



SUSTAINABLE DEVELOPMENT

Human Resources (HR)

1. **Co-operation with workers' representatives (trade unions)**
2. **Declaration on Social Rights and Industrial Relations in Volkswagen – The Social Charter**
3. **Collective Agreement**
4. **Job exchange**
5. **Personnel pool**

The objective of ŠkodaAuto HR policy is to ensure competitiveness, prosperity and growth of the company and long-term stabilisation of jobs. The increasing requirements for quality of human potential demand new approaches even in the field of HR work.

The Labour Code and the Working Regulations regulate the relations between the company and its employees. The applicable laws, work law, collective agreement and other organisational processes in Škoda Auto rule out any discrimination on the basis of sex, religious belief, ethnic origin and other aspects. In 2007 the company adopted the Škoda Auto Code of Conduct that sets out the principles of behaviour of Škoda Auto employees based on the application of the company's values and the generally recognised ethical standards.

Škoda Auto is aware of the importance of its employees in the attainment of its objectives and the necessity to respect their individuality and varying needs. Great emphasis is placed on employee satisfaction with work in Škoda Auto. For this reason, the standard of care for employees and the approach of the company to them is based on legislative regulations, nevertheless, in many areas the company by far significantly exceeds the set limits to the benefit of the employee.

Co-operation with workers' representatives (trade unions)

Great emphasis is placed on communication with the employee representatives. Two trade unions are active in Škoda Auto, the majority ZO OS KOVO and the smaller Autonomous Trade Unions.

Social dialogue is ensured in all areas of company activity. Two employee representatives are members of the six-member company supervisory board. Co-operation also exists at the level of common boards, which are, for instance, the Business Committee, Company Committee for Safety and Protection of Health at Work, HR Planning Committee, Health Committee and others.

The relations between the social partners are governed by a special chapter of the Collective Agreement. This anchors the rules for co-decision, discussion and information, which in many cases exceed the framework stipulated in work law regulations.

Co-operation with the employee representatives within the framework of the VW concern is ensured by interconnection of the trade union structures and their integration into the VW European Works Council and Global Works Council.



SUSTAINABLE DEVELOPMENT

Regarding these close links, Škoda Auto accepts these standards for co-operation with the trade unions that are usual in the VW concern, which to a greater extent exceed the customs in the Czech Republic.

Declaration on Social Rights and Industrial Relations in Volkswagen – The Social Charter

On the occasion of the meeting of the Global World Council, which took place in June 2002, the “Declaration on Social Rights and Industrial Relations in Volkswagen” was signed, the so-called, Social Charter. The VW concern including Škoda Auto by this declaration documents the basic social rights and principles, which are the basis of corporate policy and abide by the applicable conventions of the International Labour Organisation.

Regarding the laws and customs in the individual countries, conditions are created for further development in this area both in the concern as well as in its individual companies.

In compliance with the principles adopted by the VW concern for treatment of the Social Charter, it is the interest of Škoda Auto that the principles contained therein be adopted also by the business partners and HR agencies operating in Škoda Auto.

Collective Agreement

The Collective Agreement determines the individual and collective relationships between the employer and the employees as well as the rights and obligations of both parties.

The Collective Agreement stipulates the rules pertaining to working time, principles of co-operation in the area of working safety and protection of the environment. It also anchors the company's remuneration system, social policy principles and rules for solution of the structural changes that affect the employees. The wage agreement which is part of the Collective Agreement was concluded for the period from 1 April 2007 to 31 December 2008.

The Collective Agreement is concluded for all the company employees.

Job exchange

Škoda Auto hires workers from external sources both in the regions, where it is operating and also from all over the world; nevertheless, due to the concentration of employees in the production plants, efficient utilisation of human potential inside the company is mainly of fundamental importance.

In Škoda Auto, the Job Exchange is the major internal source of labour. It ensures preference of Škoda employees to external employees when filling open jobs with the objective to utilise the current qualifications of the employees, placement of risky employee groups, increase of desirable mobility inside the company and increase of the identification of the employees with the company.

The employee selection task consists in recognition of the best candidates, not only in terms the requirements for the given job, but also contribution to the harmonisation of



SUSTAINABLE DEVELOPMENT

interpersonal relations at the given workplace. Selection thus considers, not only the professional, but also personal characteristics of the candidates.

The Job Exchange serves the workers as an information service for open jobs, which is updated twice every month on the notice boards of the HR departments, at the plant gates, the Intranet. The number of visitors to the Exchange web on the Intranet is witness of the fact that the employees are not only interested in finding any job, but such a job in which they could fully utilise their abilities, qualifications, enjoy the work and get personal satisfaction. The majority of the candidates continue their education and show an effort to learn and prove that they are further developing professionally.

Personnel pool

In Škoda Auto, some elements of social policy go above the framework of legal demands and by far exceed the usual concept. One such example is the personnel pool. The creation of the personnel pool was prompted by social responsibility and at the same time an effort to find a systemic solution to the situation of certain groups of people such as the employees with health handicaps, employees with a long-term disease, employees released within the framework of organisational changes and employees after maternity and parental leave that cannot assume their jobs upon return.

Practical realisation of this obligation is the creation of a network of personnel pool workplaces with the objective to give selected employee groups working and social realisation in the form of working activities.

By the end of 2007 Škoda Auto was running two internal personnel pools with sixty employees, another was opened in March 2008 on the area of 1,082 square metres. This workplace will provide jobs for more than fifty employees.

The professional erudition of the employees of the HR Department is a high guarantee of the quality of the provided complex care for the employees in the realization of this obligation.



In March 2008 the opening ceremony of the third personnel pool was attended by *Head of the HR Planning Ing. Pavel Hlaváč* and *Chairman of OS KOVO Škoda Auto trade union Mr. Jaroslav Povšík*.

Mladá Boleslav 2008