

PRESS RELEASE

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ŠKODA AUTO sharpens focus on sustainability in Purchasing with 'NEW PROCUREMENT'

- Sustainability and circular economy will be at the forefront of ŠKODA AUTO's purchasing processes with 'NEW PROCUREMENT'
- > New approach in line with the NEXT LEVEL ŠKODA STRATEGY 2030

Mladá Boleslav, 30 November 2021 – ŠKODA AUTO is realigning its Purchasing; sustainability criteria will in the future play a decisive role in the procurement of materials and components. Following the circular-economy principle, the car manufacturer is placing even greater emphasis on recycled and recyclable raw materials, thus also meeting the needs and expectations of its customers.

Karsten Schnake, Board Member for the ŠKODA AUTO brand's Purchasing division, explains, "As the largest private-sector company in the Czech Republic and as a good corporate citizen, we want to set the benchmark in sustainability. We can only achieve this if we also consistently and holistically involve our partners in supply chain management right from the start. This is where our 'NEW PROCUREMENT' approach comes in: We'll now be focussing much more on sustainability and the circular economy in Purchasing. In this context, we'll also be exploring new business models and looking for new partners, for example from the start-up area."

With the realignment in Purchasing, circular economy now plays a key role in the Czech car manufacturer's procurement process alongside factors such as quality and cost efficiency. By comprehensively integrating its suppliers and systematically sourcing environmentally friendly, recycled and recyclable materials, the Purchasing division contributes to the achievement of ŠKODA AUTO's sustainability goals.

The Czech car manufacturer strives to consistently minimise the environmental impact of its business activities. To this end, the company has established specific benchmarks as part of its NEXT LEVEL - ŠKODA STRATEGY 2030. ŠKODA AUTO is holistically involving its supplier partners along the entire process chain and supporting them in developing innovative solutions. Potential implementation in ongoing operations is then examined in the company's Development, Design, Quality and Sales divisions. A specific example of this kind of innovative approach is the use of organic residues and natural materials as well as utilising biological raw materials from by-products in Production.

With its new approach to purchasing, ŠKODA AUTO is also responding to the changing demands and expectations of its customers, for whom sustainability is increasingly important.



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ŠKODA AUTO

- > is successfully steering through the new decade with the NEXT LEVEL ŠKODA STRATEGY 2030.
- aims to be one of the five best-selling brands in Europe by 2030 with an attractive line-up in the entry-level segments and additional e-models.
- > is emerging as the leading European brand in India, Russia and North Africa.
- currently offers its customers ten passenger-car series: the FABIA, RAPID, SCALA, OCTAVIA and SUPERB as well as the KAMIQ, KAROQ, KODIAQ, ENYAQ iV and KUSHAQ.
- > delivered over one million vehicles to customers around the world in 2020.
- has been a member of the Volkswagen Group for 30 years. The Volkswagen Group is one of the most successful vehicle manufacturers in the world.
- independently manufactures and develops not only vehicles but also components such as engines and transmissions in association with the Group.
- > operates at three sites in the Czech Republic; manufactures in China, Russia, Slovakia and India primarily through Group partnerships, as well as in Ukraine with a local partner.
- > employs more than 43,000 people globally and is active in over 100 markets.