



SUSTAINABLE DEVELOPMENT

Social services in Škoda Auto

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Social policy in Škoda Auto

"The road to satisfied customers is through the satisfied employees"

The philosophy of Škoda Auto social policy makes the human being the centre of interest and emphasises the social responsibility of the company toward the employees. Škoda Auto is making an effort to create such a working environment, which supports motivation, efficiency and high creativity of the employees. We are convinced that this approach to the employees is one of the conditions for our company to all the long-term capability to satisfy the ever-increasing demands of our customers.

The social aspects are in Škoda Auto an integral part of the HR policy, which fulfil the requirements set forth in the generally accepted norms of the ILO, Charter of Human Rights and the Social Charter of the VW Concern. The legislation of the Czech Republic in this area is fully compatible with the legislation of the EU.

Škoda Auto, however, in its social policy does not only comply with the standard stipulated by law, but in many elements of social policy, it goes far above their framework to the benefit of its employees.

Company social policy is dimensioned to cover the needs and development of all employees in Škoda Auto; however, in unique cases of social danger, it can also respond to the needs of individuals.

Additional pension insurance

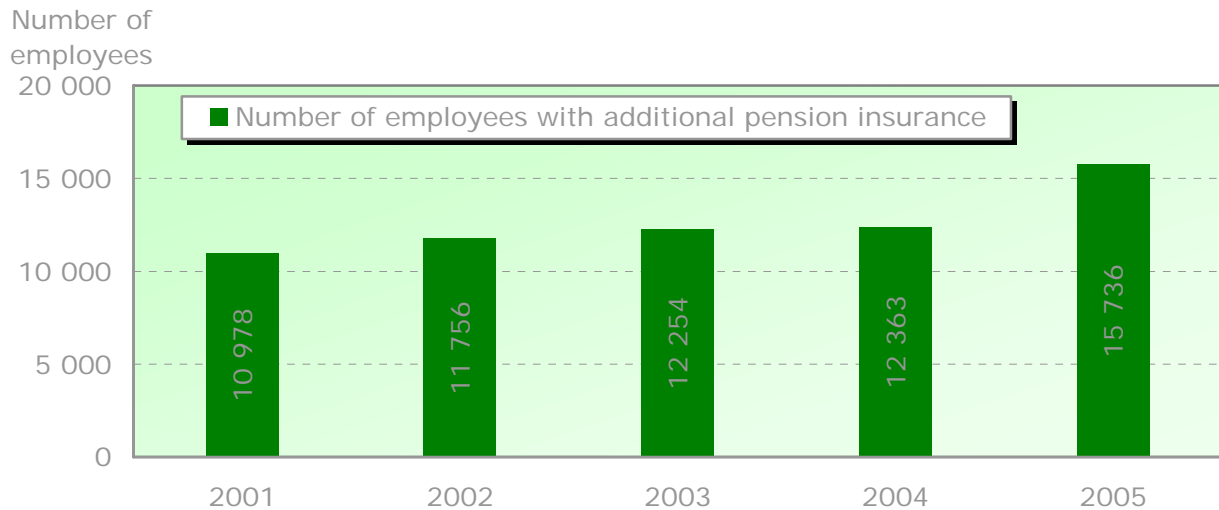
The employees have many benefits above the legal framework, which are guaranteed to them in the Collective Agreement – they include, for instance, support in old age with an employer's contribution to additional pension insurance.

Currently, the basic employer's contribution to employee additional pension insurance is 300 CZK. The graph shows that more than ¾ of the employees in Škoda Auto are currently utilising this benefit.



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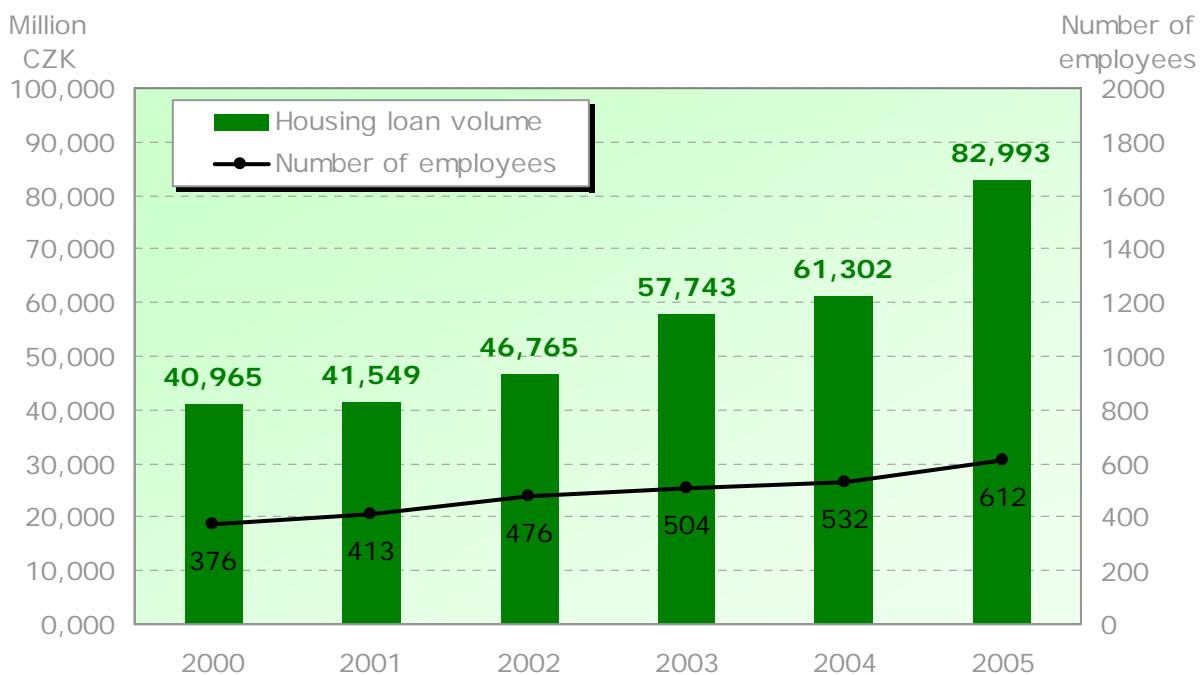
Graph: Employees' additional pension insurance



Housing loans

Support for the solution of employees' housing problems via provision of interest-free loans is utilised by more than 500 employees every year. The current loan of 225 000 CZK for purchase of an apartment or family home and 100 000 CZK for modernisation of an own family home or apartment is a suitable base for solution of accommodation for employees of all age groups, especially the young.

Graph: Housing loans





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Accommodation

For selected groups of employees that cannot travel to work everyday, we provide accommodation in hotel type guesthouses.

For employees that are interested in permanent solution of housing, we provide, so-called, starting accommodation for the duration of the construction of the family home or apartment.

About 800 employees use accommodation in Škoda Auto facilities, which the company also supports financially.



Catering



The possibility to take meals in the industrial restaurants contributes to improvement of the working conditions of the employees. All the Škoda Auto catering facilities are of high standard and consider the principles of healthy and balanced food. Smoking is naturally prohibited in the catering facilities.

About 12 000 hot meals are served everyday. Hot meals are served in all shifts. Beside the industrial restaurants, refreshments are also offered via the sale of goods and drinks in kiosks and automatons. A catering company provides meals for

the employees, but also for a large number of external customers.

These services also include supply of drinks to the employees as specified in the Collective Agreement.

Transport

Škoda Auto co-ordinates the arrivals and departures of buses to Mladá Boleslav and the branch plants – Vrchlábí and Kvasiny in such a way as for the arrival and departure times to suit our employees.



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Support for employees and their families

The company spends a goodly amount on support of social policy for its employees and in many cases, also the members of their families. A social fund has been established to these purposes.

It provides support via rewards to long-term employees on their working anniversaries, solves reward upon retirement and consequences of organisational changes. It supports to young families upon the birth of their children and care for juveniles on days off work with wage compensation. It also provides aid to the survivors upon the death of an employee.

Mladá Boleslav
April 2006