments in subsidiaries and associates, the impairment loss (or gain on reversal of impairment) is presented in the income statement in the financial result.

**2.7 Current and Deferred Income Tax**

The income tax expense consists of current income tax and deferred income tax. The tax expense is recognised in the income statement with the exception of cases where it relates to items recognised in other comprehensive income or directly in equity. In such cases the current income tax and deferred income tax are recognised in other comprehensive income or directly in equity.

**2.7.1 Current Income Tax**

Current tax liabilities (receivables) for the current period and preceding periods are recognised in the amount of expected payments to or claims from tax offices, using the tax rates (and tax laws) valid in the respective period. Current income tax relating to the current accounting period and to preceding periods reduced by the amount already paid is recorded as a liability. If the amount already paid in the current and in preceding periods exceeds current income tax related to these periods, the difference is recorded as a receivable (income tax receivable).

Situations in which the expected amount of payment to the tax authorities (or expected receipt from them) is based on the interpretation of tax laws are regularly reassessed and the expected payments to tax authorities (or expected receipt from them) are adjusted accordingly to reflect the best estimate of the amount to be paid to tax authorities (or to be received from them) based on legislation enacted or substantially enacted by the balance sheet date.

The income tax expense is determined on the basis of the result from the accounting records maintained in accordance with Czech legislation in CZK. For the purposes of presentation of the income tax expense in these separate financial statements, the current income tax expense in CZK is translated at the Group exchange rate\* at the reporting date. When the tax payable is settled, a realised exchange difference arises from the difference in the Group exchange rate\* between the closing date and the date of settlement.

**Top-up Tax**

The OECD's Pillar Two Model Rules have been enacted in the Czech Republic, where the Company operates, through

the Top-up Tax Act and are effective for the Company for the accounting period beginning on 1 January 2024.

For the accounting period of 2024, the Company utilised and for the accounting period of 2025 the Company intends to utilise the transitional "safe harbour" rules, which allow for simplified calculations of the effective tax rate for top-up tax purposes under certain conditions.

The impact of these simplified rules on the current income tax is disclosed in Note 21.

**2.7.2 Deferred Income Tax**

Deferred income tax is determined using the balance-sheet liability method, based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates and tax laws, that have been enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

In accordance with IAS 12, deferred tax assets and liabilities are offset, where the Company has the enforceable right to offset the current tax assets and liabilities and if the deferred tax assets and liabilities relate to income taxes levied by the same tax authority. Deferred tax assets and deferred tax liabilities from lease transactions are initially recognised on gross basis (see Note 14) and offset later at balance sheet level.

Deferred tax relating to items recognised in other comprehensive income (for example the effective portion of changes in the fair value of financial derivatives that are designated and qualify as cash flow hedges) is also recognised in other comprehensive income.

The Company applied the mandatory exception under IAS 12 and does not disclose information on deferred tax assets and liabilities arising from the implementation of the OECD's Pillar Two Model Rules (introduction of a global minimum level of taxation) into the tax regulations of the Czech Republic.

\*The exchange rate of the Volkswagen Group, which is derived from exchange rates from the Refinitiv database (provider of financial market data).

## 2.8 Inventories

Purchased inventories (raw materials, consumables, supplies and materials used in production, goods) are stated at the lower of cost and net realisable value. Costs include purchase costs and other acquisition costs (e.g. transport and packaging) and hedging effects (see Note 2.5.3).

Inventories generated from own production, i.e. work in progress and finished goods, are stated at the lower of own production costs or net realisable value. Own production costs include direct material, direct wages and production overheads. The administration overhead expenses are not included in the valuation of work in progress and finished goods.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion less applicable variable selling expenses. Net realisable value reflects all risks of obsolete and redundant raw materials and excessive original parts.

A weighted-average calculation is used to account for the consumption of materials.

## 2.9 Cash and Cash Equivalents and Cash Flow Statement

The cash and cash equivalents disclosed in the cash flow statement also comprise, in addition to cash and short-term deposits in banks, short-term deposits in Volkswagen Group companies (mainly in Volkswagen International Belgium SA (VIB), the Regional Treasury Centre) with an original maturity of less than three months which are readily convertible to known amounts of cash, the risk of changes in value is not significant and are held to meet short-term financial liabilities rather than for investment or other purposes. When classifying Group deposits as cash equivalents, the Company also assesses the creditworthiness of Group companies in which free liquidity is deposited and takes into account the overall performance of the Volkswagen Group. Detailed information relating to cash and cash equivalents is disclosed in Note 10.

Cash flows are presented in the cash flow statement and are classified into cash flows from operating activities, investing activities and financing activities. Cash flows from operating activities are derived indirectly from profit before tax. Profit before tax is adjusted to eliminate non-cash expenses (mainly depreciation, losses and reversals of impairment losses on non-current assets and changes in provisions) and changes in working capital. Investing activities include additions to property, plant

and equipment, financial assets, and capitalised development cost. Financing activities include, in addition to the outflows of cash from dividend payments, the redemption of liabilities from financing, and outflows and inflows from other borrowings.

## 2.10 Provisions for Employee Benefits

### Provisions for Other Long-Term Employee Benefits

The following types of long-term employee benefits are included in the provision for other long-term employee benefits:

- service jubilee benefits;
- termination gratuity benefit payable before retirement from the Company.

The entitlement to these benefits is usually conditional on the employee remaining in service for a certain service period or up to the moment of a certain work anniversary of the employee. The amount of the provision corresponds to the present value of long-term employee benefits for past service at the balance sheet date determined using the projected unit credit method.

These obligations are valued annually by independent qualified actuaries. Actuarial remeasurements arising from changes in actuarial assumptions and experience adjustments are charged or credited to the income statement.

The present value of other long-term employee benefits is determined by discounting the estimated future cash outflows arising from their settlement using interest rates equal to market yields of Czech government bonds because there is no deep market of high-quality corporate bonds denominated in CZK. The term and currency of these bonds are consistent with the currency and term of the respective other long-term employee benefits.

## 2.11 Other Provisions

In accordance with IAS 37, provisions are recognised where a present obligation exists to third parties as a result of a past event; where a future outflow of resources is probable; and where a reliable estimate of that outflow can be made. Future outflows are estimated with respect to particular specific risks. Provisions not resulting in an outflow of resources within one year are recognised at their settlement value discounted at the balance sheet date. Discount rates reflect the current market interest rates, inflation and the specific risks of the respective liabilities. Where there

is a number of similar obligations, the likelihood that an outflow occurs upon the settlement is determined by considering the class of obligations as a whole.

The provision for onerous contracts is created in the amount of all directly attributable contract performance costs. Costs directly related to the contract include both the incremental costs of performing the contract (e.g. direct personnel or material costs) and the allocation of other directly related costs (e.g. the allocation of depreciation of plant and equipment used in the performance of the contract).

## 2.12 Revenue and Expense Recognition

### Revenue Recognition

First, all contracts with customers are analysed to identify all performance obligations to a customer. Subsequently, the transaction price is determined. In the case of identified multiple performance obligations, this is allocated according to a relevant key. Consequently, the revenue is recognised for the particular performance obligation in the appropriate amount either at a certain point in time or the revenue is deferred as a contract liability and afterwards allocated over certain time.

Revenue from the sale of cars, spare parts and accessories and the supply of car components including battery modules within the Volkswagen Group is recognised when the control is transferred to the customer as per particular contractual terms where the amount of the revenue is agreed or can be reliably determined, and the collection of the consideration is probable. This generally corresponds to the point when products are transferred to resellers or when they are transferred to final customers in the case of direct sales.

If discounts are granted for sold cars (typically as sales support), the discount amount is estimated as reliably as possible already at the time of the sale of the car and thus the revenue from the sale of the cars is reduced by this amount. The consideration received (or receivable) from a customer arising from the sold car, which represents uninvoiced sales support for the Company (i.e. amounts not included in the transaction price) is recognised as a refund liability within trade liabilities.

The Company provides licences to other car manufacturers for the production of Škoda cars. These are divided into two main groups: one-off licences and per-piece licences. Because the transfer of the licence can be determined and the licence provides the right

to use intellectual property, the performance obligation is fulfilled at a certain point in time.

Revenue from one-off licences is recognised only when the intellectual rights are transferred, i.e. when the intellectual property is transferred or when partial delivery has been completed (e.g. delivery of technical documentation, technical support, etc.). Revenue from per-piece licences is recognised based on the number of cars produced in the respective reporting period.

Based on licence agreements with certain contractual parties, the royalties may be returned if the licence is not utilised by the counterparty. This royalty revenue is recognised in the expected amount taking into account the estimate of the risk of a royalty refund.

Revenue arising from the separate rendering of services (e.g. revenues from the sale of the prolongation of Škoda Connect services) is recognised when the services are rendered or on a straight-line basis over the period of time when the services are provided via an indeterminate number of acts over a specific time period. First, the received consideration is recognised as a contract liability from the considerations received and subsequently the respective revenue is recognised on a straight-line basis depending on the duration of the service contract.

Revenue arising from the rendering of services which are sold together with a car but are separable from it (e.g. revenue from the sale of an extended guarantee or of Škoda Connect services) and will be provided in future periods is identified as a distinct performance obligation, including the duration period. Subsequently, the transaction price is determined. This is allocated between the car and other services. The transaction price attributable to the services is derived from the market prices at which these services can be purchased separately. Subsequently, a contract liability from the consideration received is recognised and the respective revenue is recognised depending on the method of consuming services by customers.

### Expense Recognition

The company recognises expenses for the period in which they are incurred in accordance with the accrual principle. Costs are allocated to revenues to which they are materially and temporally related, taking into account all liabilities and obligations incurred in the given period, regardless of their payment.

Other information about the classification of costs by significant natures are specified in Note 24.

## 2.13 Leases

The Company leases production, office, and storage premises, transport equipment, transport pallets, office technical equipment (e.g. computers, multifunctional equipment, etc.) and other assets which are needed to operate its business activities.

The Company assesses from the lessee's perspective whether a contract is in substance a lease or is a contract for the provision of services at lease inception. A contract is in substance a lease if the Company controls the use of an identifiable asset. The Company reassesses whether a contract is a lease in substance only when the terms and conditions of the contract change.

Short-term leases (leases for which the lease term is less than 12 months and cannot be extended) and leases of low-value assets are charged to profit or loss on a straight-line basis over the lease term (see Note 5). Assets with an acquisition cost of less than €5,000 when new are considered to be low-value assets by the Company.

For other leases, the Company reports right-of-use assets and lease liabilities.

### Right-of-Use Assets

At the commencement date of the lease, the Company recognises a right-of-use asset at cost. The cost comprises the initial measurement of the lease liability (see Lease Liability below), any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and an estimate of costs to be incurred in restoring the asset to the condition required by the terms of the lease.

Subsequently, the Company measures the right-of-use asset at cost less accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liability resulting from lease modifications. The right-of-use asset is generally depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term of the underlying asset. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset, except for underlying assets with an indefinite useful life (e.g. land), for which the right-of-use asset is not depreciated.

The useful lives are determined as follows:

Buildings and structures:	33 years
Commercial and operational equipment, inventory:	5 years
Vehicles:	5 years

Right-of-use assets are assessed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable, see Note 2.4. Further information on right-of-use assets is provided in Notes 5 and 24.

If the purchase option for the underlying asset is exercised, the Company transfers the underlying asset from right-of-use assets to the appropriate category of property, plant and equipment according to the asset class.

Right-of-use assets for leases are included in the balance sheet items where the corresponding underlying assets would be reported if the Company actually owned the assets. For this reason, as of the balance sheet date, right-of-use assets are presented as non-current assets under the item Property, Plant and Equipment, see Note 5.

### Lease Liability

At the date of commencement of the lease, the Company recognises a lease liability at the present value of future lease payments not settled at that date and that comprise:

- (a) fixed payments, less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate,
- (c) amounts expected to be payable by the Company under residual value guarantees;
- (d) the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

Subsequently, the Company recognises a lease liability using the effective interest rate method. The interest is included in profit or loss under financial expenses. The Company discounts lease payments over the lease term using the incremental borrowing rate. The Company considers the longest possible period that is reasonably certain as the total lease term. See Note 13.1 for further information on lease liabilities.

## 2.14 Subsidies and Government Grants

Subsidies of entrepreneurial activities, employee training, retraining costs and extraordinary government grants are recognised as a reduction of the costs for which they were intended to compensate. Government grants, including non-monetary grants related to the purchase of tangible and intangible assets, are recognised at fair value as a reduction in the value of tangible and intangible assets. The Company recognises a grant when it has an undisputable entitlement to the grant under the specific terms of each grant.

## 2.15 Related Parties

A related party is a person that has control or joint control over the reporting entity; has significant influence over the reporting entity; or is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. A related party is also an entity which is a member of the same group as the reporting entity and other entities as defined by IAS 24 article 9 par. b.

Related party transactions are generally conducted at arm's length basis.

## 2.16 Equity

The substance of a financial instrument, rather than its legal form, governs its classification in the Company's statement of financial position. Ordinary shares are classified as share capital.

The share premium is represented by the difference between the nominal value of shares issued on a share capital increase and the market price of shares and is recognised within equity.

## 2.17 Share-Based Payments

### Top Management (TMK\* and the Board of Directors)

Share-based payments consist of performance shares. At the time of a grant, the annual target amount is converted into performance shares of the Company based on the initial reference price of Volkswagen AG's preferred shares, which are allocated to the respective recipient purely for calculation purposes. The resulting payment amount corresponds to the final number of prescribed performance shares multiplied by the final reference price at the end of the three-year period, increased by the equivalent dividend for the respective period. The payment amount under the performance share plan is capped at 250% of the target amount. Each performance period (referred to as the performance share plan) lasts for three years. Cash settlement is made at the end of the three-year performance share plan period.

\*TMK (Konzertopmanagementkreis): Group Top Management

## 2.18 Factoring

In the past, the Company had significant contractual arrangements for receivables financing (customer financing), which have been significantly reduced or completely terminated in recent years. As of 1 January 2024, the Company only assigns receivables denominated in euro and Czech koruna (CZK) due from third parties within the framework of factoring.

Selected receivables due from third parties denominated in euro are assigned by the Company, on the basis of a non-recourse factoring agreement, to the factoring company Volkswagen Finance Belgium S.A. (VFB), whereby this company assumes the full risk of insolvency of the original customer/debtor. The Company derecognises the receivables at the time of their transfer. Factoring fees, which consist of a service fee for receivables management including a margin, risk assumption of non-payment, and financing (interest), are included in the Company's financial result at the time of transfer. Outstanding transferred receivables are reported as part of trade receivables.

The Company continues to assign receivables from domestic customers who are not part of the Volkswagen Group to the Group company ŠkoFIN s.r.o. under a non-recourse factoring agreement, but at the same time, based on the "delcredere risk" agreement, which defines the principle of risk sharing between the Company and the factor, the Company is exposed to partial risk due to non-payment of the receivable by the original debtor. The Company derecognises the receivables at the time of assignment, disclosing in Notes to the separate financial statements qualitative and quantitative information on its continuing exposure, see Note 3.1.6. The factoring company's commissions are included in the Company's financial result at the time of their settlement by the factor. Outstanding assigned receivables are recognised in Trade receivables.

In 2025 (2024), the Company had contractual arrangements that can be classified as supply chain financing (SCF) arrangements. Supplier financing agreements are generally characterised by one or more finance providers offering to pay amounts that the entity owes to its suppliers. These agreements may provide the entity with extended payment terms or the entity's suppliers with earlier payment terms compared to the due date of the related invoice. The contractual arrangements entered into by the Company have the following characteristics. An external bank, as the financing provider, pays the liabilities that the Company owes to its suppliers directly to these suppliers, with the suppliers having the option, but not the obligation, to receive early payment of their receivables. The Company makes payments of its liabilities to its suppliers directly to the external bank on the due date specified on the invoices issued by the supplier. The Company does not incur any obligations to pay costs related to financing (e.g. interest, service fees of the financing provider, etc.) from the supply chain finance arrangements. Based on the above characteristics of the contractual arrangements, the Company's management has concluded that these contractual arrangements do not constitute financial liabilities for the Company. The purpose of these SCF arrangements is to help suppliers obtain accessible credit.

The liabilities to suppliers included in the SCF are therefore not reclassified by the Company as financial liabilities and are reported under trade payables. Further information about these agreements is provided in Note 13.2.

## 2.19 Critical Accounting Estimates and Assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions are continuously assessed by management. The estimates and assumptions are based on historical experience and other factors, including the realistic assessment of future developments. In recent years, in particular as a result of the Russia-Ukraine conflict and the lingering effects of the Covid-19 global pandemic, the Company's management had to make significantly more judgements while dealing with a higher degree of uncertainty. The basic premises on which the Company's management based its estimates and assumptions in 2025 (2024) concerning the future are disclosed in Note 1.3.

Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities during the next financial year are discussed below.

### Going Concern Assumption

The fundamental accounting assumption of going concern must always be assessed by the accounting entity whenever preparing financial statements. If there are indicators from the internal or external environment, the accounting entity must conduct a more detailed analysis and assessment of risks that could disrupt this assumption. The results of the assessment of the going concern assumption for the accounting periods 2025 and 2024 are presented in Note 1.3.

### Impairment of Non-Current Assets

Intangible assets that are not yet ready for use and intangible assets with an indefinite useful life must be tested for possible impairment every year, as noted in Note 2.4. Furthermore, during the product life cycle and in exceptional cases even before its commencement, events may occur that indicate the value of the so-called cash-generating unit could be impaired. To determine any possible impairment, the Company estimates value in use of the cash-generating units, which is calculated as discounted expected future cash flows generated by the business attributable to each cash-generating unit.

For the determination of the estimated future cash flows, the Company applies estimates and assumptions regarding future sales of its products, economic development of the individual markets and development of the automotive industry during the next five or more years. Although the Company estimates the value in use of the cash-generating units based on the best

information and data currently available to the Company, the risk of future changes and uncertainty with respect to the future development of the applied assumptions in the following years remains significant. More detailed information about impairment losses is included in Note 4 and Note 5 in the section Impairment Reviews.

### Valuation of Investment at Fair Value

The Company holds equity instruments of another entity that fall within the scope of IFRS 9. The investment is measured at the fair value at the balance sheet date. The Company intends to hold it as a long-term investment; therefore, the Company classifies it as fair value through other comprehensive income and reports unrealised gains and losses from its revaluation in other comprehensive income. The fair value of the financial investment is determined as the present value of future cash flows from dividends using a discount rate derived from the Company's cost of equity. In determining the fair value of an investment, the Company considers the following significant unobservable inputs: business planning assumptions (e.g. cash flows from operating activities); the growth rate of the industry and the discount rate derived from the cost of equity. In determining the Company's estimate of future dividends of an entity in which equity instruments have been invested, the Company works primarily with expectations and assumptions about future sales of its products and the future development of the economic environment in which the entity operates.

Although the Company prepares an estimate of the fair value of the investment based on the best available information and data currently available, the risk of future changes and uncertainty about the further development of the assumptions used in the coming years remain significant. More detailed information on measuring this investment at fair value is provided in Notes 8 and 3.6.

### Valuation of Investment at Cost

Investments in subsidiaries and associates are carried in the separate financial statements at cost less impairment loss. The Company tests subsidiaries and associates for which projected performance indicates a possible impairment loss. The carrying amount of the investment in the tested subsidiary or associate is compared against its recoverable amount. The recoverable amount is determined based on the higher of fair value less costs to sell and value in use. In determining the value in use of a financial investment, the Company considers the following significant unobservable inputs: assumptions relating to corporate

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planning (e.g. cash flows from operating activities); the industry growth rate used to estimate free cash flows after the end of the planning period; and the discount rate. Although the Company prepares its estimate of the recoverable amount of the financial investment based on the best information and data available to it at the time, the risk of future changes and uncertainty regarding the future development of the assumptions used in subsequent years remains significant.

**Provision for Warranty Claims**

The Company recognises provisions for warranty claims for future expenses connected with the basic guarantee (2 or 3 years), with the guarantee for corrosion (for 10 or 12 years, depending on the model) and other guarantees beyond the scope of basic guarantee, especially good-will repairs and service actions. For electric vehicles, this provision also includes a provision for the warranty on the functionality of the high-voltage battery (8 years or 160,000 km, whichever occurs first).

The Company recognises the provisions for warranty claims at the moment of sale on the basis of the number of sold cars and rates determined in advance individual model lines. A provision for extraordinary service actions is recognised at the time of identification of a technical defect in relation to the number of cars sold and the respective estimated rates set for the elimination of defect.

The rates for the basic guarantee are determined on the basis of a management estimate of the average number of failures in the guarantee period and average single failure costs with regard to the specifics of individual countries and on the basis of other specific assumptions (inflation, customers group development, etc.). The amount of the provision for corrosion is determined on the basis of the development of the guarantee costs for corrosion and the extrapolation of these costs for the relevant period. The amount of the provision for good-will repairs is determined on the basis of a management estimate of existing good-will repair costs and the defined strategy of the good-will repair trademark policy with regard to the specifics of individual countries. The amount of the provision for service actions is determined on the basis of a management estimate, particularly of material, personnel and possible other expenses necessary for eliminating the defects. The amount of the provision for high-voltage batteries in electric vehicles is determined based on a management estimate, particularly of material, personnel and other expenses needed to remove defects.

The estimates of the rates are continuously revised with the use of the most recent historical data about the number of failures and their repair costs. Changes in these estimates can significantly influence the total amount of the provision. The detailed analysis

of the provision according to the single types, production years, guarantee types and the sales regions is prepared at year-end. Further information about the provision for warranty claims is included in Note 15.

**Provision for Litigation Risks**

Certain events relating to the economic activities of the Company might result in disputes resolved in court and out-of-court proceedings. The risk that future cash outflows will be required to settle the claim (damages, court fees, etc.) is assessed by the Company once it becomes involved in any court or out-of-court proceedings. The risk is assessed based on the Company's experience with similar legal actions, reflecting the latest developments in the proceedings. A provision is recognised if it is more likely than not that an outflow of economic benefits will occur in the future (the risk is assessed as medium or high). The provision is measured based on the best estimate of the expected future cash outflows. For additional information see Note 15. If the risk is assessed to be low (possible but not remote), the Company discloses further information on litigation risks under contingent liabilities. Information on contingent liabilities is disclosed in Note 27.

**Provision for Purchase Risks**

The provision for purchase risks is recognised for future probable expenses from open business negotiations, which are mainly caused by the global economic situation in the supply chain related to input material and energy prices, material supply disruptions and volatility of the production programme. The estimate of the provision is updated on an ongoing basis taking into account model and special equipment production limitations, input price increases, energy price developments and inflation.

**Provision for Covering Emission Risks**

The risk of future expenses on charges for exceeding CO<sub>2</sub> emission limits has arisen from the national legislation of some major countries and regions, notably the EU 27+2\*, the UK, Switzerland and India.

The Volkswagen Group companies that have to comply with the above-mentioned regulations and rules are grouped together in so-called emission pools, which allow them to share emission targets in order to achieve synergies from savings in excess emissions charges. This may give rise to liabilities for the Company on the one hand, or claims arising from settlements between members of the internal pool on the other. The Company establishes provisions to cover emissions expenses based on new car sales when the expense is probable, and the Company will realise an outflow of economic benefit from the settlement of the liability. The Company establishes provisions based on the best estimate of future expenses for exceeding permitted

emission limits. In estimating the amount of the provision, the Company uses not only expected assumptions regarding sales of Škoda products, but also expected assumptions regarding sales of products from other brands, which introduces a higher degree of uncertainty into the estimated value of the provision.

**EU 27+2 Emission Pool\***

In 2025, there was a change in European legislation regarding the rules for meeting CO<sub>2</sub> emission targets. Automotive manufacturers are now allowed to meet their emission targets based on a three-year average for the period 2025–2027, instead of on an annual basis as previously required. This means that any exceedance of the limit in one year can be offset by lower emissions in subsequent years. The aim of this measure is to provide automotive manufacturers with more time for the technological transformation associated with the deployment of low-emission and zero-emission vehicles, while maintaining the gradual tightening of the EU's climate targets.

As a result of the agreement, the Company is part of the EU 27+2\* emission pool (hereinafter referred to as the EU emission pool). This emission pool has an obligation directly to the EU authorities to meet the emission targets. Within this emission pool, the external CO<sub>2</sub> target of the entire emission pool is monitored separately with respect to the obligations to the EU and the internal obligations and receivables between the individual pool members. The internal settlement between the individual members of the emission pool is done at a reduced rate per gram corresponding to the current cost structure of the possible CO<sub>2</sub> - reduction measures. In 2025 (2024), the Company recognised a receivable arising from internal settlement with respect to the EU emission pool for vehicles registered in 2025 and planned registrations in 2026 and 2027 (for the three-year assessment period), and for vehicles registered in 2024 (for the one-year assessment period), see Note 25.

**Other Emission Pools and Associations**

Based on the concluded agreements, the Company is also part of other European emission pools, the emission pool in Switzerland and the emission pool in the United Kingdom. Within these associations, the external CO<sub>2</sub> target of the entire emissions pool is also monitored separately, taking into account obligations to the national authority and internal liabilities and receivables among the individual pool members. Within the Swiss emissions pool, it is possible to offset potential liabilities due to non-compliance with emissions targets using emission credits, which can be purchased more advantageously on the open market.

In 2025 (2024), the Company recognised a provision arising from internal settlement with the Swiss importer, who is not part of the Volkswagen Group, for vehicles registered in 2024, see Note 15.

The majority of the provision was created in the amount of the acquisition cost of emission credits, with the remainder corresponding to the penalty payable to the national authority. In 2025 (2024), the Company also recognised a receivable from the Swiss importer for vehicles registered in 2023 and 2025.

In 2024, there was a change in UK legislation regarding the rules for meeting CO<sub>2</sub> emission targets for automotive manufacturers. Compliance with emission targets between 2024 and 2027 is no longer assessed individually, but over a whole four-year period. In this assessment period, the Company plans to meet the emissions targets and therefore did not create any provision in 2025 (2024) in respect of the UK emission pool.

In another significant market for the Company, India, issues are legislatively reported in fiscal years (always from 1 April to 31 March of the following calendar year). Since the fiscal year 2023 (from 1 April 2022), there has been CAFE II emission legislation, which sets stricter CO<sub>2</sub> (or consumption) emission targets for manufacturers. The calculation of excess emissions fees for CAFE II was only approved during the fiscal year 2023 and is significantly different from regulation in other countries. It is not the exact amount of the emission exceedances that is decisive, but the emission band achieved and the number of vehicles sold.

Škoda Auto a.s. is part of a "pool" of Volkswagen Group companies that must comply with this emission legislation. Due to the time lag between the Indian fiscal year and the calendar year, the total future expense/income for the Indian fiscal year is (in addition to the European regions) recalculated to the total expense in calendar years. Due to the uncertainty about the start of the validity, the Company's issue fee for the fiscal year 2023 has not yet been assessed by the Indian authorities.

In 2025 (2024), the Company recognised a receivable arising from internal settlement for vehicles sold in India in the recalculated Indian fiscal years 2024 and 2025 and for part of the fiscal year 2026 (the period from 1 April 2025 to 31 December 2025). Further information regarding the receivable from internal settlement is provided in Note 25. In 2025 (2024), the Company recognised a provision arising from internal settlement for vehicles sold in India in the recalculated Indian fiscal years 2022 and 2023. Due to the still unclear impact of the final interpretation of Indian legislation regarding the determination of penalties for exceeding emission targets, it was decided to recognise a provision in the amount of the most probable outcome of the penalty among all possible development scenarios. Further information regarding this provision is provided in Notes 15 and 25.

\* EU 27+2 = 27 EU member countries excluding the United Kingdom + 2 non-member countries: Norway and Iceland

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**Provision for Future Expenditure from EACs\*\***

The provision for future expenditure from EACs is created for future expenditure resulting from the agreement on the assumption of costs from EACs for already sold electric vehicles, by which the Company undertakes to cover the costs of compensation for unclean electricity with energy from renewable sources during the operation of electric vehicles for a period of 10 years.

The Company creates provisions for future EACs expenses at the time of the sale based on the number of cars sold and predetermined rates for each model series and country. The rate for future expenditure from EACs is determined on the basis of an expert forecast of energy consumption when charging electric cars, taking into account the specifics of individual countries.

Rate estimates are continuously refined using the most up-to-date information on the energy concept of individual countries and legislative developments. Changes in these estimates may have a significant impact on the total amount of the provision.

Further information on these provision is provided in Notes 25 and 1.4.

\*\*Energy Attribute Certificates

**Other Provisions**

In connection with its economic activities in various countries, the Company is exposed to risks related to customs and tax issues. The risk is assessed based on the Company's experience with similar cases, reflecting the actual circumstances. A provision is recognised if it is more likely than not that an outflow of economic benefits will occur in the future. The provision is measured based on the best estimate of the expected future cash outflows.

In connection with the negative events arising from the Russia-Ukraine conflict, the Company has been and is exposed to the risk of outflow of future economic benefits from the concluded onerous contracts related to business activities in the region. The amount of the risk is assessed based on the actual development of the situation in the conflict area, with a potential provision being recognised in the amount of an estimate of all directly related contract performance costs.

Furthermore, the Company is exposed to the risk of outflow of future economic benefits due to changes or adjustments in the production programme. Based on the change in the production programme in the area of battery module manufacturing, the Company has created a provision for an onerous contract.

The provision for an onerous contract is recognised in the amount of all costs directly related to fulfilling the contract.

Further information on costs directly related to onerous contracts is provided in Note 2.11. Additional information on other provisions is provided in Note 15.

**Useful Lives**

The estimated useful lives of individual tangible and intangible assets or classes of assets are determined based on the Company's experience with similar assets and in accordance with the expected future economic benefits of the assets, taking into account also changes in the production plan and expected utilisation of these assets. If the estimate of useful life changes during the review, the remaining useful life shall be adjusted, and unscheduled depreciation shall be taken, as necessary. In 2025 (2024), there was a revaluation and extension of the useful life of special tools and development costs. As a result of this adjustment, the operating result in 2025 (2024) increased by €2 million (2024: €32 million) for special tools and by €18 million (2024: €12 million) for development costs.

Intangible assets show the highest uncertainty in estimating the useful life. The net book value of intangible assets was €3,550 million as at 31 December 2025 (as at 31 December 2024: €3,086 million). The average useful life of intangible assets was 8 years in 2025 (in 2024: 7 years).

**Functional Currency**

Items included in the Company's financial statements are measured in accordance with IAS 21 using the functional currency. The standard defines the functional currency as the currency of the primary economic environment in which the entity operates. The Company primarily operates in the economic environment of the Czech Republic, but due to its foreign activities, it is also exposed to the influences of other economic environments. The Company regularly conducts analyses of the functional currency criteria according to IAS 21. In determining the functional currency, the Company's management follows its general definition and other factors, particularly monitoring the proportion of currencies that significantly influence the selling prices of goods and services and evaluating the currency mix of costs. In determining the functional currency, management also considers the currency in which financing sources are generated and in which income from operating activities is held. The Company also regularly monitors and evaluates any indications and trends in the primary economic environment that could affect its functional currency in the future. An evaluation of the time series of significant indicators (primarily the relative proportion of different currencies involved in sales and purchases) revealed that the functional currency of the Company for the 2025 (2024) accounting period is the euro, as noted in Note 2.1.

**3 Financial Risk Management**

The Company operates in the automotive industry, sells its products in many countries around the world and therefore performs transactions connected with a variety of financial risks. The objective of the Company is to manage these risks through the application of a flexible hedging strategy utilising various instruments. The structure of financial risk management in the Company is based on the unified principle of risk management applied in the Volkswagen Group. The Volkswagen Group's risk management principles are in compliance with the requirements of the German Act on Control and Transparency in Enterprises (KonTraG).

In compliance with the Volkswagen Group policy, all hedging operations are agreed and implemented in cooperation with the Treasury department of the Volkswagen Group.

The Company's management is regularly informed of current financial and other related risks (liquidity, foreign exchange rates, interest rates, prices of commodities, invoice currencies, payment conditions, etc.), which is achieved through a regular "Liquidity Meetings" attended by the member of the Board of Management for Finance, IT and Legal matters and representatives from Treasury, Controlling and Accounting. These meetings' inputs and decisions are discussed with Volkswagen Group Treasury, especially those that concern FX hedging and commodity risks. These meetings have a predefined agenda, which also includes information on macroeconomic indicators. The meetings have a formalised structure and all minutes including the decisions are recorded and their fulfilment is periodically evaluated.

### 3.1 Credit Risk

Credit risk is a risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Credit risk arises in the normal course of the Company's operations, as well as through activities connected with financial market transactions (money market, currency conversion, derivatives transactions, etc.). Credit risk arising from operations on the financial market is managed by Volkswagen Group Treasury through the determination of maximum limits for individual counterparties.

The quantification of credit risks is based on several different primary criteria, of which the most significant are the country risk and the counterparty risk. The counterparty risk is monitored at Volkswagen Group level.

The acceptance of new business partners is reliant on standard approval procedures. The Company's involvement with counterparties is managed by means of credit limits that are monitored and reassessed on a regular basis. The utilisation of these limits is monitored and evaluated on a regular basis.

As part of credit risk management, there is also active administration and management of receivables. Trade receivables are categorised based on the hedging strategy into receivables from foreign entities, domestic entities, and Group companies. Both preventive and additional hedging instruments are used to secure receivables. Preventive hedging instruments are primarily utilised at the moment a business contract is concluded. A mandatory hedging instrument in newly concluded written contractual relationships is the stipulated interest on late payments, and some trade receivables are further secured by the retention of title to the sold goods until the purchase price is fully paid. An integral part of the prepared contract is the determination and agreement of payment terms, which is ensured by the Controlling department. For additional security of risky receivables, instruments such as acknowledgement of debt, instalment plan, promissory note, lien, or notarial deed are used in various combinations. Employee loans are secured by the guarantor institution.

Trade receivables from foreign customers include receivables from importers and other foreign customers. The receivables from importers are secured by the following financial security instruments: prepayments, standby letters of credit, documentary letters of credit, bank guarantees and assignment of receivables through factoring, see Note 2.18. Receivables from other foreign customers are also secured through advance invoicing. Only an immaterial part of receivables from other customers arises from the delivery of goods conducted with payment due at the invoice maturity date.

Receivables from domestic customers are divided into two groups: receivables from contractual partners bound by sales or service agreements, and from other domestic customers. The receivables arising from sales of new and used vehicles to contractual partners are transferred to factoring without recourse or with partial recourse, see Notes 2.18 and 3.1.6. A security measure used for contractual partners with lower assessed creditworthiness is the deposit of the technical documents for new and used vehicles with a bank until the purchase price has been paid in full. Credit limits are set up for supplies of new and used vehicles, original parts and accessories. New orders of goods are automatically blocked in case the customer fails to settle due balances when the credit limit is exceeded. Supplies to other domestic customers are realised on credit terms. If the receivable is not paid by the due date, reminders are sent to customers at regular intervals. In case of unsuccessful reminders, legal enforcement is initiated.

Trade receivables from group and affiliated companies are considered by the Company to be the least risky, and therefore, deliveries of goods are made with payment due on the invoices due date.

The usual invoice payment terms for domestic sales of goods are 14 or 30 days. For international sales, the payment terms typically range from 30 to 180 days, but they can be longer depending on the type of goods, the customer's country, and the payment terms specified in the contract. Interest on late payments is charged on unpaid trade receivables according to the contractual terms.

In the following table, the reported figures represent either the carrying value of secured trade receivables, or the collateral value if this value is lower, determined individually for each instrument (in relation to both third parties and related parties) presented in Note 8.2:

€ million	2025	2024
Retention of legal ownership title to sold cars	36	33
Bank guarantee	20	10
Letters of credit	25	55
Documentary collection	–	3
<b>Total</b>	<b>80</b>	<b>101</b>

As at 31 December 2025, the Company recorded bank guarantees securing advance payments paid to suppliers in the amount of €198 million (as at 31 December 2024: €185 million). As at 31 December 2025 (and 31 December 2024), the Company had no pledges as collateral for loans.

- deposits with an original maturity of up to three months included in the balance sheet under Cash and cash equivalents, see Note 10: €211 million (as at 31 December 2024: €199 million);
- overnight deposits from cash pooling included in the balance sheet under Cash and cash equivalents, see Note 10: €1,145 million (as at 31 December 2024: €509 million).

The Company did not consider probable that a default could occur in connection with the free cash deposited in 2025 (2024).

The possible risk of unpaid receivables from third parties was individually not significant (spread between various debtors and regions).

#### 3.1.3 Credit Quality of Financial Assets

The following table shows the gross values of financial assets classified as financial assets at amortised costs (see the classification in Note 2.5.1.1), which are classified according to credibility.

Solvency class 1 includes receivables and deposits in Volkswagen Group companies that are not individually impaired and receivables that will be subject to factoring without recourse. Additionally, secured and other receivables from third parties that are not individually impaired are included. There is no objective evidence indicating a default of these receivables. Solvency class 2 includes unsecured trade receivables from third parties for which there is no objective evidence indicating a default. Solvency class 3 includes unsecured trade receivables for which there is objective evidence of a default and for which there are individual valuation allowances.

#### 3.1.1 Maximum Exposure to Credit Risk

The maximum exposure to credit risk in the case of activities connected to business operations, the granting of loans, supplier credits provided to customers and deposits in companies within Volkswagen Group and bank deposits is calculated as the gross carrying amount of the above-mentioned financial assets less any impairment provisions and the value of guarantees unrecognised in the balance sheet. The exposure to credit risk of derivatives is measured at fair value of the derivative.

The amount of guarantee provided by the Company is €3 million as at 31 December 2025 (as at 31 December 2024: €3 million). Detailed information on the guarantee is provided in Note 3.1.6.

#### 3.1.2 Risk Concentration

The Company monitors the concentration of credit risk primarily by the original currency of the transaction in which the financial assets are denominated and by distribution regions. The sensitivity of the Company to foreign exchange risk is disclosed in Note 3.4.1.

A significant portion of financial assets is of an intra-group nature. The Company deposited free cash only in Volkswagen Group companies.

The total volume of deposits in Volkswagen Group companies amounted to €1,356 million as at 31 December 2025 (as at 31 December 2024: €708 million), of which:

**Credit Quality of Financial Assets Classified as Financial Assets at Amortised Cost**

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€ million	General approach to impairment		Simplified approach to impairment		Total
	Stage 1 12-month ECL*	Stage 3 lifetime ECL* - individually impaired	Lifetime ECL* based on provision matrix	Lifetime ECL* - individually impaired	
<b>Balance as at 31 December 2025</b>					
<b>Solvency class 1, of which:</b>	<b>1,459</b>	<b>-</b>	<b>1,252</b>	<b>-</b>	<b>2,711</b>
Trade receivables	-	-	1,252	-	1,252
Cash and cash equivalents	212	-	-	-	212
Cash pooling	1,145	-	-	-	1,145
Other	102	-	-	-	102
<b>Solvency class 2, of which:</b>	<b>-</b>	<b>-</b>	<b>22</b>	<b>-</b>	<b>22</b>
Trade receivables	-	-	22	-	22
<b>Solvency class 3, of which</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>7</b>	<b>9</b>
Trade receivables	-	-	-	7	7
Other	-	2	-	-	2
<b>Total</b>	<b>1 459</b>	<b>2</b>	<b>1,274</b>	<b>7</b>	<b>2,742</b>

€ million	General approach to impairment		Simplified approach to impairment		Total
	Stage 1 12-month ECL*	Stage 3 lifetime ECL* - individually impaired	Lifetime ECL* based on provision matrix	Lifetime ECL* - individually impaired	
<b>Balance as at 31 December 2024</b>					
<b>Solvency class 1, of which:</b>	<b>763</b>	<b>-</b>	<b>1,691</b>	<b>-</b>	<b>2,454</b>
Trade receivables	-	-	1,691	-	1,691
Cash and cash equivalents	199	-	-	-	199
Cash pooling	509	-	-	-	509
Other	55	-	-	-	55
<b>Solvency class 2, of which:</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>-</b>	<b>24</b>
Trade receivables	-	-	24	-	24
<b>Solvency class 3, of which</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>9</b>	<b>9</b>
Trade receivables	-	-	-	9	9
Other	-	1	-	-	1
<b>Total</b>	<b>763</b>	<b>1</b>	<b>1,715</b>	<b>9</b>	<b>2,487</b>

In stage 2 of the ECL model the Company included no financial assets in 2025 (2024). Besides the amounts presented above in the table Credit quality of financial assets classified as financial assets at amortised cost, the Company included in Solvency

class 1 also receivables that will be subject to factoring without recourse (portfolio FVPL) in the amount of €47 million (as at 31 December 2024: €6 million).

\* ECL – expected credit losses

### 3.1.4 Credit Risk Analysis

The following table provides a reconciliation of the gross values of each category of financial assets measured at amortised cost, including their allocation to ECL\* grades reflecting their degree of impairment. Information on how the Company applies each method in the impairment of financial assets is provided in Note 2.5.1.2.

#### Changes in Gross Carrying Amounts of Financial Assets at Amortised Cost

€ million	General approach to impairment		Simplified approach to impairment		Total
	Stage 1 12-month ECL*	Stage 3 lifetime ECL* - individually impaired	Lifetime ECL* based on provision matrix	Lifetime ECL* - individually impaired	
<b>Trade receivables</b>					
<b>Balance as at 1 January 2025</b>	-	-	1,715	9	1,724
Collected	-	-	(1,713)	(2)	(1,715)
Write-offs	-	-	-	(2)	(2)
Additions	-	-	1,272	2	1,274
<b>Balance as at 31 December 2025</b>	-	-	1,274	7	1,281
<b>Cash equivalents and cash pooling</b>					
<b>Balance as at 1 January 2025</b>	708	-	-	-	708
Collected	(708)	-	-	-	(708)
Additions	1,357	-	-	-	1,357
<b>Balance as at 31 December 2025</b>	1,357	-	-	-	1,357
<b>Other receivables and financial assets</b>					
<b>Balance as at 1 January 2025</b>	55	1	-	-	55
Collected	(34)	-	-	-	(34)
Write-offs	-	-	-	-	-
Additions	82	1	-	-	83
<b>Balance as at 31 December 2025</b>	102	2	-	-	104

€ million	General approach to impairment		Simplified approach to impairment		Total
	Stage 1 12-month ECL*	Stage 3 lifetime ECL* - individually impaired	Lifetime ECL* based on provision matrix	Lifetime ECL* - individually impaired	
<b>Trade receivables</b>					
<b>Balance as at 1 January 2024</b>	-	-	1,313	12	1,326
Collected	-	-	(1,310)	(4)	(1,314)
Write-offs	-	-	-	(1)	(1)
Additions	-	-	1,712	2	1,714
<b>Balance as at 31 December 2024</b>	-	-	1,715	9	1,724
<b>Cash equivalents and cash pooling</b>					
<b>Balance as at 1 January 2024</b>	73	-	-	-	73
Collected	(73)	-	-	-	(73)
Additions	708	-	-	-	708
<b>Balance as at 31 December 2024</b>	708	-	-	-	708
<b>Other receivables and financial assets</b>					
<b>Balance as at 1 January 2024</b>	55	1	-	-	55
Collected	(35)	-	-	-	(35)
Write-offs	-	-	-	-	-
Additions	35	-	-	-	35
<b>Balance as at 31 December 2024</b>	55	1	-	-	55

In stage 2 of the ECL model the Company included no financial assets in 2025 (2024).

\* ECL – expected credit losses

### 3.1.5 Impairment of Financial Assets at Amortised Costs

The following table provides a reconciliation of the allowance for trade receivables:

€ million	Lifetime ECL* based on provision matrix	Lifetime ECL* - individually impaired	Total
<b>Allowances for trade receivables</b>			
<b>Balance as at 1 January 2025</b>	<b>(19)</b>	<b>(9)</b>	<b>(27)</b>
Additions	(12)	(2)	(14)
Reversals	16	2	18
Utilised	-	2	2
<b>Balance as at 31 December 2025</b>	<b>(15)</b>	<b>(7)</b>	<b>(21)</b>

€ million	Lifetime ECL* based on provision matrix	Lifetime ECL* - individually impaired	Total
<b>Allowances for trade receivables</b>			
<b>Balance as at 1 January 2024</b>	<b>(16)</b>	<b>(12)</b>	<b>(28)</b>
Additions	(19)	(2)	(21)
Reversals	16	5	21
Utilised	-	1	1
<b>Balance as at 31 December 2024</b>	<b>(19)</b>	<b>(9)</b>	<b>(27)</b>

The Company applies a simplified approach to impairment for trade receivables, therefore the 12-month ECL is not disclosed, see Note 2.5.1.2 for further information.

\* ECL – expected credit losses

### Impairment Matrix for Trade Receivables

€ million	Not due	Past due	Total
<b>Balance as at 31 December 2025</b>			
Expected loss rate (%)	1.0%	2.5 - 3.5%	
Gross carrying amount	1,182	92	1,274
Loss allowance provision	12	3	15

€ million	Not due	Past due	Total
<b>Balance as at 31 December 2024</b>			
Expected loss rate (%)	1.0%	1.5 - 3.0%	
Gross carrying amount	1,490	225	1,715
Loss allowance provision	15	4	19

Allowances for lifetime expected credit loss for other receivables and financial assets were €2 million in stage 3 (as at 31 December 2024: €1 million). During the accounting period 2025 (2024) the Company had valuation allowances only for financial assets included in the category of financial assets at amortised cost.

### 3.1.6 Transferred Financial Assets Where the Company Has Continuing Involvement

The Company has concluded a factoring contract with the company ŠkoFIN s.r.o., under which the majority of risks and rewards relating to ownership of receivables arising from the sale of new or used cars are transferred to ŠkoFIN s.r.o. Under certain conditions, ŠkoFIN s.r.o. can claim compensation relating to realised credit loss up to 2% of the total amount of transferred receivables during the year, but not more than 49% of these losses and not more than €3 million in 2025 (in 2024: €3 million). This amount represents the carrying amount and fair value of the recognised continuing involvement in these receivables, and related financial liabilities. At the same time, this amount represents the maximum exposure to credit risk and concerns the obligation to compensate for realised credit loss incurred by ŠkoFIN s.r.o. Loss on assets transferred to ŠkoFIN s.r.o. from standard factoring activities was €10 million in 2025 (in 2024: €12 million).

### 3.1.7 Offsetting of Financial Assets and Financial Liabilities

Balance as at 31 December 2025 (€ million)	Gross amount of financial assets / liabilities recognised in the balance sheet	Gross amount of financial assets / liabilities set off in the balance sheet	Net amount of financial assets / liabilities recognised in the balance sheet	Related amount not set off in the balance sheet*	Net amount of financial assets / liabilities**
Receivables from financial derivatives	316	–	316	(221)	95
Liabilities from financial derivatives	221	–	221	(221)	–

Balance as at 31 December 2024 (€ million)	Gross amount of financial assets / liabilities recognised in the balance sheet	Gross amount of financial assets / liabilities set off in the balance sheet	Net amount of financial assets / liabilities recognised in the balance sheet	Related amount not set off in the balance sheet*	Net amount of financial assets / liabilities**
Receivables from financial derivatives	227	–	227	(227)	–
Liabilities from financial derivatives	359	–	359	(227)	132

\* Comprises the financial assets/liabilities (other than cash collateral) that are the subject of an enforceable master netting agreement or similar agreement, and which were not recognised in the balance sheet as offset because the conditions for their offsetting were not met.

\*\* This is the net value of financial assets/liabilities recognised in the statement of financial position decreased by the value of related financial liabilities/assets that were not recognised on a net basis in the statement of financial position.

As at 31 December 2025 (as at 31 December 2024) the Company did not offset any trade receivables and trade liabilities in the balance sheet because none of the trade receivables and trade liabilities fulfilled criteria for offsetting according to an amendment to IAS 32.

There was no collateral held or given in respect of derivative financial assets/liabilities as at 31 December 2025 (as at 31 December 2024). The total amount of collateral value of trade receivables was €80 million as at 31 December 2025 (as at 31 December 2024: €101 million). Details related to types of collateral are presented in Note 3.1.

## 3.2 Liquidity Risk

Liquidity risk is a risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The objective of liquidity risk management is to ensure a balance between the funding of operating activities and financial flexibility in order to ensure that all claims of the Company's suppliers and creditors are settled in a timely manner.

Company management monitors liquidity and its development at regular monthly meetings, so called "Liquidity Meetings" attended by the member of the Board for Finance, IT and Legal matters and representatives of the Treasury, Controlling and Accounting departments. The predetermined agenda generally includes information about the development of liquidity and its structure. The Company's management is also presented with short-term forecasts of liquidity development.

### Cash Management

The Company is integrated into the "Global Treasury Platform" (GTP) of Volkswagen Group, which is operated by Volkswagen International Belgium SA (VIB), the Regional Treasury Centre, located in Brussels. Centralisation and optimisation of processes is ensured within the Volkswagen Group in the areas of cash management, the payment system and liquidity management. In the GTP, outgoing payments are processed on behalf of the Company by VIB, based on payment orders placed by Company, and are transferred from bank accounts held by VIB. Incoming payments are credited to the Company's bank accounts and subsequently at the end of each working day they are automatically transferred to VIB's bank accounts (a master account) where the difference between debit and credit balances of the collected financial resources are netted off. The terms of such transactions are defined in the cash pooling concept between the Company, the bank and VIB.

Major instruments used to maintain sufficient liquidity resources are represented by short-term and long-term financial plans, the coordination of free liquidity management within the GTP and monitoring of the situation in the money market and capital market. Resources from other Group companies integrated into the GTP are used to ensure sufficient liquidity.

As at 31 December 2025 (as at 31 December 2024), the Company had no open credit line within the Volkswagen Group but had a possibility to use an overdraft facility under the IHC account (In-House Cash) of up to €50 million (31 December 2024: €50 million).

The Company has not drawn any credit line from external banks as at 31 December 2025 (as at 31 December 2024).

### Analysis of Contractual Maturity Undiscounted Cash Flows

The maturity analysis of contractual undiscounted cash flows shows the residual maturity of the Company's non-derivative and derivative financial liabilities with an agreed payment date. The contractual maturity is based on the earliest possible dates when the Company may be required to repay financial liabilities and guarantees.

The values in the analysis represent undiscounted cash outflows that result from the settlement of non-derivative and derivative financial liabilities in the future. Derivative financial liabilities that will be settled on a net basis are undiscounted net cash outflows. For derivative financial liabilities that will be settled on a gross basis, only undiscounted gross cash outflows are recognised (existing inflows against these outflows that are not reported in the analysis).

The values presented in the item of the Financial Guarantee Agreement are the maximum amounts that the Company may be forced to settle in the event that the counterparty claims the full amount of the guaranteed value (see Note 3.1.6).

Contractual Maturity Analysis

€ million	Within 1 year	1–5 years	More than 5 years	Total
<b>Balance as at 31 December 2025</b>				
Trade liabilities	(3,097)	–	–	(3,097)
Leasing liabilities	(44)	(108)	(138)	(290)
<b>Derivatives:</b>				
Currency forwards and swaps - gross cash outflows	(3,361)	(5,412)	(265)	(9,038)
Commodity swaps - net cash outflows	–	–	–	–
Financial guarantee contracts	–	(3)	–	(3)
Other financial liabilities	(5)	–	–	(5)
<b>Total</b>	<b>(6,506)</b>	<b>(5,523)</b>	<b>(402)</b>	<b>(12,432)</b>

€ million	Within 1 year	1–5 years	More than 5 years	Total
<b>Balance as at 31 December 2024</b>				
Trade liabilities	(2,912)	–	–	(2,912)
Leasing liabilities	(33)	(81)	(52)	(166)
<b>Derivatives:</b>				
Currency forwards and swaps - gross cash outflows	(4,031)	(6,183)	(170)	(10,384)
Commodity swaps - net cash outflows	(6)	(7)	–	(13)
Financial guarantee contracts	–	(3)	–	(3)
<b>Total</b>	<b>(6,984)</b>	<b>(6,275)</b>	<b>(222)</b>	<b>(13,478)</b>

3.3 Market Risk

Market risk is a risk that the fair value of future cash flows will fluctuate because of changes in market prices. Market risk includes three types of risks: currency risk, interest rate risk and price risk. Developments on the financial markets are considered to be the most significant risk factor, especially the fluctuation of exchange rates.

3.3.1 Currency Risk

Currency risk is a risk that the fair value of future cash flows will fluctuate because of changes in foreign exchange rates.

The fluctuation of exchange rates represents significant risk given that the Company sells its products, and purchases material, parts and services in foreign currencies. The Company actively manages this risk through continually updated market analysis, worldwide procurement of material and equipment and production of its products in some sales regions. Standard derivative hedging instruments are used by the Company to manage the currency risk.

The risk exposure, as determined by the analysis of income and expense structures by foreign currency, is hedged on the basis of expected future foreign currency cash flows. These expected cash flows are planned in the form of monthly foreign currency plans (FX plan), which are updated regularly and stretch over a time horizon up to 5 years.

The Company's management is regularly updated about the currency risk status by means of so-called "Liquidity Meetings", attended by the member of the Board of Management for Finance, IT and Legal matters and representatives of Treasury, Controlling and Accounting. Inputs and decisions are discussed with Volkswagen Group Treasury, especially those that concern FX hedging and commodity risks. In addition to the update of foreign currency plans, the actual development of foreign currency cash flows and exchange rate fluctuations against the EUR, suggestions for additional hedging are presented and agreed during these meetings.

Currency forwards are used as hedging instruments for management of currency risk. The basic parameters of the hedging policy are defined by the directive valid for the entire Volkswagen Group, which also includes the list of permitted financial products (derivatives). Following the transition to the euro as the functional currency, the Company hedges its currency risk exclusively against the risk arising from changes in exchange rates against the euro, see Note 2.5.3. This risk is hedged for a total of 10 currencies, with the most significant hedged currencies being CZK, GBP, PLN, SEK and CHF. The Company began to hedge against the risk arising from changes in the exchange rate of the CNY against the euro in connection with the purchase of parts for the production of battery modules in 2025. The Company also applies hedge accounting for currency risk, see Note 2.5.3. For the analysis of sensitivity to exchange rates please see Note 3.4.1.

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3.3.2 Interest Rate Risk

Interest rate risk is a risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The objective of the interest rate risk management is to eliminate the risk arising from fluctuations of interest rates of financial liabilities and receivables with floating interest rates by maintaining an appropriate structure of financial liabilities and receivables.

The management of the Company monitors the interest rate risk at regular meetings, so-called "Liquidity Meetings" attended by the member of the Board of Management for Finance, IT and Legal matters and representatives of the Treasury, Controlling and Accounting departments. The meetings have a predetermined agenda that includes information about the current development of interest rates. The Company's management is also presented with forecasts of the interest rate developments.

Exposure to interest rate risk arises from cash deposits and drawdown of short-term loans with Volkswagen Group companies and factoring transactions with receivables.

For the analysis of sensitivity to interest rates please see Note 3.4.2.

3.3.3 Price Risk

Price risk is a risk of changes in market prices, especially commodity prices.

Due to continuous volatility in the prices of raw material commodities and limited accessibility to specific commodities, management has aimed to reduce these risks through target risk management strategies. In this regard, utilisation of alternative production materials and procedures as well as utilisation of recycled material is examined. In addition, emphasis is placed on extending the international supply chain in co-operation with the Volkswagen Group. High price risk commodities include primarily aluminium, copper, palladium, lead, nickel, platinum, rhodium, lithium and cobalt.

The Company hedges price risks for base metals (copper, lead and aluminium) as a whole (due to changes in selected commodity prices and exchange rates) using a combination of commodity swaps and currency forwards. In 2024, the Company implemented hedge accounting and, in accordance with IFRS, began applying hedge accounting principles to these financial derivatives – hedging future cash flows, see Note 2.5.3. Price risks for precious metals are reduced at Volkswagen Group level through long-term contracts with suppliers. Price risks of nickel, cobalt, and starting from 2024, lithium associated with battery purchases are reduced at Volkswagen Group level through commodity swaps and currency forwards, which are agreed upon at regular meetings of the "Battery Hedging Committee", with the Company's participation.

The analysis of sensitivity to changes in other price risks is disclosed in Note 3.4.3.

3.3.4 Derivative Financial Instruments

Nominal and Fair Value of Derivatives

€ million	Nominal value of derivatives		Fair value of derivatives			
	Balance as at 31 December 2025	Balance as at 31 December 2024	Balance as at 31 December 2025		Balance as at 31 December 2024	
	With positive and negative fair value	With positive and negative fair value	Positive	Negative	Positive	Negative
<b>Currency instruments</b>						
Currency forwards and swaps for trading	185	232	7	3	8	4
Currency forwards and swaps – cash flow hedging	9,277	10,592	184	219	205	342
<b>Commodity instruments</b>						
Commodity swaps for trading	–	23	–	–	1	–
Commodity swaps – hedging commodity prices	584	743	125	–	13	13
<b>Total</b>	<b>10,046</b>	<b>11,590</b>	<b>316</b>	<b>221</b>	<b>227</b>	<b>359</b>

Further information on fair value as required by IFRS 13 is disclosed in Note 3.6.

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Nominal Amount of Derivatives Contracted in Euros in Detail per Currencies and Commodities

€ million	Due date						Total
	Balance as at 31 December 2025	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	
<b>Currency instruments</b>							
<b>Currency forwards and swaps – cash flow hedging</b>							
AUD	56	16	-	-	-	-	72
CZK	545	519	348	340	280	167	2,199
GBP	782	613	206	-	-	-	1,601
CHF	485	414	373	294	224	107	1,896
JPY	20	16	8	5	5	-	54
NOK	110	-	-	-	-	-	110
PLN	835	322	33	-	-	-	1,191
SEK	264	287	248	207	166	-	1,171
TWD	83	73	42	35	12	-	243
CNY	103	53	-	-	-	-	156
USD	200	143	128	78	35	-	584
<b>Total</b>	<b>3,482</b>	<b>2,454</b>	<b>1,387</b>	<b>959</b>	<b>720</b>	<b>275</b>	<b>9,277</b>
<b>Commodity instruments</b>							
<b>Commodity swaps – cash flow hedging</b>							
AL	117	77	82	42	15	-	333
CU	78	63	46	36	20	-	243
PB	6	3	-	-	-	-	8
<b>Total</b>	<b>200</b>	<b>143</b>	<b>128</b>	<b>78</b>	<b>35</b>	<b>-</b>	<b>584</b>

€ million	Due date						Total
	Balance as at 31 December 2024	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	
<b>Currency instruments</b>							
<b>Currency forwards and swaps – cash flow hedging</b>							
AUD	155	59	17	-	-	-	231
CZK	589	524	500	327	327	76	2,343
GBP	1,298	809	645	217	-	-	2,968
CHF	501	472	402	343	183	91	1,993
JPY	31	9	-	-	-	-	40
NOK	185	77	-	-	-	-	262
PLN	836	380	130	33	-	-	1,379
SEK	188	83	34	39	39	-	383
TWD	118	66	50	17	-	-	251
USD	225	212	142	96	60	8	743
<b>Total</b>	<b>4,127</b>	<b>2,690</b>	<b>1,919</b>	<b>1,071</b>	<b>609</b>	<b>175</b>	<b>10,592</b>
<b>Commodity instruments</b>							
<b>Commodity swaps – cash flow hedging</b>							
AL	128	124	79	52	31	-	414
CU	88	88	63	44	30	8	320
PB	9	-	-	-	-	-	9
<b>Total</b>	<b>225</b>	<b>212</b>	<b>142</b>	<b>96</b>	<b>60</b>	<b>8</b>	<b>743</b>

As at 31 December 2025 (31 December 2024), the following average forward rates were achieved for major currency pairs as part of the currency risk hedge: EUR/CZK: 26.45 (26.70); EUR/GBP: 0.89 (0.89), EUR/PLN: 4.55 (4.69); EUR/SEK: 11.08 (10.98); EUR/CHF 0.92 (0.96). For additional information on the hedging of currency risk exposure see Note 2.5.3 and for information about movements in the reserve for cash flow hedges see Note 12.1. As at 31 December 2025 (31 December 2024), the following average forward rates were achieved for significant

commodities as part of the hedging of combined commodity risk: AL: 2,286 million €/t (2,310); CU: 7,909 €/t (7,890); PB: 1,749 €/t (1,930). Further information on the hedging of currency and price risks is provided in Note 2.5.3, and information on the movement of the revaluation reserve from the revaluation of financial derivatives is provided in Note 12.1.

### 3.4 Sensitivity Analysis

#### 3.4.1 Sensitivity to Exchange Rate Changes

The analysis of sensitivity to exchange rate changes includes derivative financial instruments and outstanding financial assets and liabilities denominated in foreign currencies. It measures the impact of translating these items at the balance sheet date using an adjusted rate compared to the rate at which the items are actually translated (the group rate derived from the Refinitiv database rate). The adjusted rate is based on the assumed reasonably possible movements in exchange rates.

As at 31 December 2025 (31 December 2024), the Company considers as reasonably possible the movements of all exchange rates (the most significant being CZK, GBP, CHF, PLN, SEK (AUD), USD) against EUR in the following period of +10% (appreciation of EUR) and -10% (depreciation of EUR).

The following tables present the impact on profit before tax and on other comprehensive income before tax of expected possible appreciation or depreciation of EUR relative to foreign currencies:

The following tables present the impact on profit before tax and on other comprehensive income before tax of expected possible appreciation or depreciation of EUR relative to foreign currencies:

€ million	EUR appreciation by 10%						
2025	SEK	USD	CHF	GBP	CZK	PLN	Other currencies
<b>Profit before tax</b>							
Non-derivative financial instruments	0	4	0	(7)	51	(1)	(6)
Derivative financial instruments	-	1	-	-	-	-	-
<b>Other comprehensive income before tax</b>							
Derivative financial instruments	112	(67)	190	154	(202)	116	21

€ million	EUR appreciation by 10%						
2024	AUD	USD	CHF	GBP	CZK	PLN	Other currencies
<b>Profit before tax</b>							
Non-derivative financial instruments	(1)	(1)	(1)	(6)	23	(2)	(6)
Derivative financial instruments	-	(2)	-	-	-	-	-
<b>Other comprehensive income before tax</b>							
Derivative financial instruments	22	(66)	200	280	(216)	131	83

€ million	EUR depreciation by 10%						
2025	SEK	USD	CHF	GBP	CZK	PLN	Other currencies
<b>Profit before tax</b>							
Non-derivative financial instruments	-	(4)	-	7	(51)	1	6
Derivative financial instruments	-	(1)	-	-	-	-	-
<b>Other comprehensive income before tax</b>							
Derivative financial instruments	112	67	(190)	(154)	202	(116)	(21)

€ million	EUR depreciation by 10%						
2024	AUD	USD	CHF	GBP	CZK	PLN	Other currencies
<b>Profit before tax</b>							
Non-derivative financial instruments	1	1	1	6	(23)	2	6
Derivative financial instruments	-	2	-	-	-	-	-
<b>Other comprehensive income before tax</b>							
Derivative financial instruments	(22)	66	(200)	(280)	216	(131)	(83)

### 3.4.2 Sensitivity to Interest Rates

The analysis of sensitivity to changes in interest rates was determined based on the exposure to non-derivative financial assets and derivative financial assets and liabilities as at the balance sheet date.

For derivative financial instruments, the Company measures the impact of changes at their fair value due to changes in the yield curve. For non-derivative financial instruments, the impact on profit before tax is determined based on a specified change in the interest rate that would occur at the beginning of the following accounting period, assuming no other changes in interest rates throughout the entire accounting period.

In 2025 (2024) for current deposits and loans to Volkswagen Group companies and derivative financial instruments, the Company assumes a reasonably possible increase by 100 basis points in the yield curve and a reasonably possible decrease by 100 basis points in the yield curve. The profit of the Company in 2025 (2024) is most sensitive to movements in the euro yield curve.

The following tables present the impact on profit before tax of the expected increase or decrease of interest rates:

2025 (€ million)	Interest rate increased by 100 basis points	Interest rate decreased by 100 basis points
<b>Profit before tax</b>		
Derivative financial instruments	–	–
<b>Other comprehensive income before tax</b>		
Derivative financial instruments	(3)	3

2024 (€ million)	Interest rate increased by 100 basis points	Interest rate decreased by 100 basis points
<b>Profit before tax</b>		
Derivative financial instruments	–	1
<b>Other comprehensive income before tax</b>		
Derivative financial instruments	3	(3)

### 3.4.3 Sensitivity to Changes in Other Price Risks

The Company is exposed to a combination of commodity and currency risks due to volatility in prices of particular commodities traded in foreign currencies. This risk is hedged by a combination of commodity swaps and currency forwards. The analysis of sensitivity to changes in commodity prices was determined based on the exposure to derivative financial assets and liabilities as at the balance sheet date.

For derivative financial instruments, the Company measures the impact of changes at their fair value due to changes in the spot price of commodities. Other non-derivative financial assets and

liabilities are not considered sensitive to changes in commodity prices because they are already fixed at the date of the financial liability or asset's inception.

In 2025 the Company assumes reasonably possible movements in prices of particular commodities in the following period of +/-10% (2024: +/-10%).

The following tables present the impact on profit before tax and other comprehensive income before tax of an expected increase or decrease in the price of copper, aluminium and lead:

2025 (€ million)	Increase of copper prices +10%	Decrease of copper prices (10%)	Increase of aluminium prices +10%	Decrease of aluminium prices (10%)	Increase of lead prices +10%	Decrease of lead prices (10%)
<b>Profit before tax</b>						
Derivative financial instruments	–	–	–	–	–	–
<b>Other comprehensive income before tax</b>						
Derivative financial instruments	31	(31)	36	(36)	1	(1)

2024 (€ million)	Increase of copper prices +10%	Decrease of copper prices (10%)	Increase of aluminium prices +10%	Decrease of aluminium prices (10%)	Increase of lead prices +10%	Decrease of lead prices (10%)
<b>Profit before tax</b>						
Derivative financial instruments	–	–	3	(3)	–	–
<b>Other comprehensive income before tax</b>						
Derivative financial instruments	32	(32)	40	(40)	1	(1)

The values above also include the impact on the change in fair value of commodity swaps classified as Class 3 due to changes in the spot price of commodities.

The following tables present the impact on other comprehensive income before tax resulting solely from the revaluation of commodity swaps classified as Class 3, in the event of an expected increase or decrease in the price of copper, aluminium, and lead:

2025 (€ million)	Increase of copper prices +10%	Decrease of copper prices (10%)	Increase of aluminium prices +10%	Decrease of aluminium prices (10%)
<b>Other comprehensive income before tax</b>				
Derivative financial instruments	11	(11)	12	(12)

2024 (€ million)	Increase of copper prices +10%	Decrease of copper prices (10%)	Increase of aluminium prices +10%	Decrease of aluminium prices (10%)
<b>Other comprehensive income before tax</b>				
Derivative financial instruments	11	(11)	13	(13)

### 3.5 Capital Management

The objective of capital management is to maintain the Company's continuous value growth for the shareholder. Company management defines the capital as the equity and non-equity capital presented in these financial statements. The Company's capital is controlled at Volkswagen Group level - see the consolidated financial statements of Volkswagen AG, which will be published in the Czech language in the Collection of Documents of the Commercial Register.

### 3.6 Fair Value Hierarchy for Financial Assets and Liabilities

#### 3.6.1 Structure of Financial Instruments by Method of Determining Fair Value

The Company uses and discloses financial instruments in the following structure according to the method of determining fair value:

Class 1: fair value measurement using market prices for identical assets and liabilities quoted in active markets.

Class 2: fair value measurements using methods for which significant inputs are derived directly or indirectly from information observable in active markets.

Class 3: fair value measurements using methods for which significant inputs are not derived from observable information in active markets.

#### Financial Assets Measured at Fair Value by Class

Balance as at 31 December 2025 (€ million)	Class 1	Class 2	Class 3
<b>Financial assets at fair value through other comprehensive income</b>			
Equity instruments at fair value through other comprehensive income	-	-	88
<b>Financial assets at fair value through profit or loss</b>			
Debt instruments through profit and loss	-	46	-
Currency forwards and swaps for trading	-	7	-
Commodity swaps for trading	-	-	-
<b>Financial instruments designated as hedging instruments</b>			
Currency forwards and swaps – cash flow hedging	-	184	-
Commodity swaps – cash flow hedging	-	89	36
<b>Total</b>	<b>-</b>	<b>326</b>	<b>124</b>

Balance as at 31 December 2024 (€ million)	Class 1	Class 2	Class 3
<b>Financial assets at fair value through other comprehensive income</b>			
Equity instruments at fair value through other comprehensive income	-	-	132
<b>Financial assets at fair value through profit or loss</b>			
Debt instruments through profit and loss	-	6	-
Currency forwards and swaps for trading	-	8	-
Commodity swaps for trading	-	1	-
<b>Financial instruments designated as hedging instruments</b>			
Currency forwards and swaps – cash flow hedging	-	205	-
Commodity swaps – cash flow hedging	-	9	4
<b>Total</b>	<b>-</b>	<b>230</b>	<b>136</b>

The item "Equity Instruments at Fair Value through Other Comprehensive Income (FVOCI)" includes the shareholding in SAIC Volkswagen Automotive Co., Ltd. (hereinafter referred as "SAIC"), see Note 2.5.1. The fair value of this investment is determined as the sum of the present values of future cash flows from dividends, using a discount rate derived from SAIC's cost of equity. In determining the fair value, the Company considered the following significant unobservable inputs: assumptions related to corporate planning (e.g. cash flows from operating activities); the growth rate used to estimate free cash flows beyond the planning period; and the discount rate derived from the cost of equity. In 2025 (2024), a growth rate of 1.0% (1.0%) was used for extrapolating future cash flows from dividends. A discount rate of 8.5% (9.5%) was used for discounting in 2025 (2024).

Within the item "Debt Instruments at Fair Value through Profit or Loss" only trade receivables held for sale through factoring are recognised, see Note 8.2. The fair value of these receivables was determined as the present value of future cash flows based on market interest rates as at the balance sheet date.

The item "Financial Assets at Fair Value through Profit or Loss" also includes derivative financial instruments held for trading. The item "Financial Derivatives for Hedging" includes only derivative instruments that meet the conditions for hedge accounting. Further information on derivative financial instruments and their valuation methods is provided in Note 2.5.3.

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Financial Liabilities Measured at Fair Value by Class

Balance as at 31 December 2025 (€ million)	Class 1	Class 2	Class 3
<b>Financial liabilities at fair value through profit or loss</b>			
Currency forwards and swaps for trading	-	3	-
<b>Financial instruments designated as hedging instruments</b>			
Currency forwards and swaps – cash flow hedging	-	219	-
Commodity swaps – cash flow hedging		-	-
<b>Total</b>	<b>-</b>	<b>221</b>	<b>-</b>

Balance as at 31 December 2024 (€ million)	Class 1	Class 2	Class 3
<b>Financial liabilities at fair value through profit or loss</b>			
Currency forwards and swaps for trading	-	4	-
<b>Financial instruments designated as hedging instruments</b>			
Currency forwards and swaps – cash flow hedging	-	342	-
Commodity swaps – cash flow hedging		8	5
<b>Total</b>	<b>-</b>	<b>354</b>	<b>5</b>

The item "Financial Liabilities at Fair Value through Profit or Loss" includes only derivative financial instruments held for trading. The item "Financial Derivatives for Hedging" includes only derivative instruments that meet the conditions for hedge accounting. Further information on derivative financial instruments and their valuation methods is provided in Note 2.5.3.

The classification of financial derivatives into classes of the fair value hierarchy is based on the availability of observable market prices. The fair values of financial derivatives that meet the criteria for Class 2 under IFRS 13 are derived from market quotations, commodity prices, and yield curves, but are not directly tradable

on active financial markets. Derived inputs primarily include forward currency rates, yield curves, and commodity prices, which are observable in individual markets and can be obtained from price-monitoring agencies. Fair values in Class 3 are calculated using valuation techniques that involve inputs not observable in an active market. Within the Company, Class 3 includes commodity forward transactions, for which market rate extrapolation is necessary for valuation as their settlement is expected to occur more than 27 months after the reporting date. Extrapolation is performed based on observable inputs for various commodities, which can be obtained through the mentioned agencies.

Fair Value of Financial Assets and Liabilities Measured at Amortised Cost by Class

Balance as at 31 December 2025 (€ million)	Class 1	Class 2	Class 3
<b>Financial assets at amortised cost</b>			
Loans to employees	-	-	22
Receivable from emissions savings	-	54	-
<b>Financial liabilities at amortised cost</b>			
Lease liabilities	-	248	-
<b>Total</b>	<b>-</b>	<b>302</b>	<b>22</b>

Balance as at 31 December 2024 (€ million)	Class 1	Class 2	Class 3
<b>Financial assets at amortised cost</b>			
Loans to employees	-	-	19
Receivable from emissions savings	-	-	-
<b>Financial liabilities at amortised cost</b>			
Lease liabilities	-	142	-
<b>Total</b>	<b>-</b>	<b>142</b>	<b>19</b>

The table above discloses the fair value of financial assets and liabilities measured at amortised cost for which fair value is determined using valuation methods. The fair value of employee loans was determined as the present value of future cash inflows based on market interest rates as at the balance sheet date. The fair value of the receivable from emission savings was determined as the present value of future cash inflows based on market interest rates as at the balance sheet date. The fair value of lease liabilities was determined as the present value of future cash outflows based on market interest rates as at the balance sheet date.

For other financial assets and liabilities, including trade receivables and payables measured at amortised cost, their fair value is not separately disclosed. (Given the short-term nature of these assets or liabilities, their fair value approximates their amortised cost.)

The amortised values of financial assets and liabilities measured at amortised cost are disclosed in Notes 8 and 13.

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**3.6.2 Summary of Changes in Financial Assets and Liabilities Measured at Fair Value at Class 3**

€ million	Equity instruments at fair value through other comprehensive income	Receivables from commodity swaps – for trading	Commodity swap liabilities – for trading	Receivables from commodity swaps – cash flow hedging	Commodity swap liabilities – cash flow hedging
<b>Balance as at 1 January 2024</b>	<b>165</b>	<b>5</b>	<b>(1)</b>	<b>-</b>	<b>-</b>
Additions	-	-	-	8	(8)
Losses	-	(7)	5	(10)	0
Revaluation	(33)	2	(4)	6	4
<b>Balance as at 31 December 2024</b>	<b>132</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>(5)</b>
Additions	-	-	-	14	-
Losses	-	-	-	(3)	2
Revaluation	(45)	-	-	21	3
<b>Balance as at 31 December 2025</b>	<b>88</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>-</b>

**3.6.3 Sensitivity of the Fair Value of Financial Assets and Liabilities Measured at Fair Value at Class 3 to Changes in the Parameter Values in the Valuation Model**

Reclassifications between Classes of the fair value hierarchy are accounted for at the balance sheet date. Reclassifications from Class 3 to Class 2 include commodity transactions for which, given the remaining time to maturity, observable market prices are available for valuation so that extrapolations do not need to be made. In commodity swap liabilities – for trading, €0 million was transferred from Class 3 to Class 2 in 2025 (2024: €4 million). In commodity swap receivables – cash flow hedging, €3 million was reclassified from Class 3 to Class 2 in 2025 (2024: €10 million). In commodity swap liabilities – cash flow hedging, €2 million was transferred from Class 3 to Class 2 in 2025 (2024: €0 million).

**Sensitivity of the Fair Value of Equity Instruments to Changes in the Long-Term Growth Rate**

In 2025, the Company expects a realistic long-term growth rate movement of +/- 0.5 percentage points in the following period (2024: +/- 0.5 percentage points).

The following tables present the impact on the amount of balance sheet items when the long-term growth rate is expected to increase or decrease:

**2025 (€ million)**

Increase / (decrease) of the fair value of the investment

Increase / (decrease) of the other comprehensive income before tax

**Increase by 0.5%**

4

4

**Decrease by 0.5%**

(3)

(3)

**2024 (€ million)**

Increase / (decrease) of the fair value of the investment

Increase / (decrease) of the other comprehensive income before tax

**Increase by 0.5%**

5

5

**Decrease by 0.5%**

(5)

(5)

**Sensitivity of the Fair Value of Equity Instruments to a Change in Discount Rate**

In 2025, the Company expects a realistic movement in the discount rate of +/- 0.5 percentage points in the following period (2024: +/- 0.5 percentage points).

The following tables present the impact on the amount of balance sheet items when the discount rate is expected to increase or decrease:

**2025 (€ million)**

Increase / (decrease) of the fair value of the investment

Increase / (decrease) of the other comprehensive income before tax

**Increase by 0.5%**

(6)

(6)

**Decrease by 0.5%**

7

7

**2024 (€ million)**

Increase / (decrease) of the fair value of the investment

Increase / (decrease) of the other comprehensive income before tax

**Increase by 0.5%**

(8)

(8)

**Decrease by 0.5%**

9

9

There are no significant correlations between significant unobservable inputs.

An analysis of the sensitivity to changes in commodity prices, including the effects of these changes on the fair value of Class 3 commodity swaps included in profit before tax, is disclosed in Note 3.4.3.

## 4 Intangible Assets

€ million	Capitalised development costs for products currently in use	Capitalised development costs for products under development	Other intangible assets *	Total
<b>Costs</b>				
<b>Balance as at 1 January 2025</b>	<b>3,252</b>	<b>943</b>	<b>950</b>	<b>5,144</b>
Additions	55	562	268	885
Disposals	(600)	(2)	(49)	(651)
Transfers	282	(282)	-	-
<b>Balance as at 31 December 2025</b>	<b>2,989</b>	<b>1,220</b>	<b>1,168</b>	<b>5,378</b>
<b>Cumulative amortisation and impairment losses</b>				
<b>Balance as at 1 January 2025</b>	<b>(1,617)</b>	<b>0</b>	<b>(441)</b>	<b>(2,058)</b>
Amortisation	(357)	-	(59)	(416)
Impairment losses	-	(2)	-	(2)
Disposals	600	2	46	648
<b>Balance as at 31 December 2025</b>	<b>(1,374)</b>	<b>0</b>	<b>(454)</b>	<b>(1,828)</b>
<b>Carrying amount as at 31 December 2025</b>	<b>1,616</b>	<b>1,220</b>	<b>714</b>	<b>3,550</b>

In intangible assets, development costs for developed projects in progress are reported under Capitalised development costs of products under development. These are intangible assets that were not ready for use at the balance sheet date. Further information on these intangible assets is disclosed in Note 2.2. In the item Impairment losses, the year 2024 primarily reflects the loss from the write-off of the development of a new powertrain, which resulted from uncertainty regarding the future wording of the EU7 standard.

Purchased development costs capitalised as part of the additions to capitalised development costs of products manufactured and under development in 2025 amounted to €386 million (2024: €344 million).

In 2025, the Company purchased the right to use know-how (a licence) from a Volkswagen Group company, which is reported under Other Intangible Assets.

Amortisation and impairment losses of intangible assets of €407 million (2024: €423 million) are included in the cost of sales, €6 million (2024: €6 million) in distribution expenses, and €5 million (2024: €5 million) in administrative expenses.

€ million	Capitalised development costs for products currently in use	Capitalised development costs for products under development	Other intangible assets *	Total
<b>Costs</b>				
<b>Balance as at 1 January 2024</b>	<b>2,461</b>	<b>1,380</b>	<b>975</b>	<b>4,817</b>
Additions	115	432	76	622
Disposals	(146)	(49)	(100)	(295)
Transfers	821	(821)	-	-
<b>Balance as at 31 December 2024</b>	<b>3,252</b>	<b>943</b>	<b>950</b>	<b>5,144</b>
<b>Cumulative amortisation and impairment losses</b>				
<b>Balance as at 1 January 2024</b>	<b>(1,434)</b>	<b>0</b>	<b>(484)</b>	<b>(1,918)</b>
Amortisation	(329)	-	(57)	(385)
Impairment losses	-	(49)	-	(49)
Reversal of impairment losses	-	-	-	-
Disposals	146	49	99	294
<b>Balance as at 31 December 2024</b>	<b>(1,617)</b>	<b>0</b>	<b>(441)</b>	<b>(2,058)</b>
<b>Carrying amount as at 31 December 2024</b>	<b>1,635</b>	<b>943</b>	<b>509</b>	<b>3,086</b>

### Impairment Reviews

The Company tested the assets of a defined cash generating unit\*\* (the Company's automotive business) for impairment. A comparison of the carrying amount and recoverable amount of the defined cash-generating unit did not result in 2025 (2024) in the identification of any impairment loss for intangible assets. The recoverable amount was determined based on cash-based calculation budgets approved by the Company's management, which cover a period of 5 years and an estimate of cash flows after the end of the planning period using a growth rate of 1.0%

(2024: 1.0%). A WACC rate of 7.8% (2024: 8.4%) was used to discount cash flows in 2025. This rate reflects the specific risks associated with the industry in which the Company operates.

The Company tested assets for which no further use is expected for impairment. A comparison of the carrying amount and the recoverable amount resulted in a partial reversal of a previously recognised impairment loss of €2 million in 2025 (2024: €49 million).

### The following amounts were recognised in the income statement as research and development expenses

€ million	2025	2024
Research and development costs expensed	403	428
Amortisation and impairment losses of development costs	359	377
<b>Research and development costs recognised in profit or loss</b>	<b>762</b>	<b>805</b>

\* The category Other intangible assets includes both finished and unfinished intangible assets, mainly trademarks, valuation rights to production equipment, software and licences. The value of other intangible assets in progress at 31 December 2025 was €269 million (31 December 2024: €91 million).

\*\* An intangible asset that were not ready for use at the balance sheet date and intangible assets with indefinite useful lives were also included in the test at the level of the defined cash-generating unit.

## 5 Property, Plant and Equipment

€ million	Land and buildings	Technical equipment and machinery	Tooling, office and other equipment	Right-of-use assets	Advances paid and assets under construction*	Total
<b>Costs</b>						
<b>Balance as at 1 January 2025</b>	<b>2,869</b>	<b>4,622</b>	<b>4,937</b>	<b>235</b>	<b>417</b>	<b>13,080</b>
Additions	47	134	124	170	397	871
Disposals	(22)	(146)	(157)	(45)	-	(370)
Transfers	27	39	8	-	(74)	-
<b>Balance as at 31 December 2025</b>	<b>2,921</b>	<b>4,648</b>	<b>4,912</b>	<b>359</b>	<b>741</b>	<b>13,581</b>
<b>Accumulated depreciation and impairment losses</b>						
<b>Balance as at 1 January 2025</b>	<b>(1,437)</b>	<b>(3,848)</b>	<b>(4,143)</b>	<b>(93)</b>	<b>-</b>	<b>(9,520)</b>
Depreciation	(87)	(227)	(266)	(42)	-	(622)
Impairment losses	(2)	(13)	-	-	-	(15)
Reversal of impairment losses	-	7	-	-	-	7
Disposals	22	146	157	45	-	370
<b>Balance as at 31 December 2025</b>	<b>(1,504)</b>	<b>(3,935)</b>	<b>(4,252)</b>	<b>(90)</b>	<b>-</b>	<b>(9,780)</b>
<b>Carrying amount as at 31 December 2025</b>	<b>1,417</b>	<b>713</b>	<b>660</b>	<b>269</b>	<b>741</b>	<b>3,801</b>
<b>2024</b>						
€ million	Land and buildings	Technical equipment and machinery	Tooling, office and other equipment	Right-of-use assets	Advances paid and assets under construction*	Total
<b>Costs</b>						
<b>Balance as at 1 January 2024</b>	<b>2,599</b>	<b>4,541</b>	<b>4,780</b>	<b>134</b>	<b>663</b>	<b>12,717</b>
Additions	143	178	322	114	7	763
Disposals	(6)	(205)	(177)	(13)	-	(400)
Transfers	133	108	12	-	(252)	1
<b>Balance as at 31 December 2024</b>	<b>2,869</b>	<b>4,622</b>	<b>4,937</b>	<b>235</b>	<b>417</b>	<b>13,080</b>
<b>Accumulated depreciation and impairment losses</b>						
<b>Balance as at 1 January 2024</b>	<b>(1,338)</b>	<b>(3,757)</b>	<b>(4,062)</b>	<b>(71)</b>	<b>-</b>	<b>(9,227)</b>
Depreciation	(103)	(278)	(257)	(34)	-	(672)
Impairment losses	-	(16)	-	-	-	(16)
Reversal of impairment losses	-	-	-	-	-	-
Disposals	4	203	176	12	-	394
<b>Balance as at 31 December 2024</b>	<b>(1,437)</b>	<b>(3,848)</b>	<b>(4,143)</b>	<b>(93)</b>	<b>-</b>	<b>(9,520)</b>
<b>Carrying amount as at 31 December 2024</b>	<b>1,432</b>	<b>774</b>	<b>794</b>	<b>142</b>	<b>417</b>	<b>3,560</b>

\*Out of the total value reported under Advances paid and assets under construction, the value of advances paid as at 31 December 2025 amounted to €194 million (31 December 2024: €167 million).

Depreciation and impairment losses on tangible assets amounting to €585million (2024: €636 million) were included in the cost of sales, €10 million (2024: €11 million) in distribution expenses and €35 million (2024: €40 million) in administrative expenses.

**Right-of-Use Assets  
(by Class of Assets)**

€ million	Land and buildings	Tooling, office and other equipment	Total
<b>Costs</b>			
<b>Balance as at 1 January 2025</b>	<b>185</b>	<b>50</b>	<b>235</b>
Additions	149	21	170
Disposals	(21)	(25)	(45)
<b>Balance as at 31 December 2025</b>	<b>313</b>	<b>46</b>	<b>360</b>
<b>Accumulated depreciation and impairment losses</b>			
<b>Balance as at 1 January 2025</b>	<b>(57)</b>	<b>(36)</b>	<b>(93)</b>
Depreciation	(23)	(10)	(33)
Disposals	11	25	35
<b>Balance as at 31 December 2025</b>	<b>(69)</b>	<b>(21)</b>	<b>(90)</b>
<b>Carrying amount as at 31 December 2025</b>	<b>244</b>	<b>25</b>	<b>269</b>

€ million	Land and buildings	Tooling, office and other equipment	Total
<b>Costs</b>			
<b>Balance as at 1 January 2024</b>	<b>96</b>	<b>38</b>	<b>134</b>
Additions	97	17	114
Disposals	(9)	(5)	(13)
<b>Balance as at 31 December 2024</b>	<b>185</b>	<b>50</b>	<b>235</b>
<b>Accumulated depreciation and impairment losses</b>			
<b>Balance as at 1 January 2024</b>	<b>(43)</b>	<b>(27)</b>	<b>(71)</b>
Depreciation	(21)	(13)	(34)
Disposals	7	5	12
<b>Balance as at 31 December 2024</b>	<b>(57)</b>	<b>(36)</b>	<b>(93)</b>
<b>Carrying amount as at 31 December 2024</b>	<b>128</b>	<b>14</b>	<b>142</b>

The most significant addition under the Land, Buildings in 2025 was a new production hall dedicated to the production of battery systems.

**Other Information on Leases**

The Company has applied an exemption for right-of-use low-value assets, and the costs associated with acquiring these assets are included evenly in the income statement over the term of the lease. The Company takes a similar approach to short-term leases (see Note 2.13). The costs of leases of low-value assets amounted to €5 million in 2025 (2024: €10 million) and the costs of short-term leases amounted to €7 million in 2025 (2024: €7 million).

Sublease income is included in other operating income, see Note 17.

**Impairment Reviews**

The Company tested the assets of a defined cash-generating unit (the Company's automotive business) for impairment. A comparison of the carrying amount and the recoverable amount of the defined cash-generating unit did not result in the identification of any impairment loss for property, plant and equipment in 2025 (2024). The recoverable amount was determined based on a calculation of the value in use of this cash-generating unit using cash flow projections based on financial budgets approved by the Company's management covering a period of 5 years and an estimate of cash flows after the end of the planning period using a growth rate of 1.0% (2024: 1.0%). A WACC rate of 7.8% (2024: 8.4%) was used to discount cash flows in 2025. This rate reflects the specific risks associated with the industry in which the Company operates.

The Company tested assets for which no further use is expected for impairment. A comparison of the carrying amount and the recoverable amount in 2025 (2024) resulted in the recognition of an impairment loss on these assets of €15 million (2024: €16 million) and, at the same time, in a partial reversal of a previously recognised impairment loss of €7 million (2024: €0 million).

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## 6 Investments in Subsidiaries

€ thousand	Country of incorporation	Costs		Impairments		Carrying amount	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Škoda Auto Slovensko s.r.o.	Slovakia	2,026	2,026	–	–	2,026	2,026
Škoda Auto Volkswagen India Pvt. Ltd.	India	232,633	232,633	(92,929)	(89,000)	139,704	143,633
Škoda X s.r.o.	Czech Republic	7,284	7,284	–	–	7,284	7,284
UMI Urban Mobility International Česká republika s.r.o. v likvidaci*	Czech Republic	2,779	2,779	(2,779)	(2,779)	–	–
<b>Total</b>		<b>244,722</b>	<b>244,722</b>	<b>(95,709)</b>	<b>(91,779)</b>	<b>149,014</b>	<b>152,943</b>

\*On 1 August 2025, this company entered into liquidation.

The subsidiaries in which the Company holds an equity interest paid dividends to the Company in the total amount of €6 million in 2025 (2024: €4 million).

As at 31 December 2025, the Company's share in the registered capital of Škoda Auto Slovensko s.r.o was 100% (100% as at 31 December 2024).

The Company's share in the registered capital of Škoda Auto Volkswagen India Pvt. Ltd. amounted to a total of 12.07% as at 31 December 2025 (as at 31 December 2024: 12.07%), while excluding preference shares, it amounted to a total of 28.28% as at 31 December 2025 (as at 31 December 2024: 28.28%). The Company's share of the voting rights in Škoda Auto Volkswagen India Pvt. Ltd. amounted to a total of 92.05% as at 31 December 2025 (as at 31 December 2024: 92.05%). The Company directly controls the subsidiary Škoda Auto Volkswagen India Pvt. Ltd. based on its share of voting rights.

The Company's interest in the registered capital of Škoda X s.r.o. was 100% as at 31 December 2025 (31 December 2024: 100%).

On 29 July 2025, the Company decided to dissolve UMI Urban Mobility International Česká republika s.r.o. in liquidation, and with effect from 1 August 2025, the company entered into liquidation. As of 31 December 2025, UMI Urban Mobility International Česká republika s.r.o. in liquidation was in the process of liquidation. On 7 January 2026, the Company, as the sole shareholder within the scope of the General Meeting of UMI Urban Mobility International Česká republika s.r.o. in liquidation, approved the liquidator's final report on liquidation, the final financial statements, and the Company further decided that the liquidation balance would be transferred to its account. The Company's interest in the registered capital of UMI Urban Mobility International Česká republika s.r.o. in liquidation was 100% as at 31 December 2025 (31 December 2024: 100%). Due to an indication of possible impairment, the subsidiary UMI Urban Mobility International Česká republika s.r.o. in liquidation was tested for possible impairment loss in previous years and its carrying amount was impaired to €0 million.

### Impairment Reviews

In 2025 and 2024, the Company tested the cash-generating unit Škoda Auto Volkswagen India Pvt. Ltd. to determine the amount of the impairment loss. The carrying amount of the financial investment was compared against its recoverable amount. The recoverable amount was determined based on a value in use calculation using cash flow projections over a 5-year period based on financial budgets approved by the Company's management. Cash flows beyond the 5-year period were extrapolated using growth rate estimates that are no higher than the expected long-term average growth rate for the automotive industry. In determining the value in use of the financial investment in 2025, a growth rate of 1.0% (2024: 1.0%) was estimated. The discount rate used is pre-tax and reflects the specific risks relating to the industry segment and region in which the company operates. For 2025, a discount rate of 6.1% (2024: 8.0%) was used. A comparison of the carrying amount of Škoda Auto Volkswagen India Pvt. Ltd. and its recoverable amount as at 31 December 2025 did not lead to an adjustment of the financial investment value. A comparison of the carrying amount of Škoda Auto Volkswagen India Pvt. Ltd. and its recoverable amount as of 31 December 2025 resulted in the reversal/recognition of an impairment loss charged to financial expenses in the amount of €4 million. (A comparison of the carrying amount of Škoda Auto Volkswagen India Pvt. and its recoverable amount as of 31 December 2024 did not result in an adjustment to the value of the financial investment.)

In 2025 (2024), the Company confirmed the existence of significant indicators (entry into liquidation in 2025) for the cash-generating unit UMI Urban Mobility International Česká republika s.r.o. in liquidation to retain an impairment loss of €3 million (2024: €3 million).

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## 7 Investments in Associates

€ thousand	Country of incorporation	Costs		Impairments		Carrying amount	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024
ŠKO-ENERGO,s.r.o.	Czech Republic	174	174	-	-	174	174
Digiteq Automotive s.r.o.	Czech Republic	4	4	-	-	4	4
Green:Code s.r.o.	Czech Republic	15	15	-	-	15	15
<b>Total</b>		<b>193</b>	<b>193</b>	<b>-</b>	<b>-</b>	<b>193</b>	<b>193</b>

The Company's share in the registered capital of the company ŠKO-ENERGO, s.r.o. as at 31 December 2025 was 44.50% (as at 31 December 2024: 44.50%). ŠKO-ENERGO, s.r.o. paid dividends to the Company in the amount of €27,000 (2024: €26,000).

The Company's share in the registered capital of the company Digiteq Automotive s.r.o. as at 31 December 2025 was 49.00% (as at 31 December 2024: 49.00%). Digiteq Automotive s.r.o. paid dividends to the Company in the amount of €0 million (2024: €2.89 million).

The Company's share in the registered capital of Green:Code s.r.o. as at 31 December 2025 was 49% (as at 31 December 2024: 49%). Green:Code s.r.o. paid dividends to the Company in the amount of €1 million (2024: €0 million).

## 8 Other Receivables, Financial Assets, Trade Receivables and Available-for-Sale Financial Assets

### 8.1 Other Receivables and Financial Assets

Balance as at 31 December 2025 (€ million)	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Financial instruments designated as hedging instruments	Total
<b>Other non-current receivables and financial assets</b>					
Loans to employees	-	20	-	-	20
Positive fair value of financial derivatives	7	-	-	169	176
Investments in equity instruments	-	-	88	-	88
Other	-	58	-	-	58
<b>Other non-current receivables and financial assets in total</b>	<b>7</b>	<b>79</b>	<b>88</b>	<b>169</b>	<b>343</b>
Other current receivables and financial assets					
Loans to employees	-	4	-	-	4
Positive fair value of financial derivatives	-	-	-	140	140
Other	-	20	-	-	20
<b>Other current receivables and financial assets in total</b>	<b>-</b>	<b>24</b>	<b>-</b>	<b>140</b>	<b>164</b>
<b>Total</b>	<b>7</b>	<b>102</b>	<b>88</b>	<b>309</b>	<b>506</b>

Balance as at 31 December 2024 (€ million)	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Financial instruments designated as hedging instruments	Total
<b>Other non-current receivables and financial assets</b>					
Loans to employees	-	20	-	-	20
Positive fair value of financial derivatives	5	-	-	111	117
Investments in equity instruments	-	-	132	-	132
Other	-	-	-	-	-
<b>Other non-current receivables and financial assets in total</b>	<b>5</b>	<b>20</b>	<b>132</b>	<b>111</b>	<b>268</b>
Other current receivables and financial assets					
Loans to employees	-	3	-	-	3
Positive fair value of financial derivatives	4	-	-	107	111
Other	-	32	-	-	32
<b>Other current receivables and financial assets in total</b>	<b>4</b>	<b>35</b>	<b>-</b>	<b>107</b>	<b>146</b>
<b>Total</b>	<b>9</b>	<b>55</b>	<b>132</b>	<b>218</b>	<b>414</b>

There are not any significant restrictions regarding the rights of use imposed on financial assets. Potential risks of delay or default are taken into account through accumulated impairment losses except for those financial assets that are carried at fair value.

Within the portfolio "Financial assets at fair value through profit or loss", the fair value of derivatives held for trading is reported in 2025 (2024), as referenced in Note 3.3.4. Additional information regarding the fair value of derivatives held for trading, in accordance with the requirements of IFRS 13, is provided in Notes 3.4.3, 3.6.1, and 3.6.2.

Loans to employees and other financial assets, particularly the receivable from emission savings due to membership in the EU27+2 emission pool, are disclosed in the portfolio "Financial assets at amortised cost." Information on the fair value of loans to employees and information on this receivable as required by IFRS 13 is disclosed in Note 3.6.1.

In the column "Financial derivatives designated as hedging instruments" the fair value related to derivatives used for hedging currency risk and price risk is reported, as referenced in Note 3.3.4. Additional information regarding the fair value of hedging derivatives, in accordance with the requirements of IFRS 13, is provided in Notes 3.4.3, 3.6.1, and 3.6.2.

Under "Financial assets at fair value through other comprehensive income", an investment in equity instruments of another entity is recognised. This represents a 1% stake in the company SAIC, which is a related party (a joint venture between the Volkswagen Group and a third party). Detailed information about the equity investment, concerning its fair value in accordance with the requirements of IFRS 13, is provided in Note 3.6.

## 8.2 Trade Receivables

Balance as at 31 December 2025 (€ million)	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
<b>Current trade receivables:</b>			
Third parties	146	46	192
Subsidiaries	120	-	120
Other related parties	994	-	994
<b>Current trade receivables in total</b>	<b>1,260</b>	<b>46</b>	<b>1,306</b>
<b>Total</b>	<b>1,260</b>	<b>46</b>	<b>1,306</b>

Balance as at 31 December 2024 (€ million)	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
<b>Current trade receivables:</b>			
Third parties	136	6	142
Subsidiaries	117	-	117
Other related parties	1,444	-	1,444
<b>Current trade receivables in total</b>	<b>1,697</b>	<b>6</b>	<b>1,703</b>
<b>Total</b>	<b>1,697</b>	<b>6</b>	<b>1,703</b>

Only trade receivables held to sell through factoring are disclosed in the portfolio Financial assets at fair value through profit or loss. Information on the fair value of these receivables, as required by IFRS 13, is disclosed in Note 3.6.

Other trade receivables held in order to collect contractual cash flows are disclosed in the portfolio Financial assets at amortised cost. The carrying amount of long-term and short-term trade receivables, after any reduction by recognised impairment allowances, approximates their fair value, see Note 3.6.1. Allowances for trade receivables in the amount of €21 million (31 December 2024: €27 million) are already included in these amounts. For detailed information on allowances for these receivables see Note 3.1.5.

## 8.3 Non-Financial Assets

€ million	31 December 2025	31 December 2024
<b>Current non-financial assets</b>		
Tax receivables (excl. income tax)	250	215
Other	73	68
<b>Total</b>	<b>323</b>	<b>283</b>

The line "Other" includes in particular advances paid.

## 9 Inventories

€ million	Carrying value as at 31 December 2025	Carrying value as at 31 December 2024
<b>Structure of the inventories</b>		
Raw materials, consumables and supplies	529	539
Work in progress	237	263
Finished products and goods	592	467
Prepayments on inventories	92	42
Hedges on inventories	1	1
<b>Total</b>	<b>1,450</b>	<b>1,313</b>

€ million	2025	2024
<b>Loss allowance inventories</b>		
<b>Balance as at 1 January</b>	<b>(86)</b>	<b>(79)</b>
<b>Additions / reversals allowance provisions for inventories:</b>		
Raw materials, consumables and supplies	(3)	(2)
Finished products and goods	(4)	(5)
<b>Balance as at 31 December</b>	<b>(93)</b>	<b>(86)</b>

The amount of inventories (including production related personnel costs, development costs and overheads capitalised into inventories) recognised as an expense during 2025 was €23,264 million (2024: €22,214 million). In 2025, the amount of development costs included only amortisation of capitalised development costs, whereas in 2024 the amount of

development costs included total development costs. Had only amortisation of capitalised development costs been included in the cost of inventories recognised in expenses in 2024, the comparable amount of inventories recognised in expenses would have been €21,533 million.

## 10 Cash and Cash Equivalents

€ million	31 December 2025	31 December 2024
Cash in hand	–	–
Cash pooling	1,145	509
Bank accounts	1	1
Cash equivalents	211	199
<b>Total</b>	<b>1,357</b>	<b>708</b>

The line Cash pooling includes overnight deposits from the use of cash pooling (see Notes 3.1 and 3.2). The line Cash equivalents includes other current deposits with Volkswagen Group companies with an original maturity of three months or less. Deposits including cash pooling are included in the portfolio Financial assets at amortised cost under IFRS 9.

The weighted average effective interest rate on cash equivalents including cash pooling, weighted by the carrying amount at 31 December 2025, was 2.18% p.a. (31 December 2024: 3.14% p.a.). The carrying value of the cash equivalents including cash pooling approximates their fair value. Of the total value of cash equivalents including cash pooling, €277 million was denominated in CZK (31 December 2024: €199 million) and in EUR: €1,079 million (31 December 2024: €509 million).

## 11 Share Capital

The issued share capital consists of 1,670,885 ordinary shares at a par value of CZK 10,000 per share, i.e. translated as at 31 December 2025: €413 (2024: €398).

The sole shareholder of the Company is VOLKSWAGEN FINANCE LUXEMBURG S.A. based in Strassen, Grand Duchy of Luxembourg. VOLKSWAGEN FINANCE LUXEMBURG S.A. is directly a 100% subsidiary of Volkswagen AG. The ordinary shares provide rights to vote on the Company's general meetings and rights to receive dividends.

The shareholder has the right to a share in the liquidation balance upon cancellation of the Company with liquidation. The liquidation balance is distributed among shareholders based on the ratio of the nominal value of their shares. The shareholder has the right to a share in profit (a dividend) which has been approved for distribution at the general meeting based on results of operations and in line with the respective stipulations of the Business Corporations Act. The shareholders do not have any right to claim

their contribution back during the Company's existence even in the event of its cancellation.

There was no movement in the Company's share capital during the accounting period 2025 (2024).

In 2025, the Company paid a dividend in the amount of €1,485 million from profit for the year 2024 (2024: €1,250 million).

The dividend per share was €889 in 2025 (2024: €748).

## 12 Other Reserves and Retained Earnings

### 12.1 Other Reserves

€ million	31 December 2025	31 December 2024
Revaluation reserve from equity instruments	(226)	(182)
Reserves for cash flow hedges*	55	(132)
Statutory reserve fund	139	139
<b>Total</b>	<b>(32)</b>	<b>(173)</b>

\* Net of deferred tax of 21% at 31 December 2025 and 21% at 31 December 2024.

The Company has adopted the Business Corporations Act as a whole and has retained the rules for the creation of a statutory reserve fund. The statutory reserve fund may be used only to offset losses.

Movement in equity instruments revaluation reserve (€million):

<b>Balance as at 1 January 2025</b>	<b>(182)</b>
Total change in fair value in the period	(45)
<b>Balance as at 31 December 2025</b>	<b>(226)</b>
<b>Balance as at 1 January 2024</b>	<b>(149)</b>
Total change in fair value in the period	(33)
<b>Balance as at 31 December 2024</b>	<b>(182)</b>

### Movement in reserve for cash flow hedges – currency risk exposure in accordance:

€ million	Spot component designated for hedging	Term component designated for hedging	Total
<b>Balance as at 1 January 2025</b>	<b>(119)</b>	<b>(10)</b>	<b>(129)</b>
Total change in fair value in the period	195	(92)	103
Deferred tax on change in fair value	(42)	19	(23)
Total transfers to net profit in the period – effective hedging	(33)	86	53
Total transfers to net profit in the period – hedge ineffectiveness	(5)	1	(4)
Deferred tax on transfers to profit or loss – effective hedging	7	(18)	(11)
Deferred tax on transfers to profit or loss – hedge ineffectiveness	1	–	1
Basis adjustments to inventories carrying value – effective hedge	–	–	–
Deferred tax on transfers to inventories	–	–	–
<b>Balance as at 31 December 2025</b>	<b>5</b>	<b>(14)</b>	<b>(9)</b>

€ million	Spot component designated for hedging	Term component designated for hedging	Total
<b>Balance as at 1 January 2024</b>	<b>(64)</b>	<b>(9)</b>	<b>(73)</b>
Total change in fair value in the period	(68)	(76)	(144)
Deferred tax on change in fair value	14	16	30
Total transfers to net profit in the period – effective hedging	2	71	73
Total transfers to net profit in the period – hedge ineffectiveness	(3)	2	(1)
Deferred tax on transfers to profit or loss – effective hedging	(1)	(15)	(16)
Deferred tax on transfers to profit or loss – hedge ineffectiveness	1	–	1
Basis adjustments to inventories carrying value – effective hedge	–	1	1
Deferred tax on transfers to inventories	–	–	–
<b>Balance as at 31 December 2024</b>	<b>(119)</b>	<b>(10)</b>	<b>(129)</b>

**Transfers to profit or loss for the period – effective hedging (€ million):**

€ million	2025	2024
Sales	96	83
Cost of sales	(34)	(10)
Other operating income	(29)	(20)
Other operating expense	20	20
<b>Total transfers to profit or loss in the period – effective hedging</b>	<b>53</b>	<b>73</b>

**Movement in the revaluation reserve from the revaluation of financial derivatives – combined risk (price and currency risk):**

€ million	Currency risk exposure		Price risk	Total
	Spot component designated for hedging	Term component designated for hedging	Value of the commodity swap designated for hedging	
<b>Balance as at 1 January 2025</b>	<b>25</b>	<b>(1)</b>	<b>(26)</b>	<b>(2)</b>
Total change in fair value in the period	(79)	22	134	77
Deferred tax on change in fair value	17	(5)	(28)	(16)
Total transfers to net profit in the period – effective hedging	3	(3)	5	5
Total transfers to net profit in the period – hedge ineffectiveness	–	–	–	0
Deferred tax on transfers to profit or loss – effective hedging	(1)	1	(1)	(1)
Deferred tax on transfers to profit or loss – hedge ineffectiveness	–	–	–	0
Basis adjustments to inventories carrying value – effective hedge	1	–	–	1
Deferred tax on transfers to inventories	–	–	–	–
<b>Balance as at 31 December 2025</b>	<b>(34)</b>	<b>14</b>	<b>84</b>	<b>64</b>

€ million	Currency risk exposure		Price risk	Total
	Spot component designated for hedging	Term component designated for hedging	Value of the commodity swap designated for hedging	
<b>Balance as at 1 January 2024</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0</b>
Total change in fair value in the period	31	(1)	(34)	(4)
Deferred tax on change in fair value	(6)	–	7	1
Total transfers to net profit in the period – effective hedging	–	–	1	1
Total transfers to net profit in the period – ineffective hedging	–	–	–	0
Deferred tax on transfers to profit or loss - effective hedging	–	–	–	0
Deferred tax on transfers to profit or loss - ineffective hedging	–	–	–	0
Total transfers to inventories – effective part of hedging	–	–	–	0
Deferred tax on transfers to inventories	–	–	–	0
<b>Balance as at 31 December 2024</b>	<b>25</b>	<b>(1)</b>	<b>(26)</b>	<b>(2)</b>

An amount of €1 million was transferred from the effective portion of the hedge in the reserve to the net profit under the item Cost of sales in the year 2025.

## 12.2 Retained Earnings

From the total amount of retained earnings of €4,428 million (as at 31 December 2024: €4,063 million) the profit after tax for the current accounting period was €1,850 million (2024: €1,655 million).

In compliance with the relevant regulation of the Business Corporations Act, the profit of the Company for the year 2025 (determined in accordance with IFRS) is going to be allocated based on the decision of the Company's annual general meeting. At the date of preparation of these financial statements, no dividend payments have been proposed, and the distribution of the Company's result for the year ended 31 December 2025 has not been approved.

## 13 Financial, Other and Trade Liabilities

### 13.1 Financial Liabilities

Balance as at 31 December 2025 (€ million)	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Financial instruments designated as hedging instruments	Total
<b>Financial non-current liabilities</b>				
Negative fair value of financial derivatives	3	-	103	106
Leasing liabilities	-	212	-	212
<b>Financial non-current liabilities in total</b>	<b>3</b>	<b>212</b>	<b>103</b>	<b>318</b>
<b>Financial current liabilities</b>				
Negative fair value of financial derivatives	-	-	116	116
Leasing liabilities	-	35	-	35
<b>Financial current liabilities in total</b>	<b>-</b>	<b>35</b>	<b>116</b>	<b>151</b>
<b>Total</b>	<b>3</b>	<b>247</b>	<b>219</b>	<b>469</b>

Balance as at 31 December 2024 (€ million)	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Financial instruments designated as hedging instruments	Total
<b>Financial non-current liabilities</b>				
Negative fair value of financial derivatives	1	-	185	186
Leasing liabilities	-	117	-	117
<b>Financial non-current liabilities in total</b>	<b>1</b>	<b>117</b>	<b>185</b>	<b>303</b>
<b>Financial current liabilities</b>				
Negative fair value of financial derivatives	3	-	170	173
Leasing liabilities	-	28	-	28
<b>Financial current liabilities in total</b>	<b>3</b>	<b>28</b>	<b>170</b>	<b>201</b>
<b>Total</b>	<b>4</b>	<b>145</b>	<b>355</b>	<b>504</b>

Within the portfolio of "Financial liabilities at fair value through profit or loss", the fair value of derivatives held for trading is recognised in 2025 (2024), see Note 3.3.4. Further information on the fair value of derivatives held for trading as required by IFRS 13 is disclosed in Notes 3.4.3, 3.6.1 and 3.6.2.

Lease liabilities are reported in the column "Financial liabilities at amortised cost". Further information on the fair value of financial liabilities at amortised cost as required by IFRS 13 is disclosed in Note 3.6. The most significant addition in 2025 was the lease commitment for a new production hall dedicated to the production of battery systems, see Note 5.

In the column "Financial instruments designated as hedging instruments", the fair value related to derivatives used for hedging currency risk and price risk, is reported, as referenced in Note 3.3.4. Additional information regarding the fair value of hedging derivatives, in accordance with the requirements of IFRS 13, is provided in Notes 3.4.3, 3.6.1, and 3.6.2.

## 13.2 Trade Liabilities

All trade liabilities are current in nature.

Balance as at 31 December 2025 (€ million)	Financial liabilities at amortised cost
<b>Trade liabilities</b>	
Third parties	1,759
Subsidiaries	30
Other related parties	1,309
<b>Total</b>	<b>3,097</b>
<b>Balance as at 31 December 2024 (€ million)</b>	<b>Financial liabilities at amortised cost</b>
<b>Trade liabilities</b>	
Third parties	1,556
Subsidiaries	6
Other related parties	1,354
<b>Total</b>	<b>2,916</b>

### Supply Chain Finance Arrangements

Due to the short-term nature of trade liabilities, their fair value approximates their carrying amount, see Note 3.6.1. None of the trade liabilities are secured by a lien.

As part of trade liabilities, liabilities from contracts with customers amounting to €867 million are recognised as at 31 December 2025 (as at 31 December 2024: €754 million), which represent expected future payments to customers for sale bonuses.

In 2025 (2024), the Company had supply chain finance (SCF) arrangements in place, as referenced in Note 2.18. Of the total trade payables reported under "Total", the payables to suppliers included within SCF amounted to €133 million as at 31 December 2025 (as at 31 December 2024: €291 million). Of the total payables to suppliers included within SCF, €115 million (as at 31 December 2024: €274 million) was paid by the financing provider (external bank) as at 31 December 2025.

## 13.3 Non-Financial Liabilities

€ million	Balance as at 31 December 2025	Balance as at 31 December 2024
<b>Non-current non-financial liabilities</b>		
Contract liabilities from considerations received	483	400
<b>Non-current non-financial liabilities from customer contracts in total</b>	<b>483</b>	<b>400</b>
<b>Current non-financial liabilities</b>		
Contract liabilities from considerations received	216	176
Advances received	211	140
Other	-	6
<b>Current non-financial liabilities from customer contracts in total</b>	<b>427</b>	<b>322</b>
Liabilities to employees	501	423
Social security and health insurance	48	44
<b>Current non-financial liabilities in total</b>	<b>978</b>	<b>790</b>
<b>Total</b>	<b>1,461</b>	<b>1,190</b>

In 2025 (2024), contract liabilities from considerations received include mainly consideration received from extended warranty and Škoda Connect services which will be rendered in future periods.

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## 14 Deferred Tax Liabilities and Assets

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset the current tax assets against current tax liabilities, and when the deferred income taxes relate to income taxes charged by the same fiscal authority.

Based on the application of the mandatory exception under IAS 12, see Note 2.7.2, the Company did not recognise deferred tax assets and liabilities arising from the implementation of the global minimum level of taxation as at 31 December 2025

### The movements in deferred tax liabilities and assets during the year, without taking into consideration the offsetting, are as follows:

€ million	Amortisation and impairment losses	Right-of-use assets	Financial derivatives*	Provisions and refundable considerations	Other	Total
<b>Deferred tax liabilities</b>						
<b>Balance as at 1 January 2024</b>	<b>(383)</b>	<b>(14)</b>	<b>(1)</b>	<b>-</b>	<b>(6)</b>	<b>(403)</b>
Credited / (debited) to the income statement	23	(16)	(1)	-	(3)	4
Charged to other comprehensive income	-	-	1	-	-	1
<b>Balance as at 31 December 2024</b>	<b>(360)</b>	<b>(30)</b>	<b>-</b>	<b>-</b>	<b>(9)</b>	<b>(398)</b>
Credited / (debited) to the income statement	76	(27)	17	-	(3)	63
Charged to other comprehensive income	-	-	(17)	-	-	(17)
<b>Balance as at 31 December 2025</b>	<b>(284)</b>	<b>(57)</b>	<b>-</b>	<b>-</b>	<b>(12)</b>	<b>(352)</b>

€ million	Amortisation and impairment losses	Lease liabilities	Financial derivatives*	Provisions and refundable considerations	Other**	Total
<b>Deferred tax assets</b>						
<b>Balance as at 1 January 2024</b>	<b>3</b>	<b>13</b>	<b>0</b>	<b>345</b>	<b>70</b>	<b>432</b>
Credited / (debited) to the income statement	-	17	(14)	94	5	103
Charged to other comprehensive income	-	-	14	-	-	14
<b>Balance as at 31 December 2024</b>	<b>3</b>	<b>30</b>	<b>0</b>	<b>439</b>	<b>75</b>	<b>548</b>
Credited / (debited) to the income statement	(3)	22	33	135	28	215
Charged to other comprehensive income	-	-	(33)	-	-	(33)
<b>Balance as at 31 December 2025</b>	<b>-</b>	<b>52</b>	<b>0</b>	<b>574</b>	<b>103</b>	<b>730</b>

€ million	Amortisation and impairment losses	Leases under IFRS 16	Financial derivatives*	Provisions and refundable considerations	Other**	Total
<b>Deferred tax liabilities and assets net</b>						
Balance as at 31 December 2024	(357)	1	-	439	67	150
<b>Balance as at 31 December 2025</b>	<b>(284)</b>	<b>(4)</b>	<b>0</b>	<b>574</b>	<b>91</b>	<b>377</b>

\* Further information on financial derivatives is disclosed in Note 2.5.3.

\*\* As at 31 December 2025, the Other category included primarily deferred tax assets arising from temporary differences from impairment allowances on receivables and inventories amounting to €20 million (as at 31 December 2024: €19 million), from contractual liabilities from payments received (see Note 13.3) amounting to €67 million (as at 31 December 2024: €38 million), and from employees' social security contributions amounting to €16 million (as at 31 December 2024: €14 million).

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## 15 Non-Current and Current Provisions

Provisions € million	Warranty claims and recycling	Emission- related matters	Employee benefits	Litigation risks	Purcha- se risks	Other business risks	Total
<b>Balance as at 1 January 2024</b>	<b>836</b>	<b>20</b>	<b>187</b>	<b>39</b>	<b>150</b>	<b>223</b>	<b>1,456</b>
Utilised	(190)	-	(27)	-	(115)	(19)	(351)
Additions	279	6	62	4	265	56	670
Interest expense	4	-	-	-	-	-	4
Reversals	(13)	-	(9)	(4)	(4)	(1)	(30)
<b>Balance as at 1 January 2025</b>	<b>916</b>	<b>26</b>	<b>214</b>	<b>39</b>	<b>296</b>	<b>259</b>	<b>1,750</b>
Utilised	(217)	-	(29)	-	(122)	(28)	(396)
Additions	563	33	65	3	249	20	934
Interest expense	2	-	-	-	-	-	2
Reversals	-	(4)	-	(5)	-	(1)	(10)
<b>Balance as at 31 December 2025</b>	<b>1,264</b>	<b>55</b>	<b>250</b>	<b>38</b>	<b>423</b>	<b>250</b>	<b>2,278</b>

### Non-current and current provisions according to the time of expected use of resources:

€ million	< 1 year	1-5 years	> 5 years	Total
<b>Balance as at 31 December 2025</b>				
Provisions for warranty claims and recycling	298	795	170	1,263
Provisions for emission-related obligations	30	15	10	55
Provisions for employee benefits	71	14	166	250
Provisions for litigation risks	37	-	-	37
Provisions for purchase risks	361	62	0	423
Provisions for other business risks	237	13	-	250
<b>Total</b>	<b>1,034</b>	<b>898</b>	<b>346</b>	<b>2,278</b>

€ million	< 1 year	1-5 years	> 5 years	Total
<b>Balance as at 31 December 2024</b>				
Provisions for warranty claims and recycling	319	530	67	916
Provisions for emission-related obligations	26	-	-	26
Provisions for employee benefits	40	16	158	214
Provisions for litigation risks	39	-	-	39
Provisions for purchase risks	296	-	-	296
Provisions for other business risks	259	-	-	259
<b>Total</b>	<b>979</b>	<b>546</b>	<b>225</b>	<b>1,750</b>

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The provision for warranty claims and recycling includes mainly a provision for basic guarantees, a provision for corrosion guarantees and other guarantees beyond the scope of basic warranty (except for extended warranty), especially good-will repairs. For electric vehicles, this provision also includes a warranty provision for the functionality of the high-voltage battery. This provision also includes expenses related to the ecological disposal of cars and batteries. More detailed information regarding the warranty provision is provided in Note 2.19.

The provision to cover emission expenses includes a provision created based on the Company's liability to Volkswagen Group companies from the sale of cars on the Indian market and a provision towards the Swiss importer created based on membership in the emission pool in Switzerland. The Company recognises a provision in the amount of the best possible estimate of future expenses due to exceeding the permitted emission limits monitored at the emission pool level, which are allocated to the Company. Furthermore, this reserve also includes a reserve for future expenses resulting from the agreement on the assumption of costs from EAC certificates for already sold electric vehicles, by which the Company undertakes to cover the costs of compensating for unclean electricity with energy from renewable sources during the operation of electric vehicles for a period of 10 years. Further information on these provisions is disclosed in Notes 2.19, 25 and 1.3.

Provisions for employee benefits consist mainly of a provision for other long-term employee benefits and a provision for termination benefits. Additional information about this provision is provided in Note 2.10.

Provisions for litigation risks relate mainly to a provision for risks arising from legal disputes, legal fees, penalty interest and other litigation risks. The Company provides for the probable cash outflows for existing legal, arbitration or other proceedings by means of a relevant provision. The Company is not involved in any legal cases, arbitration or other proceedings for which no provision has been created and which could have a material impact on the financial position and the financial results (financial statements) of the Company and there are no such proceedings expected in the near future.

The provision for purchase risks is made for future probable expenses from open business negotiations with suppliers, triggered by the volatility of the production programme caused mainly by the transition to electromobility in connection with legislative developments within the EU and price adjustments due to the increase in prices of input materials and energy. Additional information on this provision is provided in Note 2.19.

Other provisions include mainly a provision for customs and tax risks (other than income taxes) in the countries where the Company operates, as well as other business risks related to the feasibility of the projects. This includes provisions for onerous contracts, which considered the risks of ceasing operations in the Russian market and risks arising from changes in the production programme. Furthermore, in 2024, due to a change in the production programme in the area of battery module production, a provision for an onerous contract in the amount of €43 million was created. This provision was utilised in 2025 in the amount of €16 million.

**16 Sales**

<b>€ million</b>	<b>2025</b>	<b>2024</b>
Cars	23,325	20,585
Spare parts and accessories	1,363	1,269
Supplies of components for cars	1,282	1,285
Income from licence fees within Volkswagen Group	7	47
Revenues from batteries (MEB, PHEV)	1,290	1,800
Revenues from services	361	296
Other	267	270
<b>Revenue from contracts with customers in total</b>	<b>27,895</b>	<b>25,552</b>
Gains / (losses) from derivative transactions - hedging of future sales	(98)	(83)
<b>Total</b>	<b>27,797</b>	<b>25,469</b>

In 2025 (2024), the line Other relates mainly to sales of used cars, scrap and tooling. The item Gains from derivative transactions - hedges of receivables includes the effect from the settlement of currency-risk hedging financial instruments upon the sale of foreign currencies.

Revenue From Contracts with Customers by Geographical Regions:

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2025 (€ million)	Cars	Spare parts and accessories	Supplies of components for cars	Revenues from batteries (MEB, PHEV)	Income from licence fees within Volkswagen Group	Revenues from services	Other	Total
<b>Main geographical regions</b>								
Central and Eastern Europe	5,534	559	101	-	-	78	162	6,434
Western Europe	15,792	765	768	1,290	6	249	85	18,954
Overseas /Asia	1,999	39	414	-	2	34	20	2,507
<b>Total</b>	<b>23,325</b>	<b>1,363</b>	<b>1,282</b>	<b>1,290</b>	<b>7</b>	<b>361</b>	<b>267</b>	<b>27,895</b>
<b>Timing of revenue recognition</b>								
At a point in time	23,325	1,363	1,282	1,290	7	160	267	27,695
Over time	-	-	-	-	-	200	-	200
<b>Total</b>	<b>23,325</b>	<b>1,363</b>	<b>1,282</b>	<b>1,290</b>	<b>7</b>	<b>361</b>	<b>267</b>	<b>27,895</b>

2024 (€ million)	Cars	Spare parts and accessories	Supplies of components for cars	Revenues from batteries (MEB, PHEV)	Income from licence fees within Volkswagen Group	Revenues from services	Other	Total
<b>Main geographical regions</b>								
Central and Eastern Europe	4,941	537	95	30	-	72	183	5,858
Western Europe	13,898	696	765	1,770	45	192	75	17,440
Overseas /Asia	1,746	37	425	-	2	31	12	2,253
<b>Total</b>	<b>20,585</b>	<b>1,269</b>	<b>1,285</b>	<b>1,800</b>	<b>47</b>	<b>296</b>	<b>270</b>	<b>25,552</b>
<b>Timing of revenue recognition</b>								
At a point in time	20,585	1,269	1,285	1,800	47	95	270	25,352
Over time	-	-	-	-	-	200	-	200
<b>Total</b>	<b>20,585</b>	<b>1,269</b>	<b>1,285</b>	<b>1,800</b>	<b>47</b>	<b>296</b>	<b>270</b>	<b>25,552</b>

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The following table shows how much revenue recognised in the current accounting period relates to transferred contract liabilities and how much relates to the performance obligations satisfied in prior periods:

€ million	2025	2024
<b>Revenue arising from contract liability expected to be settled in the following periods and included in the balance of non-financial liabilities at the end of the financial year</b>	<b>164</b>	<b>151</b>
of which:		
Extended warranty	95	93
Services	69	58
<b>Revenue recognised from the performance of obligations satisfied in prior periods - release of provisions and accruals relating to change in transaction price</b>	<b>57</b>	<b>60</b>

The following table presents the amounts of the transaction price which have not yet been recognised as revenue at 31 December 2025 (31 December 2024) in relation to extended warranties, licences and services for which the realisation timing is in the following years:

€ million	2026	2027–2030
<b>Revenue arising from contract liability expected to be settled in the following periods and included in the balance of non-financial liabilities at the end of the financial year</b>		
Extended warranty	87	313
Services	129	170
<b>Total revenue</b>	<b>216</b>	<b>483</b>

€ million	2025	2026–2029
<b>Revenue arising from contract liability expected to be settled in the following periods and included in the balance of non-financial liabilities at the end of the financial year</b>		
Extended warranty	77	285
Services	99	115
<b>Total revenue</b>	<b>176</b>	<b>400</b>

In addition to Revenue arising from contract liability expected to be settled in the following periods the Company had in 2025 (2024) contractual obligations from open orders for cars. The Company

did not use any practical expedient for revenue disclosures and did not incur any costs to obtain contracts with customers.

## 17 Other Operating Income

€ million	2025	2024
Income from licence fees not relating to ordinary activities	12	11
Foreign exchange gains	153	131
Gains from derivative transactions	43	101
Income from emission pools*	63	9
Reversal of provisions	0	4
Reversal of loss allowance provision for receivables	18	21
Other	96	86
<b>Total</b>	<b>385</b>	<b>362</b>

\*Supplementary information on the emission pools is provided in Notes 2.19 and 25

The item "Other" in 2025 (2024) mainly includes re-invoicing of costs and compensation of costs in connection with indemnification. The item "Other" also includes income from subleasing, which amounted to €1 million in 2025 (2024: €2 million).

Foreign exchange gains include mainly gains from differences in exchange rates between the dates of recognition and payment of receivables and payables denominated in foreign currencies, as well as exchange rate gains resulting from translation as at the balance sheet date of these receivables and payables. Foreign exchange losses from these items are included in other operating expenses.

## 18 Other Operating Expenses

€ million	2025	2024
Foreign exchange losses	153	132
Losses from derivative transactions	29	44
Receivable write-offs and impairments	17	22
Additions to and utilisation of other provisions	23	17
Other	155	11
<b>Total</b>	<b>377</b>	<b>225</b>

The item "Other" mainly includes support to other companies and inventory scrapping costs.

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## 19 Financial Result

€ million	2025	2024
Interest income	37	36
Foreign exchange gains from cash and cash equivalents	19	9
Foreign exchange gains from spot operations	7	6
Dividend income	12	11
Other financial income	2	2
<b>Total financial income</b>	<b>77</b>	<b>64</b>
Interest expense of lease liabilities	6	6
Other interest expense	2	6
Foreign exchange losses from cash and cash equivalents	7	9
Foreign exchange losses from spot operations	8	7
Factoring fees	18	21
Impairment losses on financial investments	4	-
Other financial expenses	1	1
<b>Total financial expenses</b>	<b>46</b>	<b>49</b>
<b>Net financial result</b>	<b>31</b>	<b>15</b>

Dividend income in 2025 includes mainly dividend income of €6 million from the investment in SAIC (2024: €4 million).

## 20 Net Gains and Losses From Financial Instruments

€ million	2025	2024
Financial instruments at fair value through profit or loss	6	58
Financial assets at amortised cost	29	13
Financial assets at fair value through other comprehensive income	6	4
Financial liabilities at amortised cost	8	(3)
Financial instruments designated as hedging instruments	(55)	(74)
<b>Net gains / (losses) in profit or loss</b>	<b>(7)</b>	<b>(2)</b>
Financial instruments designated as hedging instruments	236	(71)
Financial assets at fair value through other comprehensive income	(45)	(33)
<b>Net gains / (losses) in profit or loss through other comprehensive income</b>	<b>192</b>	<b>(104)</b>
<b>Total net gains / (losses)</b>	<b>185</b>	<b>(106)</b>

Gains resp. losses from financial derivatives held for trading are recognised in Financial instruments at fair value through profit or loss in 2025 (2024).

Foreign exchange gains / losses on deposits, interest income on deposits, impairment losses on financial assets and losses on derecognition of financial assets at amortised cost are recognised in Financial assets at amortised cost in 2025 (2024). In 2025, the gain/loss on derecognised financial assets at amortised cost amounted to €21 million (2024: €21 million).

The item Financial liabilities at fair value mainly includes unrealised and realised foreign exchange gains/losses on liabilities in 2025 (2024).

In 2025 (2024), Financial assets at fair value through other comprehensive income include income from dividends from investments in equity instruments recognised in the income statement and gains / losses from revaluation of equity investments carried at fair value in other comprehensive income.

Financial instruments designated as hedging instruments include in 2025 (2024) gains and losses from financial instruments designated as hedging instruments recognised in the income statement and revaluation gains and losses on Financial instruments designated as hedging instruments recognised in other comprehensive income.

Further information on net gains and losses on financial instruments recognised in other comprehensive income is disclosed in Note 12.

## 21 Income Tax

€ million	2025	2024
<b>Current tax expense</b>	<b>716</b>	<b>554</b>
of which: adjustment in respect of prior years	9	(5)
<b>Deferred tax</b>	<b>(278)</b>	<b>(106)</b>
<b>Income tax total</b>	<b>438</b>	<b>448</b>

Statutory income tax rate in the Czech Republic for the 2025 tax year was 21% (2024: 21%).

As at 31 December 2025 (as at 31 December 2024), deferred income taxes attributable to the Czech tax jurisdiction were measured at a tax rate of 21%, which corresponds to the statutory tax rates enacted for the future periods when realisation of deferred tax asset and liabilities is expected.

### Reconciliation between Expected and Effective Income Tax Expense

€ million	2025	2024
Profit before tax	2,288	2,103
<b>Expected income tax expense</b>	<b>481</b>	<b>442</b>
<b>Proportion of taxation relating to:</b>		
<b>Permanent differences resulting from:</b>		
Tax exempt income	(3)	(4)
Expenses not deductible for tax purposes	16	19
Exchange differences*	(42)	13
Tax allowances and other tax credits**	(24)	(24)
Adjustments of tax expenses for previous periods in current tax	9	(5)
Adjustments of tax expenses for previous periods in deferred tax	-	6
Profit share	1	1
<b>Income tax expense</b>	<b>438</b>	<b>448</b>
Effective income tax rate	19.1%	21.3%

\*The item Permanent differences resulting from exchange rate differences includes exchange rate differences from the conversion of the tax base of items entering into the calculation of deferred and current tax denominated in CZK using the Group reporting EUR/CZK exchange rate.

\*\* Tax allowances and other tax credits represent mainly tax credits from the double deduction of research and development costs.

## 22 Subsidies, Government Grants and Investment Incentives

In 2025, the Company recognised income from subsidies for non-investment projects in research and development, increased qualifications of employees and mobility of students and teachers from high schools (Škoda Auto a.s., Střední odborné učiliště strojírenské, odštěpný závod) in the total amount of €3 million (2024: €3 million).

### Investment incentives

To be granted the investment incentives, the Company has to meet the general conditions of paragraph 2 art. 2 of Act No. 72/2000 Coll., on Investment Incentives, as amended and conditions of paragraph 6a art. 2 and 5 of the same Act and special conditions under paragraph 35b of Act No. 586/1992 Coll., on Income Tax, as amended. For the investment incentives granted to the Company, the total amount of the incentive is always dependent on the amount invested.

In 2025, the Company did not record any granted investment incentives and did not draw on any investment incentives granted in previous years.

The Company is subject to the Top-up Tax Act concerning the global minimum level of taxation, see Note 2.7.1. Based on data on the Company's financial performance for 2025 (2024), the Company's simplified effective income tax rate was 19% (21%). This rate does not differ significantly from the national effective rate of member entities in the Czech Republic.

In the 2025 (2024) accounting period, the Company assessed its potential exposure to top-up taxes under the Pillar Two rules concluding, that it does not anticipate any impact from top-up taxes due to the application of transitional safe harbour rules (effective tax rate for 2025 above 16%, for 2024 above 15%), see Note 2.7.1.

### The following table summarises granted investment incentives and their use in 2024 (€ million):

Investment incentive	Maximum amount of the investment incentive	Recognised deferred tax asset from investment incentives	Utilisation of tax credits from investment incentives
Enlargement of the production assortment for the production of electric vehicles	15	-	15
<b>Total</b>	<b>15</b>	<b>-</b>	<b>15</b>

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## 23 Commitments and Contingencies

At the balance sheet date, the Company had following commitments and contingencies:

€ million	< 1 year	1–5 years	> 5 years	31 December 2025
Capital commitments – land, property, plant and equipment	305	400	–	705
Capital commitments – intangible assets	583	623	31	1,237
Future lease payments for short-term and low-value leases	13	30	21	63
Future obligations arising from cooperation agreements	12	8	–	20

€ million	< 1 year	1–5 years	> 5 years	31 December 2024
Capital commitments – land, property, plant and equipment	322	116	–	438
Capital commitments – intangible assets	572	537	7	1,116
Future lease payments for short-term and low-value leases	17	31	20	68
Future obligations arising from cooperation agreements	12	8	8	28

In 2025 (2024), the Company leased especially office equipment and pallets for transport based on short-term and low-value lease agreements in 2024.

The Company is committed to ensuring the availability of spare parts for Škoda vehicles for a period of at least 15 years after the end of production of individual models or their import to specific markets. Given the nature and substance of this commitment, it cannot be reliably measured.

\*EACs are certificates that are generated by renewable energy production.

## 24 Expenses by Nature

In connection with the preparation of the application of the new IFRS 18 Presentation and Disclosure in Financial Statements standard, the Company's management reassessed the scope of information disclosed in the breakdown of costs by nature, see Note 1.2.

The cost of sales mainly includes material costs, personnel costs, depreciation and impairment of development costs, buildings and equipment in the production area, including amortisation of right-of-use assets, energy costs, warranty repair costs, and non-capitalised research and development costs. Personnel costs reported in the cost of sales amounted to €1,999 million in 2025 (2024: €1,810 million). Depreciation and impairment of intangible and tangible assets reported in the cost of sales amounted to €993 million in 2025 (2024: €1,059 million); for details, see Notes 4 and 5. Information on the impairment of inventories in the production area is provided in Note 9.

Distribution expenses mainly include personnel costs, depreciation of buildings and equipment in the sales area, as well as transportation, distribution, advertising, and sales promotion costs. Personnel costs reported in distribution expenses amounted to €75 million in 2025 (2024: €71 million). Depreciation and impairment of intangible and tangible assets reported in distribution expenses amounted to €16 million in 2025 (2024: €17 million); for details, see Notes 4 and 5.

Administrative expenses mainly comprise personnel expenses, depreciation of buildings and equipment in the administrative area, and expenses for services related to administration and maintenance of buildings and equipment. Personnel expenses reported in administrative expenses amounted to €205 million in 2025 (2024: €201 million). Depreciation and impairment of intangible and tangible assets reported in administrative expenses amounted to €40 million in 2025 (2024: €45 million); for details, see Notes 4 and 5.

Number of employees	2025	2024
Number of employees*	37,219	37,551

\* Average number of employees, including agency staff, excluding apprentices.

## 25 Related Party Transactions

The sole shareholder of the Company was VOLKSWAGEN FINANCE LUXEMBURG S.A. during the whole accounting period ended 31 December 2025 (31 December 2024).

Volkswagen AG was the ultimate parent company and the ultimate controlling party during the whole accounting period ended 31 December 2025 (31 December 2024).

Items in the category Other related parties are companies under the joint control of Volkswagen AG, however, for the purposes of compiling the Report on relations they do not meet the definition of an entity controlled by the same controlling entity pursuant to paragraph 74 of Act No. 90/2012 Coll., Business Corporations Act, as amended.

Other capital transactions with subsidiaries and associates are disclosed in Notes 6 and 7.

### The Company Participated in the Following Transactions with Related Parties

#### Sales to Related Parties

€ million	2025	2024
<b>Parent company</b>		
VOLKSWAGEN FINANCE LUXEMBURG S.A.	-	-
<b>Ultimate parent company</b>		
Volkswagen AG	813	1,162
<b>Subsidiaries</b>		
Škoda Auto Slovensko s.r.o.	500	446
Škoda Auto Volkswagen India Pvt. Ltd.	289	258
Škoda X s.r.o.	-	-
UMI Urban Mobility International Česká republika s.r.o. v likvidaci*	-	-
<b>Associates</b>		
ŠKO-ENERGO, s.r.o.	-	-
Digiteq Automotive s.r.o.	-	-
Green:Code s.r.o.	-	-
<b>Companies controlled by ultimate parent company</b>	17,937	16,727
Other related parties	18	23
<b>Total</b>	<b>19,557</b>	<b>18,615</b>

The values disclosed in the Sales to Related Parties table are further detailed by individual contracts below:

€ million	2025	2024
Cars	15,985	14,598
Spare parts and accessories	909	843
Supplies of components for cars	1,275	1,278
Revenues from batteries (MEB, PHEV)	1,290	1,800
Services	65	52
Other	33	43
<b>Total</b>	<b>19,557</b>	<b>18,615</b>

In addition to revenue specified in the table Sales to Related Parties, the Company also earned income from licence fees:

€ million	2025	2024
<b>Income from licence fees within Volkswagen Group</b>		
Ultimate parent company	-	-
Subsidiaries	-	-
Associates	-	-
Companies controlled by ultimate parent company	-	-
Other related parties	7	47
<b>Total</b>	<b>7</b>	<b>47</b>

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In addition to the revenue specified in the table Sales to Related Parties, the Company also earned income from related party transactions relating to interest from intercompany loans and deposits:

€ million	2025	2024
<b>Interest income from loans and deposits</b>		
Ultimate parent company	-	-
Subsidiaries	-	-
Associates	-	-
Companies controlled by ultimate parent company	11	4
Other related parties	-	-
<b>Total</b>	<b>11</b>	<b>4</b>

Dividends received from subsidiaries are disclosed in Note 6.  
Dividends received from associates are disclosed in Note 7.

Dividends paid from other equity instruments are disclosed in Note 19.

Purchases from Related Parties

€ million	2025	2024
<b>Parent company</b>		
VOLKSWAGEN FINANCE LUXEMBURG S.A.	-	-
<b>Ultimate parent company</b>		
Volkswagen AG	5,792	5,092
<b>Subsidiaries</b>		
Škoda Auto Slovensko s.r.o.	8	7
Škoda Auto Volkswagen India Pvt. Ltd.	159	107
Škoda X s.r.o.	9	9
UMI Urban Mobility International Česká republika s.r.o. v likvidaci*	-	-
<b>Associates</b>		
ŠKO-ENERGO, s.r.o.	190	183
Digiteq Automotive s.r.o.	39	38
Green:Code s.r.o.	17	12
<b>Companies controlled by ultimate parent company</b>	<b>3,131</b>	<b>2,746</b>
Other related parties	9	14
<b>Total</b>	<b>9,354</b>	<b>8,208</b>

The values presented in the table Purchases from Related Parties are further detailed by individual items.

€ million	2025	2024
<b>Purchases related to:</b>		
Production	5,466	5,156
Services and overhead costs	3,089	2,483
Transport	302	269
Spare parts and accessories	219	231
Investments	278	68
<b>Total</b>	<b>9,354</b>	<b>8,208</b>

In addition to the aforementioned purchases, in the year 2025 (2024), the Company also reported expenses related to gifts and contributions in the amount of €12 million (€14 million), which were realised through transactions with non-profit and public benefit organisations.

The amount of dividends paid and approved by the parent company is disclosed in Note 11.

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**Receivables from Related Parties**

The receivables listed in the following table include only trade receivables and, where applicable, receivables from licences for all listed categories of related parties.

€ million	31 December 2025	31 December 2024
<b>Parent company</b>		
VOLKSWAGEN FINANCE LUXEMBURG S.A.	-	-
<b>Ultimate parent company</b>		
Volkswagen AG	160	261
<b>Subsidiaries</b>		
Škoda Auto Slovensko s.r.o.	7	5
Škoda Auto Volkswagen India Pvt. Ltd.	113	111
Škoda X s.r.o.	0	0
UMI Urban Mobility International Česká republika s.r.o. v likvidaci*	-	-
<b>Associates</b>		
ŠKO-ENERGO, s.r.o.	2	1
Digiteq Automotive s.r.o.	1	1
Green:Code s.r.o.	-	-
<b>Companies controlled by ultimate parent company</b>	<b>815</b>	<b>1,158</b>
Other related parties	17	24
<b>Total</b>	<b>1,113</b>	<b>1,561</b>

Receivables from licence fees are specified below.

€ million	31 December 2025	31 December 2024
<b>Receivables licence fees</b>		
Ultimate parent company	-	-
Subsidiaries	-	-
Associates	-	-
Other related parties	7	7
<b>Total</b>	<b>7</b>	<b>7</b>

In addition to trade receivables and receivables from licence fees, the Company as at 31 December 2025 also had deposits including cash pooling in companies controlled by the ultimate parent company in the nominal amount of €1,356 million (as at 31 December 2024: €708 million). The weighted average effective interest rate on current deposits with an original maturity of less than three months (including cash pooling) is disclosed in Note 10. Furthermore, as at 31 December 2025 the Company had a receivable from its ultimate parent company, Volkswagen AG, in the total amount of €8 million, primarily relating to reimbursement of expenses necessary to settle the provision for the service campaign and other expenses associated with technical measures concerning vehicles with EA 189 engines. (as at 31 December 2024: €8 million).

Receivables from related parties are considered by the Company to be the least risky (see Note 3.1.). The amount of allowances for receivables due as stated in the credit terms is determined according to the simplified approach using the provision matrix described in Note 3.1.5. The value of receivables from related parties that will be subject to factoring is stated in Note 8.2. Further information on these receivables

classified in the FVPL portfolio is provided in Notes 2.5.1 and 3.1.3. As at 31 December 2025, the Company had an open receivable from the factoring company Volkswagen Finance Belgium S.A. in the amount of €7 million (as at 31 December 2024: €11 million). Furthermore, in 2025, the Company assigned its trade receivables from third parties only to this group factoring company in the amount of €6,127 million (2024: €4,860 million). (As of 1 January 2024, the assignment of receivables from Group companies within the framework of factoring was terminated.)

As at 31 December 2025, the Company reported a receivable of €60 million (as at 31 December 2024: €19 million) as a member of the EU emissions pool for the claim on internal settlement of realised emission savings. Additionally, as at 31 December 2025, the Company, as a member of the Volkswagen Group, reported a receivable of €2 million for the internal settlement claim for cars sold in India (as at 31 December 2024: €2 million).

Further information on the receivables for the claim on internal settlement of realised emission savings is provided in Note 2.19.

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Liabilities to Related Parties

The liabilities listed in the following table include only trade payables for all listed categories of related parties.

€ million	31 December 2025	31 December 2024
<b>Parent company</b>		
VOLKSWAGEN FINANCE LUXEMBURG S.A.	-	-
<b>Ultimate parent company</b>		
Volkswagen AG	345	426
<b>Subsidiaries</b>		
Škoda Auto Slovensko s.r.o.	4	4
Škoda Auto Volkswagen India Pvt. Ltd.	24	0
Škoda X s.r.o.	2	2
UMI Urban Mobility International Česká republika s.r.o. v likvidaci*	-	-
<b>Associates</b>		
ŠKO-ENERGO, s.r.o.	22	15
Digiteq Automotive s.r.o.	1	4
Green:Code s.r.o.	3	2
<b>Companies controlled by ultimate parent company</b>	<b>937</b>	<b>906</b>
Other related parties	1	1
<b>Total</b>	<b>1,339</b>	<b>1,360</b>

The Company has a factoring agreement with ŠkoFIN s.r.o., according to which ŠkoFIN s.r.o. can claim compensation for realised credit losses under certain conditions. Detailed information on this financial guarantee is disclosed in Note 3.1.6.

Other Related Party Transactions

In 2025 and 2024, the Company entered into internal derivative contracts directly with the ultimate parent company Volkswagen AG to hedge currency and price risk. As at 31 December 2025, the fair value of receivables from internal derivative contracts was €316 million (31 December 2024: €227 million). The fair value of liabilities from internal derivative contracts amounted to €221 million as at 31 December 2025 (31 December 2024: €359 million). Further information on internal derivatives used for hedging currency and price risk is disclosed in Note 3.3.4. Information on Investments in subsidiaries is disclosed in Note 6, information on Investments in associates is disclosed in Note 7 and information on Investments in equity instruments issued by related parties is disclosed in Note 8.1.

Outside of the European region, the Company is part of a "consortium" of Volkswagen companies that must comply with stricter emissions legislation due to joint responsibility for the Indian manufacturer and dealer. As at 31 December 2025, the total provision for future expenses arising from internal settlements for vehicles sold in India amounted to €21 million (31 December 2024: €21 million). Furthermore, as at 31 December 2025 the Company reported a reserve for future expenses resulting from the agreement with a Volkswagen Group company on the assumption of costs from EACs in the amount of €33 million. Further information on these provisions is disclosed in Notes 2.19, 15 and 1.3.

€ million	31 December 2025	31 December 2024
<b>Contractual obligations and other future commitments</b>		
Ultimate parent company	1,207	1,088
Subsidiaries	-	0
Associates	0	0
Companies controlled by ultimate parent company	77	86
Other related parties	-	-
<b>Total</b>	<b>1,284</b>	<b>1,175</b>

Contractual obligations to related parties include mainly commitments in respect of research and development costs and tooling rights.

Information on Key Management Personnel Remuneration

€ million	2025	2024
Salaries and other short-term employee benefits*	32	29
Pension benefit costs (defined contribution plans)	1	1
Share-based payment	1	2
<b>Total</b>	<b>34</b>	<b>32</b>

\* Salaries and other short-term employee benefits include besides wages, salaries, bonuses and non-monetary remuneration also health and social insurance paid by the employer for employees.

The group of key management personnel includes the Board of Management, the Supervisory Board, and the senior managers of the Company (TMK\* and OMK\*\*), who have the authority and responsibility for planning, directing, and controlling the activities of the Company.

Of the total amount reported under Salaries and other short-term employee benefits, €14 million had not been paid as at 31 December 2025 (31 December 2024: €12 million).

The remuneration system for key management personnel TMK, and the Board of Management consists of a fixed and a variable component. The variable component of remuneration further consists of an annual bonus and a long-term bonus. The basis for determining the annual bonus for members of the TMK management and Board of Management for the year 2025 is the results of NCF (Net Cash Flow) and ROS (Return on Sales) for Škoda Auto including its subsidiaries and for the Brand Group Core\*\*\* group within a one-year evaluation period. The basis for determining the annual bonus for members of the Board of Management for 2024 was the NCF and ROS results for Škoda Auto, including its subsidiaries, and for the Brand Group Core\*\*\* within the one-year evaluation period. The basis for determining the annual bonus for TMK members for 2024 was the ROI (return on investment) and ROS (return on sales) results for Škoda Auto, including its subsidiaries, and for the Brand Group Core\*\*\* within the one-year evaluation period.

The long-term bonus is based on long-term incentives in the form of a performance share plan with a three-year period linked to the future performance of Volkswagen AG's preferred shares (share-based payments), see Note 2.17. In 2025, a total of 52,394 performance shares were allocated to these management members (2024: 40,287 performance shares). The total target amounts for selected key members of TMK and the Board of Management for the performance period 2025–2027 amounted to €4 million as of the grant date, 1 January 2025 (for the performance period 2024–2026, they amounted to €4 million as of the grant date, 1 January 2024). Related expenses of €1 million were reported in personnel costs in 2025 (2024: €3 million), see Note 24. If the recipients of the performance share plan were to leave the Company as at 31 December 2025, the intrinsic value of their vested share-based payment rights would total €3 million (2024: €3 million).

The remuneration system for key management personnel of OMK also consists of a fixed and a variable component. The variable remuneration includes an annual bonus dependent on the NCF and ROS results for Škoda Auto, including consolidated subsidiaries, and for the Brand Group Core\*\*\* group in 2024, ROI and ROS results for Škoda Auto, including consolidated subsidiaries, and for the Brand Group Core\*\*\* group within a one-year evaluation period. Additionally, it includes a long-term bonus dependent on the performance of Volkswagen AG's preferred share price (including dividends and EPS\*\*\*\*) over the past three years. In 2025 (2024), these management members were paid a long-term bonus of €8 million (€11 million).

\*TMK (Koncerntopmanagementkreis): Group Top Management

\*\*OMK (Obermanagementkreis): Senior Management

\*\*\*Brand Group Core: Volume Brand Group (includes the following brands: Volkswagen Passenger Cars, Škoda, SEAT, CUPRA, and Volkswagen Commercial Vehicles)

\*\*\*\*EPS: Earnings per share

26 Other Information

The compensation paid to the Company's auditors for the accounting period 2025 was €1 million (2024: €3 million) and covered the following services:

€ million	2025	2024
Audit of annual financial statements	1	1
Other assurance services	0	0
Tax and related services	–	–
Other advisory services	–	2
<b>Total</b>	<b>1</b>	<b>3</b>

27 Contingent Liabilities

The Company has noted contingent liabilities in connection with the diesel engines issue representing claims made through lawsuits against the Company. These claims meet the criteria of a contingent liability, but their value could not be disclosed, because it is not possible to reliably quantify the potential settlement conditions of such claims. Currently, these proceedings are at various stages and in a number of them the claimants still have not specified the value of their claims. The chances of success of such claims may be currently assessed as less than 50%. The courts give the plaintiffs and defendants room to reach a settlement.

In certain countries (in particular Belgium, the Netherlands, and the United Kingdom), court proceedings based on class actions or similar collective redress mechanisms have been brought or are being prepared against the Company and other companies of the Volkswagen Group, and in some cases also against other persons, in connection with the above matter, in which, inter alia, claims for monetary compensation are being asserted. Given that in many cases the proceedings are not yet at a later stage, or the actions filed are seeking declaratory decisions, the amount of the claims asserted cannot yet be quantified with certainty.

In addition to the above, individual actions were filed in some countries against the Company, in which the claimants mostly seek alleged compensation for alleged damage or replacement of allegedly defective vehicles with defect-free vehicles.

It can be stated that other car manufacturers are also in a similar situation.

Currently, it is impossible to reliably estimate the number of customers who will use the possibility to bring their alleged claims against the Company by filing a lawsuit in the future, nor what the chances of success of such claims will be. Likewise, it is not possible to reliably estimate how many customers bring their alleged claims against dealers, service partners and importers of the Škoda brand, what actions they will seek and what the extent of their success will be. It can be also expected that dealers, service partners and importers of the Škoda brand who would not be successful in disputes started by customers, could then exercise alleged recourse claims against the Company.

The Indian customs authorities have initiated investigations regarding the application of local customs rates at Škoda Auto Volkswagen India Pvt. Ltd. and have issued a Show Cause Notice. A final decision by the Indian authorities has not yet been made. Due to the early stage of the investigations, it is not yet possible to reliably quantify the associated risks.

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## 28 Significant Events After the Balance Sheet Date

After the balance sheet date, there were no events that could have a significant impact on the separate financial statements of the Company for the year ended 31 December 2025.

## 29 Information About Volkswagen Group

Škoda Auto a.s. is a subsidiary included in the consolidation group of its ultimate parent company, Volkswagen AG, with its a registered office in Wolfsburg, the Federal Republic of Germany.

The Financial Services Division includes activities related to dealer and customer financing, vehicle leasing, direct banking and insurance activities, fleet management and mobility services.

The Volkswagen Group consists of two divisions – Automotive and Financial Services. The activities related to the Automotive Division include the development of vehicles, engines, software and vehicle batteries, the production and sale of passenger and commercial cars, trucks, buses and motorcycles, and business with spare parts. The following brands belong to Volkswagen Group: Audi, Bentley, CARIAD, CUPRA, Ducati, Lamborghini, MOIA, Porsche, SEAT, Škoda, TRATON SE, Volkswagen Passenger Cars and Volkswagen Commercial Vehicles.

Škoda Auto and its subsidiaries (see Note 6) and its investments in associates (see Note 7) are included in the consolidation of Volkswagen Group's financial statements. These consolidated financial statements, and other information relating to the Volkswagen Group, are available in the annual report of Volkswagen AG and on its website [www.volkswagen-group.com](http://www.volkswagen-group.com).

Mladá Boleslav, 25 February 2026

**The Board of Management:**

Klaus Zellmer

Andreas Dick

Maren Gräf

Martin Jahn

Johannes Neft

Holger Peters

**Persons Responsible for Accounting:**

Dana Němečková

Zbyněk Halíř

# Report on Relations of Škoda Auto a.s.

Pursuant to the provisions of Section 82 of Act No. 90/2012 Coll., on Commercial Companies and Cooperatives (hereinafter referred to as the “Business Corporations Act”) for the accounting period 1 January – 31 December 2025

The Board of Management of Škoda Auto a.s., having its registered office at tř. Václava Klementa 869, Mladá Boleslav II, 293 01 Mladá Boleslav, identification number 00177041, registered in the Commercial Register kept by Municipal Court in Prague, under File No. B 332 (hereinafter referred to as “the Company” or “Škoda Auto” or “Controlled Entity”), prepared the following Report on Relations pursuant to Section 82 of the Business Corporations Act, in the accounting period 1 January – 31 December 2025 (hereinafter referred to as “the Period”).

## 1. Structure of Relations

The Company was a part of VOLKSWAGEN Group (hereinafter referred to as “the Group”) for the whole Period, where the controlling entity is VOLKSWAGEN AKTIENGESELLCHAFT (hereinafter referred to as “Volkswagen AG” or “the Controlling Entity”).

Škoda Auto company was in the Period indirectly controlled by Volkswagen AG based at Berliner Ring 2, 384 40 Wolfsburg, Federal Republic of Germany, through VOLKSWAGEN FINANCE LUXEMBURG S.A. seated at 19/21 route d'Arlon, L-8009, Luxembourg, Grand Duchy of Luxembourg, which is the sole shareholder of the Company.

The Controlling Entity is the ultimate parent company of the Group, the activities of which comprise especially the development of vehicles, engines, software and vehicle batteries, the production and sale of passenger and commercial cars, trucks, buses, and motorcycles, as well as business with genuine parts (via the brands Audi, Bentley, CARIAD, CUPRA, Ducati, Lamborghini, MOIA, Porsche, SEAT, Škoda, TRATON SE, Volkswagen Passenger Cars and Volkswagen Commercial Vehicles). In addition, the Group engages in the financial services segment in activities related to dealer and customer financing, leasing, direct banking and insurance services, fleet management and mobility services.

Information about the structure of relations is stated as at 31 December 2025, based on the information available to the statutory body of the Company acting with due managerial care. The ownership structure of Škoda Auto is graphically illustrated in the Appendix. The ownership structure between the Controlling Entity and the Controlled Entity and between the Controlled Entity and persons controlled by the same Controlling Entity is available on the website [www.volkswagen-group.com](http://www.volkswagen-group.com).

## 2. Function of the Company within the Group

The Company operates in the Automotive Division of the Group and focuses particularly on the development, production and sale of vehicles of the Škoda brand, its spare parts and accessories, and the development and production of components for other Group companies. The Company holds interests in subsidiaries within Škoda Auto Group and in other companies. The overview of the interests is illustrated in the Appendix.

## 3. Means of Control

During the Period, the Company was indirectly controlled by the Controlling Entity through the sole shareholder VOLKSWAGEN FINANCE LUXEMBURG S.A. The Company is controlled mainly through decisions of the sole shareholder during general meetings. Important decisions influencing the Company’s operations are approved within the Group’s respective boards.

## 4. Overview of Transactions Realised at the Instigation or in the Interest of the Controlling Entity or Entities Controlled by the Controlling Entity, Involving Assets Exceeding 10% of the Company’s Equity as Determined by the Most Recent Separate Financial Statements Prepared as at 31 December 2024

Based on the Decision of the sole shareholder VOLKSWAGEN FINANCE LUXEMBURG S.A. from 30 May 2025, Škoda Auto paid a dividend of €1,485.5 million on 26 June 2025 to the sole shareholder VOLKSWAGEN FINANCE LUXEMBURG S.A.

The Company has not carried out any other transactions during the Period at the instigation of or in the interests of the Controlling Entity or persons controlled by it concerning assets exceeding 10% of the Company’s equity per the last individual financial statements as at 31 December 2024.

## 5. Overview of Contracts within the Group

During the Period, the following contractual relationships were in force or newly concluded between Škoda Auto and Volkswagen AG and between Škoda Auto and companies controlled by Volkswagen AG in the following areas:

### 5.1 Sale of own products, goods and services

#### a) vehicles

In the context of car sales, Škoda Auto had contractual relationships in force in the Period (concluded in the Period or in previous years) with the following companies:

- Porsche Albania Sh.p.k.
- Porsche Austria GmbH & Co. OG
- Porsche BH d.o.o.
- Porsche Croatia d.o.o.
- Porsche Hungaria Kereskedelmi Kft.
- Porsche Chile SpA
- Porsche Inter Auto CZ spol. s r.o.
- Porsche Macedonia d.o.o.e.l. Skopje
- Porsche Romania S.R.L.
- Porsche Slovenija d.o.o.
- SEAT, S.A.
- SIVA – Sociedade de Importação de Veículos Automóveis, S.A.
- Škoda Auto Deutschland GmbH
- Škoda Auto Slovensko s.r.o.
- Škoda Auto Volkswagen India Pvt. Ltd.
- ŠkoFIN s.r.o.
- VOLKSWAGEN AG
- Volkswagen Group Australia Pty. Ltd.
- Volkswagen Group España Distribución, S.A.
- Volkswagen Group France S.A.S.
- Volkswagen Group Charging GmbH
- Volkswagen Group Ireland Ltd.
- Volkswagen Group Italia S.p.A.
- Volkswagen Group of America, Inc.
- VOLKSWAGEN GROUP Original Teile Logistik, Vertrieb & Services GmbH
- Volkswagen Group Polska Sp. z o.o.
- Volkswagen Group Sales Middle East FZCO
- Volkswagen Group Singapore Pte. Ltd.
- Volkswagen Group Sverige AB
- Volkswagen Group Taiwan Co., Ltd.
- Volkswagen Group United Kingdom Ltd.
- Volkswagen of South Africa (Pty) Ltd.

#### b) genuine parts

In the context of genuine parts sales, Škoda Auto had contractual relationships in force in the Period (concluded in the Period or in previous years) with the following companies:

- AUDI AG
- Digiteq Automotive s.r.o.
- Porsche Albania Sh.p.k.
- Porsche Austria GmbH & Co. OG
- Porsche BH d.o.o.
- Porsche Colombia S.A.S.
- Porsche Croatia d.o.o.

- Porsche Česká republika s.r.o.
- Porsche Hungaria Kereskedelmi Kft.
- Porsche Chile SpA
- Porsche Inter Auto CZ spol. s r.o.
- Porsche Konstruktionen GmbH & Co. KG
- Porsche Macedonia d.o.o.e.l. Skopje
- Porsche Romania S.R.L.
- Porsche Slovakia, spol. s r.o.
- Porsche Slovenija d.o.o.
- SEAT, S.A.
- SIVA – Sociedade de Importação de Veículos Automóveis, S.A.
- Škoda Auto Deutschland GmbH
- Škoda Auto Slovensko s.r.o.
- Škoda Auto Volkswagen India Pvt. Ltd.
- ŠkoFIN s.r.o.
- VOLKSWAGEN AG
- Volkswagen Group Australia Pty. Ltd.
- Volkswagen Group España Distribución, S.A.
- Volkswagen Group France S.A.S.
- Volkswagen Group Charging GmbH
- Volkswagen Group Ireland Ltd.
- Volkswagen Group Italia S.p.A.
- Volkswagen Group of America, Inc.
- VOLKSWAGEN GROUP Original Teile Logistik, Vertrieb & Services GmbH
- Volkswagen Group Polska Sp. z o.o.
- Volkswagen Group Sales Middle East FZCO
- Volkswagen Group Singapore Pte. Ltd.
- Volkswagen Group Sverige AB
- Volkswagen Group Taiwan Co., Ltd.
- Volkswagen Group United Kingdom Ltd.
- Volkswagen of South Africa (Pty) Ltd.

#### c) others

In the context of the sale of services, licences, engines, bodyworks and other products, Škoda Auto had contractual relationships in force in the Period (concluded in the Period or in previous years) with the following companies:

- AUDI AG
- Audi Brussels S.A.
- Audi Formula Racing GmbH
- Audi Hungaria Zrt.
- Audi México S.A. de C.V.
- Audi Singapore Pte. Ltd.
- Automobili Lamborghini S.p.A.
- Bentley Motors Ltd.
- CARIAD SE
- Digiteq Automotive s.r.o.
- Dr. Ing. h.c. F. Porsche AG
- dx.one GmbH
- INIS International Insurance Service s.r.o.

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- Italdesign Giugiaro S.p.A.
- MAN Truck & Bus SE
- Porsche Albania Sh.p.k.
- Porsche Austria GmbH & Co. OG
- Porsche BH d.o.o.
- Porsche Croatia d.o.o.
- Porsche Česká republika s.r.o.
- Porsche Hungaria Kereskedelmi Kft.
- Porsche Inter Auto CZ spol. s r.o.
- Porsche Konstruktionen GmbH & Co. KG
- Porsche Macedonia d.o.o.e.l. Skopje
- Porsche Romania S.R.L.
- Porsche Slovakia, spol. s r.o.
- Porsche Slovenija d.o.o.
- Porsche Versicherungs AG
- PowerCo SE
- Scout Motors Inc.
- SEAT CUPRA S.A.
- SEAT, S.A.
- Shanghai Volkswagen Powertrain Co., Ltd.
- SIVA – Sociedade de Importação de Veículos Automóveis, S.A.
- Škoda Auto Deutschland GmbH
- Škoda Auto Slovensko s.r.o.
- Škoda Auto Volkswagen India Pvt. Ltd.
- Škoda X s.r.o.
- ŠKO-ENERGO, s.r.o.
- ŠkoFIN s.r.o.
- TRATON SE
- Volkswagen (Anhui) Automotive Co., Ltd.
- Volkswagen (Anhui) Digital Sales and Services Co., Ltd.
- Volkswagen (China) Investment Co., Ltd.
- VOLKSWAGEN AG
- Volkswagen Argentina S.A.
- Volkswagen Autoeuropa, Lda.
- Volkswagen de México, S.A. de C.V.
- Volkswagen Deutschland GmbH & Co. KG
- Volkswagen do Brasil Indústria de Veículos Automotores Ltda.
- Volkswagen Financial Services AG
- Volkswagen Financial Services Digital Solutions GmbH
- Volkswagen Financial Services N.V.
- Volkswagen Group Australia Pty. Ltd.
- Volkswagen Group Digital Solutions India Pvt. Ltd.
- Volkswagen Group España Distribución, S.A.
- Volkswagen Group France S.A.S.
- Volkswagen Group Charging GmbH
- Volkswagen Group Import Co., Ltd.
- Volkswagen Group Info Services AG
- Volkswagen Group Ireland Ltd.
- Volkswagen Group Italia S.p.A.
- Volkswagen Group of America, Inc.
- Volkswagen Group Polska Sp. z o.o.
- Volkswagen Group Real Estate Czech Republic s.r.o.
- Volkswagen Group Services GmbH
- Volkswagen Group Services Kft.
- Volkswagen Group Services, s.r.o.
- Volkswagen Group Singapore Pte. Ltd.
- Volkswagen Group Sverige AB
- Volkswagen Group Taiwan Co., Ltd.
- Volkswagen Group Technology Solutions India Pvt. Ltd.
- Volkswagen Group United Kingdom Ltd.
- Volkswagen Group Japan K.K.
- Volkswagen Group Korea Ltd.
- Volkswagen Group Malaysia Sdn. Bhd.

- Volkswagen Group Middle East QFZ LLC
- Volkswagen Group of America Finance, LLC
- Volkswagen Group of America Chattanooga Operations, LLC
- Volkswagen Group of America, Inc.
- VOLKSWAGEN GROUP Original Teile Logistik, Vertrieb & Services GmbH
- Volkswagen Group Polska Sp. z o.o.
- Volkswagen Group Real Estate Czech Republic s.r.o.
- Volkswagen Group Sales Middle East FZCO
- Volkswagen Group Services GmbH
- Volkswagen Group Services, s.r.o.
- Volkswagen Group Singapore Pte. Ltd.
- Volkswagen Group Sverige AB
- Volkswagen Group Taiwan Co., Ltd.
- Volkswagen Group Technology Solutions India Pvt. Ltd.
- Volkswagen Group United Kingdom Ltd.
- Volkswagen Immobilien GmbH
- Volkswagen International Belgium S.A.
- Volkswagen Konzernlogistik GmbH & Co. OHG
- Volkswagen Leasing GmbH
- Volkswagen Motor Polska Sp. z o.o.
- Volkswagen Navarra, S.A.
- Volkswagen of South Africa (Pty) Ltd.
- Volkswagen Osnabrück GmbH
- Volkswagen Poznan Sp. z o.o.
- Volkswagen Retail Dienstleistungsgesellschaft mbH
- Volkswagen Sachsen GmbH
- Volkswagen Slovakia, a.s.
- VW Kraftwerk GmbH
- Weser-Ems Vertriebsgesellschaft mbH

**5.2 Purchase of goods, services and non-current assets**

**a) production material and genuine parts**

In the context of purchases of production material and genuine parts, Škoda Auto had contractual relationships in force in the Period (concluded in the Period or in previous years) with the following companies:

- Allmobil GmbH
- AUDI AG
- Audi Brussels S.A./N.V.
- Audi Hungaria Zrt.
- BERTRANDT Ingenieurbüro GmbH
- CARIAD SE
- Dr. Ing. h.c. F. Porsche AG
- Scania Czech Republic s.r.o.
- SEAT, S.A.
- Škoda Auto Slovensko s.r.o.
- Škoda Auto Volkswagen India Pvt. Ltd.
- ŠKO-ENERGO, s.r.o.
- Volkswagen (Anhui) Component Co., Ltd.
- VOLKSWAGEN AG

- Volkswagen Argentina S.A.
- Volkswagen Autoeuropa, Lda.
- Volkswagen Automatic Transmission (Tianjin) Co., Ltd.
- Volkswagen de México, S.A. de C.V.
- Volkswagen do Brasil Indústria de Veículos Automotores Ltda.
- Volkswagen Group Charging GmbH
- VOLKSWAGEN GROUP Original Teile Logistik, Vertrieb & Services GmbH
- Volkswagen Group Sales Middle East FZCO
- Volkswagen Group Technology Solutions India Pvt. Ltd.
- Volkswagen Motor Polska Sp. z o.o.
- Volkswagen Navarra, S.A.
- Volkswagen of South Africa (Pty) Ltd.
- Volkswagen Osnabrück GmbH
- Volkswagen Poznan Sp. z o.o.
- Volkswagen Sachsen GmbH
- Volkswagen Sarajevo d.o.o.
- Volkswagen Slovakia, a.s.
- Volkswagen Zubehör GmbH

**b) overheads**

In the context of purchases of indirect material and services (including research and development cooperation, IT services, software and hardware supplies, customer services consultancy), Škoda Auto had contractual relationships in force in the Period (concluded in the Period or in previous years) with the following companies:

- Audi (China) Enterprise Management Co., Ltd.
- AUDI AG
- Audi Hungaria Zrt.
- Audi Interaction GmbH
- Audi Tooling Barcelona, S.L.
- Autostadt GmbH
- BERTRANDT Ingenieurbüro GmbH
- CARIAD SE
- Cubic Telecom GmbH
- Digiteq Automotive s.r.o.
- Dr. Ing. h.c. F. Porsche AG
- dx.one GmbH
- Konnect with the Volkswagen Group Ltd.
- MHP Management- und IT-Beratung GmbH
- MMI Marketing Management Institut GmbH
- Nardò Technical Center S.r.l.
- Porsche Austria GmbH & Co. OG
- Porsche BH d.o.o.
- Porsche Consulting GmbH
- Porsche Česká republika s.r.o.
- Porsche Engineering Group GmbH
- Porsche Chile SpA
- Porsche Inter Auto CZ spol. s r.o.
- Porsche Macedonia d.o.o.e.l. Skopje

- Porsche Romania S.R.L.
- Porsche Slovenija d.o.o.
- Porsche Werkzeugbau GmbH
- Porsche Werkzeugbau s.r.o.
- Scania Czech Republic s.r.o.
- SEAT, S.A.
- Shanghai Volkswagen Powertrain Co., Ltd.
- Škoda Auto Deutschland GmbH
- Škoda Auto Slovensko s.r.o.
- Škoda Auto Volkswagen India Pvt. Ltd.
- Škoda Auto Vysoká škola o.p.s.
- Škoda X s.r.o.
- ŠKO-ENERGO, s.r.o.
- ŠkoFIN s.r.o.
- TRATON Financial Services Czech Rep spol. s r.o.
- VAIVA GmbH
- VDF Servis ve Ticaret A.S.
- Volkswagen (Anhui) Component Co., Ltd.
- Volkswagen (China) Investment Co., Ltd.
- VOLKSWAGEN AG
- Volkswagen AirService GmbH
- Volkswagen Argentina S.A.
- Volkswagen Autoeuropa, Lda.
- Volkswagen de México, S.A. de C.V.
- Volkswagen Deutschland GmbH & Co. KG
- Volkswagen do Brasil Indústria de Veículos Automotores Ltda.
- Volkswagen FAW Platform Co., Ltd.
- Volkswagen Financial Services AG
- Volkswagen Group Australia Pty. Ltd.
- Volkswagen Group Digital Solutions
- Volkswagen Group España Distribución, S.A.
- Volkswagen Group France S.A.S.
- Volkswagen Group Future Center Europe GmbH
- Volkswagen Group Charging CZ s.r.o.
- Volkswagen Group Charging GmbH
- Volkswagen Group Info Services AG
- Volkswagen Group Ireland Ltd.
- Volkswagen Group Italia S.p.A.
- Volkswagen Group of America, Inc.
- Volkswagen Group Polska Sp. z o.o.
- Volkswagen Group Real Estate Czech Republic s.r.o.
- Volkswagen Group Services GmbH
- Volkswagen Group Services Kft.
- Volkswagen Group Services, s.r.o.
- Volkswagen Group Singapore Pte. Ltd.
- Volkswagen Group Sverige AB
- Volkswagen Group Taiwan Co., Ltd.
- Volkswagen Group Technology Solutions India Pvt. Ltd.
- Volkswagen Group United Kingdom Ltd.
- Volkswagen Infotainment GmbH
- Volkswagen Konzernlogistik GmbH & Co. OHG
- Volkswagen Motor Polska Sp. z o.o.

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- Volkswagen Navarra, S.A.
- Volkswagen of South Africa (Pty) Ltd.
- Volkswagen Original Teile Logistik Beteiligungs-GmbH
- Volkswagen Osnabrück GmbH
- Volkswagen Sachsen GmbH
- Volkswagen Sarajevo d.o.o.
- Volkswagen Slovakia, a.s.
- Volkswagen Software Asset Management GmbH
- Volkswagen Zubehör GmbH
- VW Kraftwerk GmbH

**c) non-current assets**

In the context of purchases of non-current assets, Škoda Auto had contractual relationships in force in the Period (concluded in the Period or in previous years) with the following companies:

- AUDI AG
- Audi Hungaria Zrt.
- BERTRANDT Ingenieurbüro GmbH
- CARIAD SE
- Digiteq Automotive s.r.o.
- Dr. Ing. h.c. F. Porsche AG
- Porsche Česká republika s.r.o.
- Scania Czech Republic s.r.o.
- SEAT, S.A.
- Škoda Auto Volkswagen India Pvt. Ltd.
- VOLKSWAGEN AG
- Volkswagen Autoeuropa, Lda.
- Volkswagen Group Services GmbH
- Volkswagen Group Technology Solutions India Pvt. Ltd.
- Volkswagen Navarra, S.A.
- Volkswagen Osnabrück GmbH

**5.3 Other contractual relationships**

In the context of other contractual relationships (relating to purchases and/or sales, in particular for marketing services, training, sales support, financial services, consultancy, the purchase of capital interests, system and other support), Škoda Auto had contractual relationships in force in the Period (concluded in the Period or in previous years) with the following companies:

- 42Prague z. ú.
- AUDI AG
- Audi Brussels S.A.
- Automobili Lamborghini S.p.A.
- Autostadt GmbH
- Bentley Motors Ltd.
- CyMotive Technologies Ltd.
- Digiteq Automotive s.r.o.
- Dr. Ing. h.c. F. Porsche AG
- EMobG Services Germany GmbH

- Euromobil GmbH
- INIS International Insurance Service s.r.o.
- MAN Truck & Bus SE
- MOON POWER GmbH
- Nadační fond Škoda Auto
- Porsche Albania Sh.p.k.
- Porsche Austria GmbH & Co. OG
- Porsche BH d.o.o.
- Porsche Colombia S.A.S.
- Porsche Croatia d.o.o.
- Porsche Česká republika s.r.o.
- Porsche Engineering Services s.r.o.,
- Porsche Hungaria Kereskedelmi Kft.
- Porsche Chile SpA
- Porsche Konstruktionen GmbH & Co. KG
- Porsche Macedonia d.o.o.e.l. Skopje
- Porsche Romania S.R.L.
- Porsche Slovenija d.o.o.
- Scania CV AB
- Scania Czech Republic s.r.o.
- Scout Motors Inc.
- SEAT CUPRA S.A.
- SEAT, S.A.
- SIVA – Sociedade de Importação de Veículos Automóveis, S.A.
- Škoda Auto Deutschland GmbH
- Škoda Auto Slovensko s.r.o.
- Škoda Auto Volkswagen India Pvt. Ltd.
- Škoda Auto Vysoká škola o.p.s.
- Škoda X s.r.o.
- ŠKO-ENERGO, s.r.o.
- ŠkoFIN s.r.o.
- VOLKSWAGEN AG
- Volkswagen Automatic Transmission (Dalian) Co., Ltd.
- Volkswagen Deutschland GmbH & Co. KG
- Volkswagen do Brasil Indústria de Veículos Automotores Ltda.
- Volkswagen Financial Services AG
- Volkswagen Group (China) Technology Company Limited
- Volkswagen Group Australia Pty. Ltd.
- Volkswagen Group Canada Inc.
- Volkswagen Group España Distribución, S.A.
- Volkswagen Group France S.A.S.
- Volkswagen Group Charging GmbH
- Volkswagen Group Info Services AG
- Volkswagen Group Ireland Ltd.
- Volkswagen Group Italia S.p.A.
- Volkswagen Group Middle East QFZ LLC
- Volkswagen Group of America Finance, LLC
- Volkswagen Group Polska Sp. z o.o.
- Volkswagen Group Real Estate Czech Republic s.r.o.
- Volkswagen Group Sales Middle East FZCO
- Volkswagen Group Services, s.r.o.
- Volkswagen Group Singapore Pte. Ltd.

- Volkswagen Group Sverige AB
- Volkswagen Group Taiwan Co., Ltd.
- Volkswagen Group Technology Solutions India Pvt. Ltd.
- Volkswagen Group United Kingdom Ltd.
- Volkswagen Immobilien GmbH
- Volkswagen Insurance Brokers GmbH
- Volkswagen International Belgium S.A.
- Volkswagen International Finance N.V.
- Volkswagen Konzernlogistik GmbH & Co. OHG
- Volkswagen Navarra, S.A.
- Volkswagen Osnabrück GmbH
- Volkswagen Poznan Sp. z o.o.
- Volkswagen Sachsen GmbH
- Volkswagen Slovakia, a.s.
- VW Kraftwerk GmbH

**6. Assessment of Damage and its Settlement**

Contracts concluded in the Period and in previous years were concluded under conditions in the ordinary course of business.

The Company did not suffer from any damage or detriment as a result of the contracts concluded in the Period and in previous periods between the Company and other Group companies, or as a result of other transactions or measures realised during the Period by the Company at the instigation or in the interest of these entities.

Mladá Boleslav, 25 February 2026

**The Board of Management:**



Klaus Zellmer



Maren Gräf



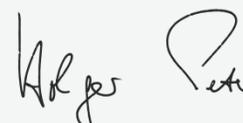
Martin Jahn



Andreas Dick



Johannes Neft



Holger Peters

**7. Evaluation of the Relations and Risks within the Group**

**7.1 Evaluation of advantages and disadvantages of relations within the Group**

Involvement in the Group leads mainly to advantages for the Company. The Group is a world-leading automotive manufacturer. Involvement in the Group brings economies of scale to the Company, realised through shared platforms and modern technologies. At the same time, it provides shared know-how and distribution channels.

Currently, there is no apparent disadvantage for the Company emerging from involvement in the Group.

**7.2 There are no risks for the Company arising from the relations within the Group.**



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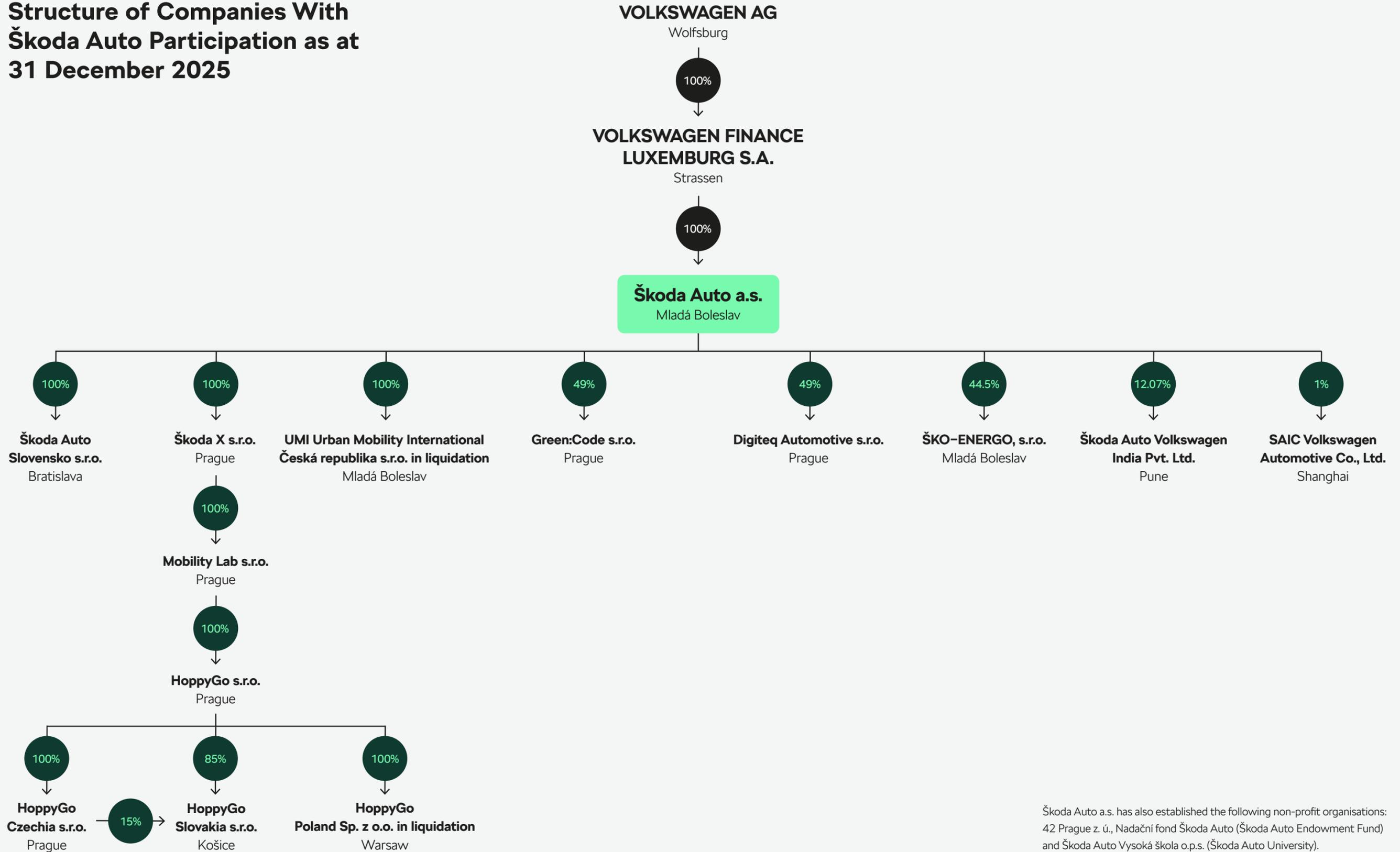
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# Structure of Companies With Škoda Auto Participation as at 31 December 2025



Škoda Auto a.s. has also established the following non-profit organisations: 42 Prague z. ú., Nadační fond Škoda Auto (Škoda Auto Endowment Fund) and Škoda Auto Vysoká škola o.p.s. (Škoda Auto University).



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<b>AI</b>	Aluminium	<b>ECMS</b>	Environmental Compliance Management System	<b>ICE</b>	Internal Combustion Engine	<b>REE</b>	Rare-earth elements
<b>AOPK</b>	Nature Conversation Agency	<b>EDIS</b>	Ecological Transport Internal ŠKODA	<b>ICESCR</b>	International Covenant on Economic, Social and Cultural Rights	<b>RELOB</b>	Lobbying registry
<b>ASEAN</b>	The Association of Southeast Asian Nations is a political and economic union comprising Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam	<b>EGAP</b>	Export Guarantee and Insurance Corporation	<b>ICRA</b>	Internal Compliance Risk Assessment	<b>RMDDMS</b>	Raw Material Due Diligence Management System
<b>BAT</b>	Best Available Techniques	<b>ECHA</b>	European Chemicals Agency	<b>IEA</b>	International Energy Agency	<b>RMS/ICS</b>	Risk Management System/Internal Control System
<b>BEV</b>	Battery Electric Vehicle	<b>EIA</b>	Environmental Impact Assessment	<b>ILO</b>	International Labour Organization	<b>RoHS</b>	Restriction of Hazardous Substances
<b>BGC</b>	Brand Group Core Volume brands within the Volkswagen Group joined forces to bundle competencies and synergies. It includes the following brands: SEAT/CUPRA, Škoda, Volkswagen Passenger Cars, and Volkswagen Commercial Vehicles	<b>ELV</b>	End-of-Life Vehicles	<b>IPCC</b>	Intergovernmental Panel on Climate Change	<b>SAQ</b>	Self-Assessment Questionnaire
<b>BLI</b>	Biodiversity Landuse Indicator	<b>EMAS</b>	Eco-Management and Audit Scheme	<b>IRO</b>	Impacts, risks and opportunities	<b>SASB</b>	Sustainability Accounting Standards Board
<b>BOZP</b>	Occupational Health and Safety	<b>ERG</b>	Employee Resource Groups	<b>ISO</b>	International Organization for Standardization	<b>SCGM</b>	Supply Chain Grievance Mechanism
<b>CAP</b>	Corrective Action Plan	<b>ESG</b>	Environmental, Social and Governance	<b>KPI</b>	Key Performance indicator	<b>SCIP</b>	Substances of Concern in Products
<b>CMX</b>	Culture Mindset Index	<b>ESRS</b>	European Sustainability Reporting Standards	<b>KÚ</b>	Regional Authority	<b>SO<sub>2</sub></b>	Sulfur dioxide
<b>CO</b>	Carbon monoxide	<b>EU</b>	European Union	<b>LCA</b>	Life Cycle Assessment	<b>SUV</b>	Sport Utility Vehicle in the mid-range category of cars
<b>CO<sub>2</sub></b>	Carbon dioxide	<b>EU ETS</b>	European Union Emissions Trading System	<b>LED</b>	Light-Emitting Diode	<b>SVHC</b>	Substances of Very High Concern
<b>CO<sub>2</sub>e</b>	Carbon dioxide equivalent	<b>Euro NCAP</b>	European New Car Assessment Program	<b>LKSG</b>	German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz)	<b>ŠAEF</b>	Škoda Auto Endowment Fund
<b>CoRT</b>	Compliance Reporting Tool	<b>GCAM</b>	Global Change Assessment Model	<b>MAG</b>	Performance review (Mitarbeitergespräch)	<b>THZ</b>	Technical economic employee
<b>CQI</b>	Customer Quality Index	<b>GDPR</b>	General Data Protection Regulation	<b>MEB</b>	Modular Electric Drive Matrix	<b>TMK</b>	Group Top Management
<b>CRM</b>	Customer Relationship Management	<b>GECO</b>	Global Energy and Climate Outlook	<b>Mg</b>	Magnesium	<b>TOC</b>	Total Organic Carbon
<b>CSRD</b>	Corporate Sustainability Reporting Directive	<b>GHG</b>	Greenhouse gas	<b>MK</b>	Management	<b>UEP</b>	Reduction of the environmental impact of production (indicator) (Umweltentlastung Produktion)
<b>CSV</b>	Creating Shared Values	<b>GRC</b>	Governance, Risk & Compliance	<b>MQB</b>	Modular Transverse Matrix	<b>UNECE</b>	The United Nations Economic Commission for Europe
<b>Cu</b>	Copper	<b>GRI</b>	Global Reporting Initiative	<b>NFŠA</b>	Škoda Auto Endowment Fund	<b>VOC</b>	Volatile Organic Compound
<b>ČIŽP</b>	Czech Environmental Inspectorate	<b>HFC</b>	Hydrofluorocarbons	<b>NGFS</b>	Network for Greening the Financial System	<b>VW</b>	Volkswagen (Group)
<b>ČR</b>	Czech Republic	<b>HR</b>	Human Resources	<b>NOx</b>	Nitrogen Oxide	<b>WLTP</b>	Worldwide Harmonised Light Vehicle Test Procedure; test cycle measuring CO <sub>2</sub> and other pollutant emissions as well as fuel consumption values
<b>ČSOP</b>	Czech Union for Nature Conservation	<b>HTE</b>	High Transfer Efficiency	<b>OECD</b>	Organisation for Economic Co-operation and Development	<b>ZEVRA</b>	Zero Emission electric Vehicles enabled by haRmonised circulaRity
<b>DKI</b>	Decarbonisation Index	<b>HVO</b>	Hydrotreated Vegetable Oil	<b>OMK</b>	Senior Management Circle	<b>ZTP</b>	Disabled person
<b>DMA</b>	Double Materiality Assessment	<b>HZS</b>	Fire Rescue Service	<b>ORP</b>	Municipality with extended powers	<b>ZTP/P</b>	Disabled person with a guide
<b>EAC</b>	Energy Attribute Certificate	<b>IAS/IFRS Accounting Standards</b>	International Accounting Standards/ International Financial Reporting Standards as adopted by the European Union	<b>OSN</b>	United Nations		
		<b>IASB</b>	International Accounting Standards Board	<b>PGMs</b>	Platinum group metals		
		<b>ICCP</b>	International Covenant on Civil and Political Rights	<b>PHEV</b>	Plug-in Hybrid Electric Vehicle		
				<b>PM</b>	Particulate matter		
				<b>RCP</b>	Representative Concentration Pathway		
				<b>REACH</b>	The Regulation on the registration, evaluation, authorisation and restriction of chemicals		



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<b>Action</b>	Specific measures implemented to carry out policies aimed at addressing material impacts, risks, or opportunities.
<b>Affected communities</b>	People or group(s) living or working in the same area that have been or may be affected by the reporting undertaking's operations or through its upstream and downstream value chain.
<b>Climate (carbon) neutrality</b>	Reducing greenhouse gas emissions as much as possible and compensating for any remaining emissions, so that the amount released is neutralised (e.g. via carbon sequestration or offsetting projects).
<b>Closed Loop</b>	Closed material loops refer to a system where materials at the end of a product's life cycle are reused for new products, minimising waste and maximising resource circularity.
<b>Company</b>	In the Annual Report, the term "the Company" is used as a synonym for the company Škoda Auto
<b>Corporate citizenship</b>	The Company's responsible conduct toward society and the environment beyond legal requirements. It includes activities that promote sustainability, ethics, human rights, and community engagement, demonstrating the organisation's commitment to social responsibility.
<b>Deliveries to customers</b>	The number of Škoda brand vehicles delivered to end customers that were produced by Škoda Auto Group and/or partner plants.
<b>Downstream</b>	A participant in the value chain is considered an downstream element of the undertaking (e.g. distributors, customers) when it receives products or services from the undertaking.
<b>Double materiality assessment</b>	A process used to determine which sustainability topics a company must report on. Double materiality has two dimensions: impact materiality and financial materiality. A sustainability topic meets the criterion of double materiality if it is material from the impact perspective or the financial perspective or both.
<b>Due diligence</b>	The process through which enterprises can identify, assess, prevent and/or mitigate and account for how they address actual and potential adverse impacts in their own operations, supply chains and business relationships
<b>F-gases</b>	Fluorinated greenhouse gases are man-made chemicals that have a significantly higher global warming potential than CO <sub>2</sub> .
<b>goTOzero</b>	Volkswagen Group's environmental strategy aiming for carbon neutrality by 2050 and minimising environmental impacts across the entire value chain.
<b>GreenFactory</b>	A programme encompassing all activities that support resource-efficient production.
<b>GreenProduct</b>	A programme focused on developing vehicles with low or zero operational emissions and high energy efficiency throughout the product life cycle – from production to end-of-life recycling.
<b>Group</b>	In the annual report, the term "Group" is used as a synonym for the Volkswagen Group.
<b>High Risk Countries</b>	Third countries are non-EU states identified as posing significant risks regarding human rights, labour conditions, corruption, or environmental standards, requiring enhanced due diligence in the supply chain.
<b>Human Rights Focus</b>	A system designed to identify and manage severe risks of human rights violations and environmental impacts within the supply chain. It enables the company to concentrate on high-risk areas and implement targeted measures based on internal assessments.
<b>Infotainment</b>	A multimedia information system consisting of radio, navigation system and other multimedia devices in a vehicle
<b>Investment ratio</b>	Ratio of capital expenditures (less capitalised development expenses) to total sales revenues
<b>Loaned personnel</b>	These are employees who have an employment contract with an employment agency and are temporarily assigned to work for another employer.

<b>Location-based</b>	Calculates emissions using the average emission factor of the electricity grid in the geographic location where the consumption occurs. It does not consider contractual instruments or specific suppliers, but reflects the regional generation mix.
<b>Market-based</b>	Calculates emissions based on the actual source of purchased electricity, supported by contractual instruments (e.g. guarantees of origin, certificates). It reflects supplier choice and renewable energy purchases.
<b>Measure</b>	Actions and action plans (including transition plans) that are undertaken to ensure that the undertaking delivers against targets set and through which the undertaking seeks to address material impacts, risks and opportunities; and decisions to support these with financial, human or technological resources. Actions can be individual actions, taken only by the undertaking, or collective actions, that is, collaborative efforts by a group of stakeholders - such as undertakings, governments, civil society, or communities - to address shared challenges or achieve common goals, particularly when those goals cannot be effectively achieved by any single actor working alone.
<b>Net liquidity</b>	Gross liquidity (cash and cash equivalents) less liabilities to a factoring company within the Volkswagen Group.
<b>New Work</b>	A strategic initiative that forms an integral part of the Company's overall strategy, emphasising flexibility in working conditions to adapt to dynamic market changes.
<b>Next Level Škoda</b>	Škoda Auto's long-term strategy, focusing on expanding the brand in European and international markets, offering attractive combustion, hybrid and electric vehicles with high quality and intuitive operation, and strengthening corporate culture, employee skills and sustainable practices in ecological, social and financial dimensions.
<b>Own operation</b>	Own operations cover all activities and processes directly carried out by the company within its facilities, as opposed to those in the supply chain or at customer sites.
<b>Peer-to-peer</b>	Direct exchange of services, knowledge, or resources between individuals without an intermediary, based on collaboration and decentralisation.
<b>Policy</b>	A set or framework of general objectives and management principles that the undertaking uses for decision-making. A policy implements the undertaking's strategy or management decisions related to a material sustainability topic. Each policy is under the responsibility of defined person(s), specifies its perimeter of application, and includes one or more objectives (linked when applicable to measurable targets). A policy is validated and reviewed following the undertaking's applicable governance rules. A policy is implemented through actions or action plans.
<b>Production</b>	Number of vehicles produced; the total production figure also includes the production of vehicles for the Volkswagen Group brand Seat manufactured by the company Škoda Auto; for accuracy, vehicle assembly kits are reported in the vehicles segment
<b>regenerate+</b>	Volkswagen Group's sustainability strategy focused on regenerating nature and fostering societal development. It takes a holistic approach across four dimensions: nature, people, society, and business. The goal is to achieve carbon neutrality and create a positive impact on the environment and society.
<b>Sales</b>	Number of vehicles sold to importers and dealers; the unit sales figure also includes sales of vehicles of the Volkswagen Group brand Seat manufactured by the company Škoda Auto; for accuracy, vehicle assembly kits are reported in the vehicles segment
<b>S-Rating</b>	Sustainability assessment tool for suppliers that verifies their compliance with ethical, environmental, and social standards. The rating result is a key criterion for selecting suppliers and awarding contracts.



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<b>Stakeholder</b>	Those who can affect or be affected by the undertaking. There are two main groups of stakeholders: affected stakeholders and users of sustainability statements.
<b>Strategy</b>	How the undertaking's strategy and business model interact with its material impacts, risks and opportunities, including how the undertaking addresses those impacts, risks and opportunities
<b>Target</b>	Measurable, outcome-oriented and time-bound goals that the undertaking aims to achieve in relation to material impacts, risks or opportunities. They may be set voluntarily by the undertaking or derive from legal requirements on the undertaking.
<b>Upstream</b>	A participant in the value chain is considered an upstream element of the undertaking (e.g. suppliers) when it provides products or services that are used in the production of the undertaking's own products or services.
<b>Value chain</b>	The full range of activities, resources and relationships related to the undertaking's business model and the external environment in which it operates. A value chain encompasses the activities, resources and relationships the undertaking uses and relies on to create its products or services from conception to delivery, consumption and end of life.
<b>Water recycling</b>	Water recycling is the method of recycling treated wastewater for beneficial purposes, such as agricultural and landscape irrigation, industrial processes, toilet flushing, and groundwater replenishing.
<b>Whistleblowing</b>	The process of uncovering unlawful conduct by submitting a report, that is, providing information to persons who can investigate the reported matter and, if necessary, take action and implement measures for remediation or prevention.

## Persons Responsible for the Annual Report, Events After the Balance Sheet Date and Other Information

### Events after the Balance Sheet Date

No material events have occurred between the balance sheet date and the date of preparation of this Annual Report that have had an impact on an assessment of the Company's assets, liabilities and equity or the results of its operations.

### Other Information

The Company did not acquire any treasury shares during the relevant period. The Company as an accounting entity does not have a branch or part of a business plant abroad. The Company is subject to no further disclosure obligations pursuant to the provision of Section 21(2)(g) of Act No. 563/1991 Coll., on Accounting, as amended, with the exception of the obligations arising from Act No. 542/2020 Coll. on End-of-Life Products described in the Sustainability section.

### Affirmation

The persons stated below, responsible for the preparation of this Annual Report, hereby declare that the information contained in this Annual Report is factual and that no substantive matters that could influence an accurate and correct evaluation of the company Škoda Auto a.s. have been knowingly omitted or distorted.

Mladá Boleslav, 25 February 2026

### The Board of Management:

Klaus Zellmer

Maren Gräf

Martin Jahn

Andreas Dick

Johannes Neft

Holger Peters



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# Key Figures and Financial Results of Škoda Auto a.s. at a Glance

## Key Figures and Financial Results of Škoda Auto a.s. at a Glance

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### Sales, Production and Workforce

		2021	2022	2023	2024	2025
<b>Deliveries to customers</b>	<b>vehicles</b>	<b>878,202</b>	<b>731,262</b>	<b>866,820</b>	<b>926,567</b>	<b>1,043,938</b>
<b>Sales*</b>	<b>vehicles</b>	<b>691,889</b>	<b>695,935</b>	<b>909,656</b>	<b>953,043</b>	<b>1,012,946</b>
Sales of Škoda cars*	vehicles	633,389	637,781	825,939	878,451	972,741
<b>Production*</b>	<b>vehicles</b>	<b>680,397</b>	<b>693,370</b>	<b>864,889</b>	<b>897,160</b>	<b>947,140</b>
Production of Škoda cars*	vehicles	621,897	635,213	781,175	822,568	906,935
Employees	persons	36,032	35,063	34,884	34,215	34,006

### Income Statement

		2021**	2022	2023	2024	2025
<b>Sales revenue</b>	<b>€ million</b>	<b>16,476</b>	<b>18,086</b>	<b>24,012</b>	<b>25,469</b>	<b>27,797</b>
<b>Cost of sales</b>	<b>€ million</b>	<b>14,842</b>	<b>16,470</b>	<b>21,166</b>	<b>22,368</b>	<b>24,331</b>
	% of revenues	90.1	91.1	88.1	87.8	87.5
<b>Gross profit</b>	<b>€ million</b>	<b>1,634</b>	<b>1,616</b>	<b>2,846</b>	<b>3,101</b>	<b>3,466</b>
	% of revenues	9.9	8.9	11.9	12.2	12.5
Distribution expenses	€ million	401	452	570	679	734
Administrative expenses	€ million	478	503	597	471	483
Net other operating result	€ million	267	56	54	137	8
<b>Operating profit</b>	<b>€ million</b>	<b>1,022</b>	<b>718</b>	<b>1,732</b>	<b>2,088</b>	<b>2,257</b>
	% of revenues	6.2	4.0	7.2	8.2	8.1
Net financial result	€ million	43	-65	-73	15	31
<b>Profit before tax</b>	<b>€ million</b>	<b>1,065</b>	<b>653</b>	<b>1,659</b>	<b>2,103</b>	<b>2,288</b>
Return on sales before tax	%	6.5	3.6	6.9	8.3	8.2
Income tax expense	€ million	191	133	338	448	438
<b>Profit for the year</b>	<b>€ million</b>	<b>874</b>	<b>520</b>	<b>1 322</b>	<b>1 655</b>	<b>1 850</b>
Return on sales after tax	%	5.3	2.9	5.5	6.5	6.7

### Balance Sheet / Financing

		2021**	2022	2023	2024	2025
Non-current assets	mil. €	5,829	6,585	6,999	7,217	<b>8,219</b>
Current assets	mil. €	3,482	3,201	3,251	4,153	4,600
Equity	mil. €	4,084	3,830	4,333	4,646	5,153
Non-current and current liabilities	mil. €	5,227	5,956	5,917	6,724	<b>7,666</b>
<b>Balance sheet total</b>	<b>mil. €</b>	<b>9,311</b>	<b>9,786</b>	<b>10,250</b>	<b>11,370</b>	<b>12,819</b>
<b>Net liquidity</b>	<b>mil. €</b>	<b>821</b>	<b>-72</b>	<b>73</b>	<b>708</b>	<b>1,357</b>
Cash flows from operating activities	mil. €	2,090	1,517	2,050	3,351	3,631
Cash flows from investing activities	mil. €	-1,307	-1,564	-1,363	-1,435	-1,440
<b>Net cash flows</b>	<b>mil. €</b>	<b>784</b>	<b>-48</b>	<b>687</b>	<b>1,916</b>	<b>2,191</b>
<b>Investments</b>	<b>mil. €</b>	<b>615</b>	<b>1,014</b>	<b>810</b>	<b>838</b>	<b>1,139</b>
Investment ratio	%	3.6	4.2	3.4	3.3	4.1
Equity ratio	%	43.9	39.1	42.3	40.9	<b>40.2</b>
Non-current asset to equity ratio	%	70.1	58.2	61.9	64.4	62.7

\* Sales and production volumes are reported excluding kits shipped to foreign production plants not operated by Škoda Auto. These kits are reported as other intragroup deliveries.

\*\* Due to the change of the functional currency, an informative recalculation of comparatives from Czech crowns to euros was performed in 2021. The EUR/CZK Group exchange rate valid as of 31 December 2021 was used as the exchange rate for the translation of comparable data for the balance sheet items. For the translation of comparable data, which express a year-on-year change in the item or represent cost, expense, income or revenue, the Group annual average EUR/CZK exchange rate was used. Volkswagen Group exchange rates are derived from exchange rates from the Refinitiv database (provider of financial market data).

# SKODA



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