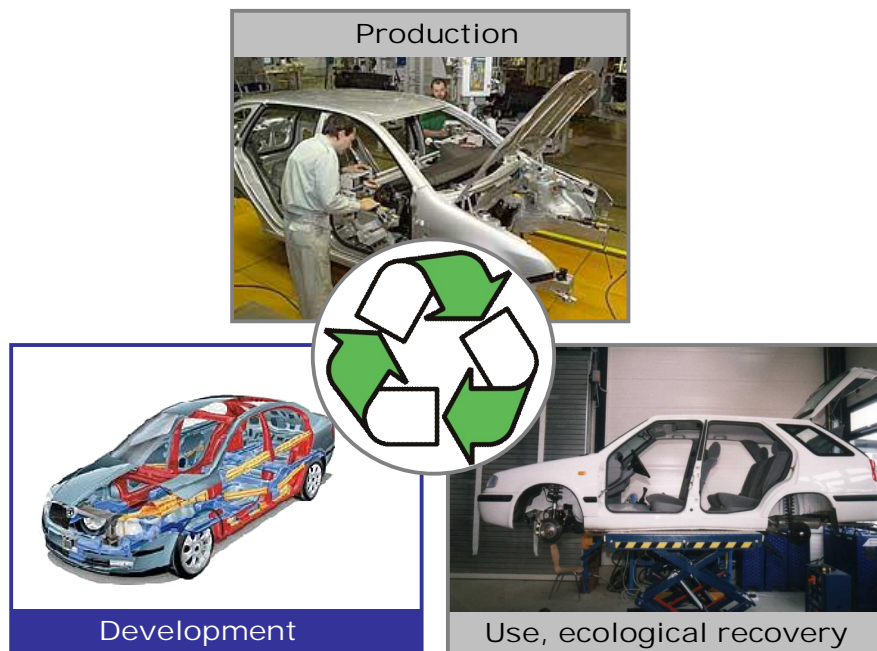




SUSTAINABLE DEVELOPMENT

We think about recycling of car wrecks and use of materials already during the development of the automobiles



We devote attention to recycling in all phases of the product lifecycle

The main objective of automobile recycling is to minimise the impact of end-of life vehicles on the environment. The EU requirements for the recycling of end-of life vehicles are defined in Directive 2000/53/EU on "End-of Life Vehicles" and in the state regulations as follows:

- 1) Fulfilment of the required recycling quota (RQ) for environment-friendly liquidation of end-of life vehicles (data quoted in % of vehicle weight):

From 2006 RQ = min. 80% 5% 15%

From 2015 RQ = min. 85% 10% 5%

- Recycling, re-use (RQ)
- Energy recovery (energy source)
- Disposal (maximum quantity allowed)

For fulfilling the recycling requirements in 2015, the RQ must be reached at the point of type approval of new vehicles made after 12/2008.

- 2) Heavy metal prohibition

Since 07/2003, it is prohibited to use lead, mercury, cadmium, and hexavalent chromium, except as specified in Annex II of Directive 2000/53/EU on "End-of Life Vehicles".



SUSTAINABLE DEVELOPMENT

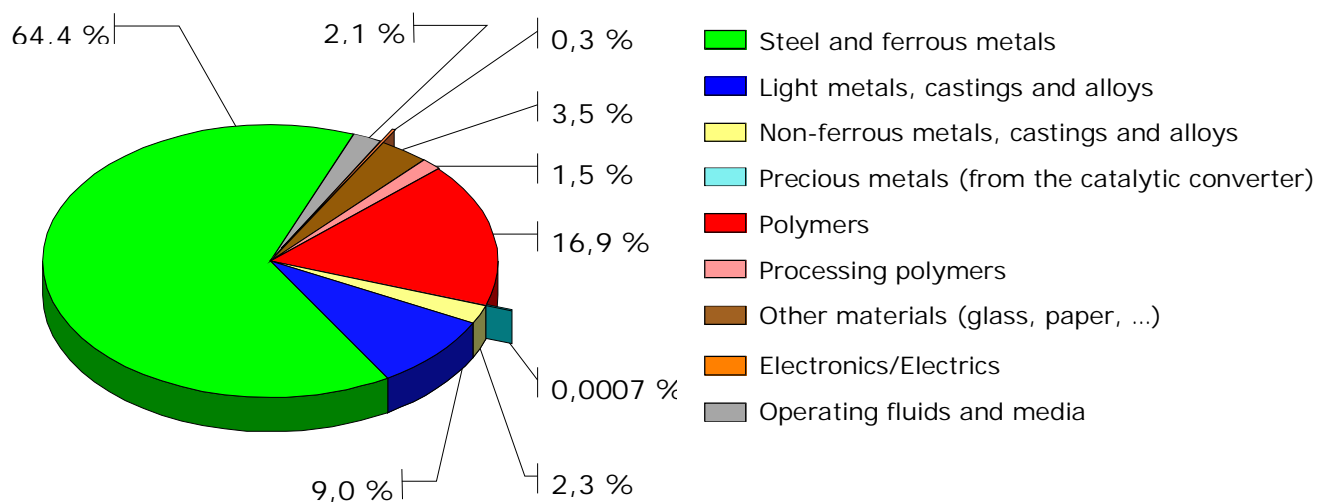
Fulfilment of these requirements is in Škoda Auto implemented in all the processes from planning and development of the product to its ecological recovery. Within the framework of technical development, we optimise the construction of the vehicles from the recycling point of view. We devote attention mainly to:

- selection of recyclable materials
- avoidance of using prohibited substances
- marking (identification) of parts
- input of material composition to the IMDS (International Material Data System)
- dismantling and recyclability of parts

What kind of materials do we use?

Our customers appreciate materials of high quality that have excellent technical features and fulfil stringent ecological regulations and are environmentally friendly. We prefer recyclable materials, and in co-operation with our suppliers, we facilitate the deployment of recycled material with parameters comparable with new material.

We have created processes, which ensure the fulfilment of legal requirements pertaining to the prohibition and limited use of lead, cadmium, mercury, hexavalent chromium, etc. We are reducing the quantity of process materials. In co-operation with our suppliers, we are performing the complex analysis of the material composition of the parts. Information about the material composition of the components is entered to the IMDS.



Example of the material composition of the Škoda Octavia 1.9 TDI, 74 kW, 5-speed transmission, weight 1 363 kg (classified according to norm VDA 231-106)



SUSTAINABLE DEVELOPMENT

For easy and clear identification of parts and material composition, we consistently mark them according to the applicable norms. Marking enable quick classification of materials into groups and their subsequent recycling, optionally energetic recovery.



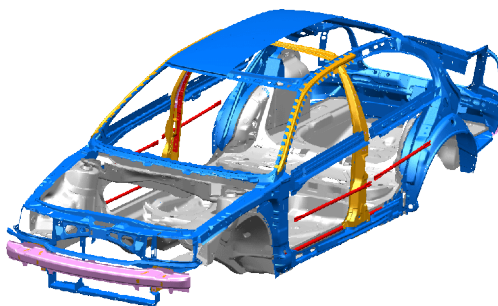
Example of part markings (upper trim of the C-pillar - Fabia)

The construction of the Škoda cars is adapted from viewpoint of future recycling

In compliance with state-of-the-art knowledge from the field of dismantling, recycling technologies and legal requirements (Directive 2000/53/EU), we optimise the construction of vehicles. We prefer bonding technology that can be dismantled and minimise the quantity and assortment of bonding parts. We also devote great attention to the complete removal of fluids from the vehicle. For a given group of parts, we create recycling concepts in co-operation with our suppliers and define future procedure for ecological recovery.

By reducing and optimising the weight of the vehicle, we contribute to the saving of raw materials and minimisation of the amount of waste. We increase the share of light construction materials (non-ferrous metals, high-strength sheet metals, plastics...).

Octavia Tour

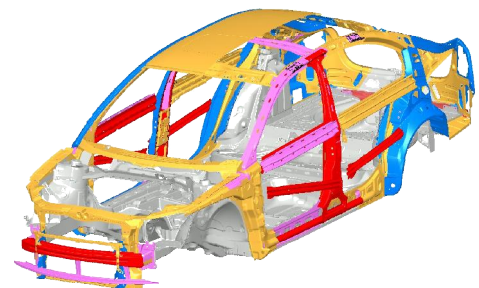


Higher safety



Lower weight

New Octavia



■ $R_{p0,2} < 180$ MPa

■ $R_{p0,2} 180-300$ MPa

■ $R_{p0,2} 300-500$ MPa

■ $R_{p0,2} > 500$ MPa

Comparison of the use of high-strength sheet metals in the bodies of Octavia Tour and New Octavia. Higher value $R_{p0,2}$ (contractual yield strength) indicates higher strength.

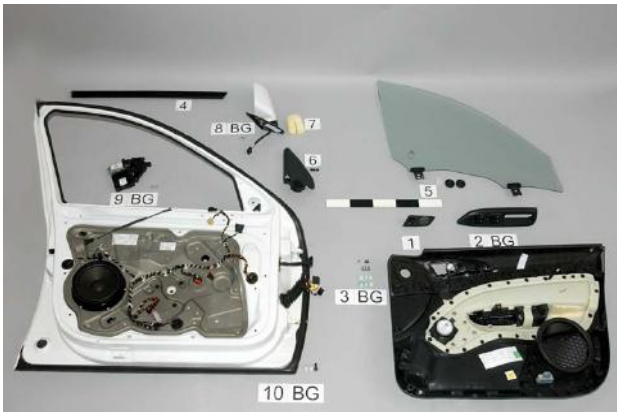


SUSTAINABLE DEVELOPMENT

How do we verify compliance with requirements?

Within the framework of detailed dismantling studies, we test the fulfilment of legislative requirements and adapt the construction of the Škoda vehicles from the viewpoint of recycling. We monitor the material composition of the vehicle, fulfilment of the recycling quota and evaluate the dismantling possibilities pertaining to a specified group of parts.

Based on the dismantling studies, the IDIS Handbook, which defines the suitable dismantling, separation and recovery methods, is subsequently created for the facilities that handle car wrecks.



Disassembly study - example of the disassembly of the front door and rear seat backrest of new Octavia

Processes that ensure meeting all legislative requirements have been created and are being implemented. Within the framework of the annual audit of the Integrated Management System (quality management system ISO 9001 + environmental protection management system ISO 14001) by an independent accredited organisation, we prove the functionality and continuous improvement of processes.

We offer environmentally friendly products to our customers and thus contribute to the sustainable development of society.

Mladá Boleslav
2008