



SUSTAINABLE DEVELOPMENT

Human Resources (HR) development

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For Škoda Auto, the area of education and development of the professional, technical and personal skills and qualities of each employee is a key to securing a long-term development of the company's business operations. Education and shaping of working abilities are becoming a lifelong process in our company with the objective to prepare all the employees in such a manner as for them to be ready at any moment to respond to new tasks.

In today's competitive environment, only a company that permanently and systematically devotes attention to the education and development of its employees can survive. State-of-the-art technology, continuous innovation, and also top quality performance on the part of the employees are a precondition for success of the Škoda Auto company.

Škoda Auto also makes substantial investments in educational activities which are targeted at pupils and students. To this purpose the company uses its own vocational training school that prepares future technical employees and a university which offers the accredited Economics and management study programme at bachelor's and newly also at master's level.

Adult education

Education of the company employees involves a wide range of educational activities which support the employees in their individual development and comply with the company strategy. Besides standard offers the latest trend is the realization of tailor-made educational programmes which are created based on the requirements of the executives of the individual organization units. This trend represents the basis for strengthening of the efficiency of education within the company.



Major support is currently given to the company's internationalization. There has been a rise in the demand of intercultural management workshops which help the company employees to adjust to a new working environment in foreign countries. The employees that will participate in the production of

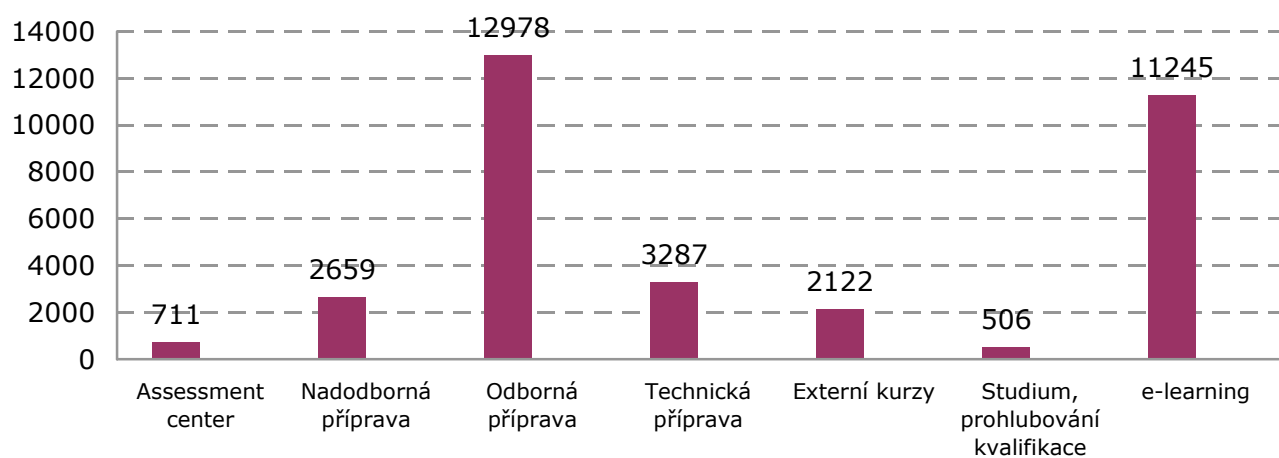


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Škoda Auto vehicles abroad are trained on the job in Mladá Boleslav, Kvasiny and Vrchlabí. Still more frequently e-learning is used as one of the educational methods and new types of courses are continually added to the offer.

In 2007 the company realized more than 4000 educational courses which were attended by 37 404 company employees. The detailed breakdown of the individual types is shown in the following graph.

Graph: The total number of participants of the completed educational activities organized in Mladá Boleslav in 2007 (according to specific themes)



Professional training of secondary school students

Škoda Auto operates its own Secondary Engineering Vocational School and a Vocational School which prepare more than 900 students in 4-year training programmes and 3-year theory in mechanical and electrical engineering aimed at the company's needs.

For graduates from the ranks of the 3-year theory programme students Škoda Auto organizes an additional study programme in the form of full-time studies or part-time distance learning.

The structure of curricular and study branches and the number of students in the individual branches are set according to the requirements and needs of Škoda Auto.

Škoda Auto College

The Škoda Auto College celebrated its eighth anniversary in 2008. Within the scope of the Economics and management study programme the college offers a bachelor's degree in the following fields:

- Business Economics and Marketing Management



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- Business Economics and Operation Management
- Business Economics and Financial Management

Studies may be accomplished full time or in a combined (distance) form which is suitable mainly for raising qualification of the current employees. For the 2008/2009 academic year, 320 candidates participated in the admission proceedings and almost a third of them were admitted to the first year. Currently the college has a total of 740 students from all over the Czech Republic and from abroad in all years more than half of which selected the part-time form of study.

Study is targeted not only at the essential foundation of professional knowledge but also at the students' acquisition of practical experience and skills and is adapted to the actual requirements of the future employers. For this reason the study programme includes obligatory apprenticeship during which the students work in Škoda Auto, in its supplier firms or they take the opportunity to participate in exchange attachment programmes within the whole concern.

In autumn 2005 Škoda Auto College received accreditation for a master's programme and has thus become one of the few private colleges in the Czech Republic that offer complex university education at bachelor's and master's levels. Consequently, since 2006 it has been possible to admit annually up to 60 students to the following master's programmes:

- Global Business and Corporate Financial Management
- Global Business and Marketing
- Business Economics and Operation Management

It is a medium-term target of the college to acquire accreditations for a doctoral programme and study programmes realized in English in order to provide the local employees of Škoda Auto a.s. plants with an opportunity to study abroad. Our teachers and students are involved in international exchange educational programmes, such as Socrates or Erasmus, currently the co-operation within the concern Auto-UNI is being prepared and there are also students from VW Slovakia studying at our college.

Co-operation with universities

Škoda Auto co-operates with major universities not only in the Czech Republic but also successfully establishes co-operation with other university centres in Europe and elsewhere in the world. The range of relations with the universities is very wide including student attachments, co-operation on assignment and supervision of M.A. theses, attachment of doctorate students in the company and a targeted support of educational activities of the universities and their students' ideas.

Another progressively developing form of co-operation is the professional and scientific co-operation between the university centres and individual professional departments of the company which is realized in a project form and targeted at the exchange of know-how, experience and solutions of specific technical or research problems.



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Within the framework of modernization and modification of the technical programmes study at some universities in the Czech Republic Škoda Auto acts as a partner in several projects under the HR Development Operational Programme supported by the EU. These projects should make it possible for the students to improve the quality of their studies via closer link of theoretical learning with the practical requirements and know-how of industrial companies.

HR development of the potential managers

The HR development programmes are targeted at the university students and graduates. The objective of these programmes is to identify, harness and support talented young professionals with a management potential – university students and graduates mainly from the technical and economic programmes. The adaptation programmes JUST-Pool and Trainee Programme serve as a personal development tool which enables the university students and graduates to become acquainted with the company and its function, acquire first practical experience and have the opportunity to prepare for taking over the tasks in Škoda Auto.

In compliance with the corporate philosophy Škoda Auto trains and develops long-term future managers using mainly its own resources. The employees with a defined management functions potential are educated and developed according to a structured programme targeted at the development of specialist competencies and supported through participation in international projects.

The Škoda Auto managers are afforded an opportunity of additional personal development and participation in the so-called on-/off-the-job activities at home and abroad.

The Na Karmeli Education Centre

The launch of the Na Karmeli Education Centre was undoubtedly the most important event of 2007, confirming Škoda Auto's long term intention to continually improve and extend the education of its employees, the current as well as the future ones, through the services of its own college. Originally a desolate convent that was reconstructed and completed after a 390 million CZK worth investment, the modern precincts of the centre offer facilities for students and educational activities for the employees along with a top class research and development laboratory. The Na Karmeli campus accommodates up to eight hundred students.

The unique connection of the Education Centre with the nearby Technological Centre, which is currently being built by the company, provides the students with an opportunity to familiarize themselves with the newest trends in automobile industry. At the same time, research projects present a chance for the company to discover the most talented students who are offered a job with us after they graduate.

The services of the Education Centre are used for the purposes of the Škoda Auto College as well as for training of the company's current employees. Apart from that, the premises including a baroque church became a venue for graduation ceremonies, matriculations and various company, cultural and social events. By successfully completing the whole project, Škoda Auto



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and the city of Mladá Boleslav have managed to create conditions for human resources development in the region and revitalize a neglected part of the historical area of the city.



The Na Karmeli Education Centre

**Mladá Boleslav
2008**