



Slavery and Human Trafficking Statement

This statement is made in accordance with Section 54 of the United Kingdom's Modern Slavery Act of 2015.

Organisation

The ŠKODA AUTO a.s. is a stock corporation under the law of the Czech Republic with its headquarters in Mladá Boleslav, Czech Republic.

Internal measures

ŠKODA AUTO Code of Conduct

The ŠKODA AUTO Code of Conduct provides our employees with a practical guide, summarising the key basic principles for correct conduct and providing support should they ever face legal or ethical challenges. The observance of internationally recognized human rights forms part of this Code of Conduct. We act in accordance with the values set out in the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the declarations of the International Labour Organization (ILO).

The Whistleblower System

Our employees, business partners and other third parties are provided with internal contact points as well as external ombudspersons in order to be able to report on legal and regulatory violations in connection with ŠKODA AUTO (the "whistleblower system" of ŠKODA AUTO). The suspicion of human rights violations can also be reported here. The references are dealt with in accordance with established procedural principles in order to ensure the best possible protection of the information provider as well as the person concerned.

ŠKODA AUTO a.s.

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Qualification of employees

By taking preventive measures, we promote compliance with regulations in our organization and raise the awareness of our employees. This is why information and employee training plays a key role in compliance work across all hierarchy levels. All respective employees joining ŠKODA AUTO are obliged to complete an online tutorial about the Code of Conduct. The topic of human rights forms an intrinsic part of this training course. In addition, employees are able to access other online and print communication offerings to obtain further information about the Code of Conduct.

Risk analysis

As part of the established risk management processes, risk assessments on the subject of human rights are also carried out including the countermeasures taken. The results of the risk assessment are in the establishment of the annual compliance program.

Measures in the supply chain

Sustainability requirements for our suppliers

The "Sustainability in supplier relations" concept is based on the "Volkswagen Group requirements regarding sustainability in its relationships with business partners Code of Conduct for Business Partners".

This formulates the Volkswagen Group's expectations for the business partners' conduct with respect to key environmental, social and compliance standards. Internationally acknowledged human rights are included in these standards. Our goal is to ensure compliance with the sustainability standards along the entire global supply chain by integrating them into the procurement process on a contractual level. The requirements are based on the principles of the United Nations Global Compact, the International Chamber of Commerce's Business Charter for Sustainable Development, and the relevant conventions of the International Labour Organisation. The suppliers must acknowledge the sustainability requirements before submitting a quotation, and are required to update this acknowledgement every 12 months. The "Sustainability in supplier relations" concept rests on three pillars: requirements, monitoring and development.



Sustainability in Supplier Relations (SiSR)

Requirements	Monitoring	Development
<ul style="list-style-type: none"> ▪ Environmental protection ▪ Employee rights ▪ Transparent business relationships ▪ Fair market behavior 	<ul style="list-style-type: none"> ▪ Questionnaire Sustainability ▪ “Flag NidL” – Monitoring status Questionnaire Sustainability in the q-audit ▪ Sustainability Audits 	<ul style="list-style-type: none"> ▪ eLearning program for suppliers and purchasers ▪ Face-to-face trainings ▪ OEM-workinggroup meetings
<p>⇒ Requirements are contractually</p>	<p>⇒ Assessment of suppliers' understanding of sustainability requirements</p>	<p>⇒ Continuous development of the concept SiSR</p>

Training and monitoring of suppliers

To facilitate ongoing supplier development, in the course of the business relations, electronic learning (e-learning) module on sustainability is available to suppliers. Alongside the e-learning format, within the Volkswagen Group are also available topic-specific sustainability training courses and workshops with suppliers at selected locations. Various tools are being used in order to test the suppliers' compliance with the sustainability requirements, including a self-assessment questionnaire (in alignment with other European based OEMs), inclusion of sustainability as part of supplier quality audits, and the performance of supplier audits focusing on sustainability.

Risk analysis

The ŠKODA AUTO uses the risk analysis to get an assessment of any social or ecological risks or risks related to human rights. The analysis incorporates data from third parties as well as internal experience.

We´ve established the process of the integrity check of our business partners (Business Partner Check) in a risk-oriented manner.

**Outlook**

Our company will show intolerance towards human rights violations. Because we regard such violations as a dynamic risk, we will align our monitoring procedures with ongoing developments and continue to raise awareness of forms of modern slavery and human trafficking both inside and outside the company. One such measure will be to refine the Code of Conduct for Business Partners by adding modern slavery and human trafficking as examples of human rights' abuses.

ŠKODA AUTO a.s.
June 2017

Bernhard Maier
Chairman of the Board of Management of
ŠKODA AUTO a.s.