


SUPPLIER CODE OF CONDUCT OF ŠKODA GROUP



 Jungmannova Dopravný podnik
BRATISLAVA

Lin. Smer/Destin Poz. Odchod

30: premava po odklonenej trase. Zasta

3 PETRŽALKA

7508

Review/Approval Procedure

Version	Approval authority	Role	Date
1.0	Board of Directors	Final approval	21. 10. 2024

Content

1

Introductory statement	7
1.1. Purpose of the Supplier Code	7
1.2. Effective date and revision(s) of the Supplier Code	7
1.3. Implementation of the Supplier Code	7

2

Definitions	9
--------------------	----------

3

Introductory statement	11
3.1. Škoda Group's approach	11

4

Supplier's general obligations	13
---------------------------------------	-----------

5

Environmental expectations	15
5.1. General undertakings of the Suppliers	15
5.2. Saving resources and preventing pollution	15
5.3. Energy use and greenhouse gas emissions	15
5.4. Chemicals	15

6

Social expectations	17
6.1. Modern Slavery	17
6.2. Child Labour	17
6.3. Employees Entitlements	17
6.4. InhumaneTreatment: Discrimination, Harassment and Bullying	17
6.5. Workplace Safety	17
6.6. Preparedness for emergency situations	18

7

Governance expectations	21
7.1. Risk Managemen	21
7.2. Ethics, Conduct and Conflict of Interest	21
7.3. Record Keeping and Confidentiality	21
7.4. Fraud, Bribery and Corruption	21
7.5. Anti-Money Laundering, Fair Competition and Trade Regulation	22
7.6. Social Media	22

8

The criteria for a responsible supply chain	25
8.1. Transparency and traceability	25
8.2. Environmental management system	25

9

Report misconduct or any relevant information	27
------------------------------------------------------	-----------



1. Introductory statement

1.1. PURPOSE OF THE SUPPLIER CODE

Škoda Group takes conducting business as a responsible company seriously and strives to comply with all relevant legal regulations at the local, national and international levels. Our mission is to be a leader in our field and continuously improve our performance without sacrificing environmental, social, health, quality or safety standards.

To facilitate the best fulfilment of our commitments, this Supplier Code of Conduct ("**Supplier Code**") represents a summary of what we expect from our Suppliers, their subsidiaries and affiliates, subcontractors and agents, regardless of their location or business reputation, with respect to the following categories:

- Health and safety;
- Environmental protection;
- Working conditions and human rights;
- Ethics and fair business practices.

Our Suppliers are required to acknowledge and commit to the principles of responsible business conduct set out in this Supplier Code. We assess our Supplier's compliance with the Supplier Code through audits, self-monitoring and documentation reviews as part of our Supplier Quality Manual protocols. The Suppliers shall address

any identified gaps in the implementation of the provisions of this Supplier Code by creating and implementing an improvement plan within a clearly defined timeline. Periodic and follow-up audits are conducted to monitor and assure the full level of compliance. We expect, encourage and will assist our Suppliers to develop and implement appropriate management systems that are suitable for a company of their size and industry in order to ensure compliance with the requirements of the Supplier Code.

The main purpose of this Supplier Code is to provide a foundation for the positive development of responsible purchasing practices through regular dialogue and ongoing working relationships. However, we reserve the right to take action, up to and including contract termination, in the event of serious violations of the Supplier Code.

1.2. EFFECTIVE DATE AND REVISION(S) OF THE SUPPLIER CODE

This Supplier Code shall enter into force on the date set out below.

The Supplier Code can be amended in cases in which:

- it is necessary to reflect changes in any applicable laws or regulations in the provisions of this Supplier Code;
- it is desirable to improve measures in the field of business conduct and ethics of Škoda Group.

1.3. IMPLEMENTATION OF THE SUPPLIER CODE

Škoda Group will engage with all of its Suppliers to understand and agree the steps that the Suppliers shall take in order to comply with the requirements of this Supplier Code. Forms of interaction include questionnaires, interviews and the development of relevant informational materials. If necessary, in order to verify compliance with the Supplier Code, Škoda Group carries out a comprehensive inspection of its Suppliers or asks the Suppliers to carry out such inspection with respect to their subcontractors and analyse their performance (in terms of their experience, qualifications, reputation and compliance with the expectations set out in this Supplier Code).

Škoda Group evaluates its Suppliers in accordance with their approach to conducting fair and transparent business, and such evaluation is an important component of Škoda Group's supplier selection and retention procedure.



2. Definitions

In this Supplier Code, the following terms are defined as follows:

(1) Employees – mean any individuals directly employed by the Suppliers or acting on behalf of or to the benefit of the Suppliers, including but not limited to, staff from temporary work agencies, staff from a legal entity outside of the Suppliers on temporary secondment to the Suppliers, members of statutory governing bodies, supervisory bodies and managers;

(2) PPF Group – means PPF Group N.V., with its registered office at Strawinskylaan 933, 1077XX Amsterdam, the Netherlands, registered in the Commercial Register of the Chamber of Commerce for Amsterdam, Registration Number 33264887, and any entity (each of them individually or collectively) controlled by it within the meaning of Section 74 of Act No. 90/2012 Coll., on Business Corporations, as amended, including PPF a.s., with its registered office at Evropská 2690/17, 16041 Prague 6, Czech Republic, ID No.: 250 99 345, registered in the Commercial Register of the Municipal

Court in Prague, under File No. B 4495;

(3) Supplier Code – has a meaning stated in Section 1.1;

(4) Suppliers – mean any legal entity not being a part of Škoda Group, and/or any individual who is not an employee of Škoda Group. Among others, Suppliers include joint-venture partners, resellers, professional service providers (such as attorneys and accountants), agents, commercial finance partners and other third parties who cooperate with Škoda Group;

(5) Škoda Group – means Škoda a.s., with its registered office at Evropská 2690/17, 16041 Prague 6, Czech Republic, ID No.: 140 70 421, registered in the Commercial Register of the Municipal Court in Prague, under File No. B 26902, and any entity (each of them individually or collectively) controlled by it within the meaning of Section 74 of Act No. 90/2012 Coll., on Business Corporations, as amended.



3. Introductory statement

As a condition of doing business with Škoda Group, we expect all Suppliers to work in a way that meets or exceeds Škoda Group's minimum requirements and be able to demonstrate that appropriate measures have been taken to meet Škoda Group's minimum requirements.

3.1. ŠKODA GROUP'S APPROACH

Škoda Group's minimum requirements are based on applicable legislation, international industry standards, the business needs of Škoda Group and the expectations of Škoda Group's stakeholders. Škoda Group is fully aware of the responsibility it bears towards its clients, commercial partners and Employees. Therefore, Škoda Group reserves the right to:

- (a) continuously evaluate the Suppliers' compliance with this Supplier Code to ensure continuous improvement for Škoda Group and the people and communities in Škoda Group's supply chain;
- (b) take the Suppliers' performance in accordance with this Supplier Code into account when making sourcing decisions and managing Škoda Group's relationships with its Suppliers; and
- (c) take appropriate action, including correcting, adjusting, suspending and/or terminating the business relationship with the given Supplier, should a Supplier fail to demonstrate compliance with the Supplier Code or meet the minimum requirements.





4. Supplier's general obligations

When conducting business with Škoda Group, the Suppliers undertake to:

(a) comply with all laws and regulations applicable to them;	(d) respond to requests for information from Škoda Group in a timely manner, including but not limited to, surveys, interviews, site visits, audits and corrective action plans;	(g) have processes in place to enable their Employees to report non-compliance with this Supplier Code, anonymously and without retaliation or other adverse treatment; and
(b) comply with the requirements of Škoda Group outlined in this Supplier Code;	(e) provide truthful and accurate information about their operations and supply chains when responding to requests for information from Škoda Group;	
(c) implement systems or measures adequate to its business to prevent any unlawful conduct and/or extensive harmful consequences or take action to adopt such or similar measures;	(f) promptly notify Škoda Group of any non-compliance with this Supplier Code that could in any manner affect Škoda Group;	(h) remedy any non-compliance with this Supplier Code as a matter of highest priority.





5. Environmental expectations

Škoda Group cares for the environment and is committed to a sustainable future.

Škoda Group requires its Suppliers to incorporate environmental considerations into their operations and strive for continuous improvement to eliminate or minimise any negative impacts on the environment.

Suppliers should take a proactive approach to environmental issues, implement initiatives that promote environmental responsibility and promote the dissemination of environmentally friendly technologies and the application of sound environmental practices in the implementation of their product's life cycle.

5.1. GENERAL UNDERTAKINGS OF THE SUPPLIERS

THE SUPPLIERS UNDERTAKE TO
(a) comply with all relevant applicable environmental laws as well as international standards, and obtain and maintain all necessary permits, approvals and registrations from all relevant environmental authorities;
(b) develop and implement effective environmental management systems that establish protocols to identify risks, analyse and monitor performance and continually improve in order to eliminate or minimise any risks to the environment posed by their activities;
(c) develop a precautionary approach and promote environmentally sound technologies and processes within their own operations and throughout their supply chains; and
(d) commit to proactive initiatives to protect the environment from harm or destruction related to their activities.

5.2. SAVING RESOURCES AND PREVENTING POLLUTION

Emissions and discharges of pollutants and the generation of municipal solid waste shall be minimised and eliminated when possible as they occur, either by attaining and implementing equipment for the control of collateral contamination, improved production, maintenance processes and/or by all other means.

THE SUPPLIERS SHALL USE THEIR REASONABLE EFFORTS
(a) to systematically reduce their consumption of resources (including fossil fuels, primary plastics, fossil hydrocarbons, water and timber) and their negative impact on the environment (including emissions, pollutants and waste);
(b) to use cyclical raw materials;
(c) to identify and assess any risks of possible pollutants discharge and other environmental risks.

5.3. ENERGY USE AND GREENHOUSE GAS EMISSIONS

Škoda Group aims to reduce greenhouse gas emissions and prevent climate change.

THE SUPPLIERS SHALL USE THEIR REASONABLE EFFORTS
(a) to monitor their energy consumption and take all relevant measures to reduce it as possible;
(b) to collect and record data regarding the extent of their carbon footprint and provide information about such to Škoda Group upon request;
(c) to develop plans and targets for the systematic reduction of greenhouse gas emissions related to the Suppliers' activities; and
(d) to actively increase the use of renewable energy sources.

5.4. CHEMICALS

THE SUPPLIERS UNDERTAKE TO:
(a) strictly comply with all applicable laws and regulations governing restriction and registration and, where necessary, obtain authorisation or provide notification of the presence of chemicals in their final products or their use in the production process, as required by the legislation in force in their relevant country (e.g., the European Union REACH Regulation);
(b) use innovative developments and state-of-the-art technology to reduce environmental impacts and ensure occupational health and safety when using chemicals; and
(c) keep records of the hazardous substances used in their facilities. Substance safety data sheets (or identical documents) should be available wherever hazardous substances are used. Chemicals must be labelled accordingly and all Employees working with them must be fully aware of the hazards associated with their use.



6. Social expectations

Škoda Group strives to create and maintain a work environment in which its Employees are treated with dignity and respect. As such, Škoda Group also requires its Suppliers to adopt and apply similar principles in their workplaces. If any additional requirements are prescribed by local law, they will apply alongside those outlined in this document.

6.1. MODERN SLAVERY

All forms of modern slavery, which includes human trafficking, forced labour, slavery, servitude, debt bondage, child labour or the deceptive recruiting of Employees for labour or services, are strictly prohibited.

THE SUPPLIERS UNDERTAKE TO
(a) NOT engage modern slavery practices in any form in their operations or supply chains;
(b) ensure that their Employees or subcontractors are not required to make binding deposits of any kind or provide government-issued identification documents (e.g. passports), which are to be withheld as a condition of employment; and
(c) actively support the abolition of modern slavery by taking measures to identify and mitigate modern slavery risks throughout their supply chains.

6.2. CHILD LABOUR

THE SUPPLIERS UNDERTAKE TO
(a) ensure that children below the minimum legal working age in the country where they operate are not being employed by the Supplier or any entity in their supply chain;
(b) ensure that modern child slavery or labour practices are prohibited;
(c) ensure that any Employees under the age of eighteen perform work in accordance with the legal requirements and cannot be required to engage in hazardous work that may cause harm to their health, safety or morals; and
(d) raise awareness of such exploitation, and assist law enforcement authorities in taking action in respect of such cases as the Supplier may become aware.

6.3. EMPLOYEES ENTITLEMENTS

THE SUPPLIERS UNDERTAKE TO
(a) provide their Employees with entitlement benefits in compliance with relevant labour laws and applicable industry standards in the country where the work is undertaken, especially to provide their Employees with fair wages and pay the Employees in a timely manner; and
(b) ensure that their Employees are correctly engaged and classified as either employees or independent contractors and treated as such, and that all legal obligations due to the Employees are satisfied.

6.4. INHUMANE TREATMENT: DISCRIMINATION, HARASSMENT AND BULLYING

THE SUPPLIERS UNDERTAKE TO
(a) ensure that their Employees are not subjected to corporal punishment, physical abuse or discipline, verbal or mental abuse, sexual abuse or any type of exploitation;
(b) comply with workplace laws in respect of discrimination, harassment and bullying in their operations and supply chains;
(c) have and uphold reasonable standards of behaviour in the workplace that apply to all Employees;
(d) ensure their work environments are inclusive and recruitment and employment practices are free from discrimination based on age, religion, culture, ethnicity, gender, sexual orientation, marital status, family responsibilities, disability or the health status of their Employees, in accordance with law;
(e) ensure that all Employees are aware of the procedures for internal investigations, disciplinary action and appeals;
(f) be familiar with and adhere to the Diversity and Inclusion Policy of Škoda Group; and
(g) ensure equal rights and opportunities for all of their Employees through applicable principles, policies and practices.

6.5. WORKPLACE SAFETY

To ensure the highest level of safety in emergency situations, such as epidemics, natural or technological disasters or other circumstances, every company, including Škoda Group and its Suppliers, must take preventive and corrective measures and respond in a timely manner.

THE SUPPLIERS UNDERTAKE TO
(a) comply with all relevant laws regarding work health and safety in their operations and supply chains;
(b) ensure that the work environments and any provided accommodation for Employees, where applicable, are safe and hygienic;
(c) have processes in place to prevent and minimise health and safety risks; and
(d) inform Škoda Group immediately of any workplace deaths caused due to poor workplace practices and provide details of any workplace incidents, at Škoda Group's request.

6.6. PREPAREDNESS FOR EMERGENCY SITUATIONS

Škoda Group provides a healthy and safe workplace for its employees and strives for a proactive safety culture.

THE SUPPLIERS UNDERTAKE TO
(a) establish action plans that take into account all measures necessary to fully eliminate or, where this is not possible, reduce any adverse effects on the health of their Employees, the public, other interested parties and the environment;
(b) provide all Employees who are required to be on site and/or directly involved in an emergency response with personal protective equipment;
(c) conduct regular technical inspections and tests to verify that such safety equipment is in good and safe working condition; and
(d) provide regular training to their Employees about how to respond in emergencies.





7. Governance expectations

7.1. RISK MANAGEMENT

Škoda Group works to better understand how to manage and reduce risk and build resilience.

THE SUPPLIERS UNDERTAKE TO
(a) demonstrate appropriate risk management and governance to ensure compliance with all applicable laws and accounting practices;
(b) ensure the recovery and continuity of services to Škoda Group arising from a disruption to their services, where appropriate;
(c) notify Škoda Group immediately if they become aware of any association with politically exposed persons; and
(d) maintain appropriate certifications including their insurance, regulatory and industry certifications necessary to meet their obligations to Škoda Group.

7.2. ETHICS, CONDUCT AND CONFLICT OF INTEREST

Škoda Group conducts its business in accordance with the highest standards of ethics and business conduct.

THE SUPPLIERS UNDERTAKE TO
(a) ensure that their business is conducted in a manner that is fair, professional and that will not bring Škoda Group into disrepute;
(b) disclose any actual, potential or perceived conflicts of interest in respect of their dealings with Škoda Group;

(c) disclose any information relevant for the business relationship with Škoda Group or that could in any manner affect Škoda Group;

(d) ensure that any information provided to Škoda Group is a true and accurate reflection of their operations, supply chains and business dealings; and

(e) treat their subcontractors fairly, in particular, to fulfil their obligations arising from their relationship properly and on time.

7.3. RECORD KEEPING AND CONFIDENTIALITY

THE SUPPLIERS UNDERTAKE TO
(a) keep all records, including accounting documents, agreements and/or documents relating to their Employees, in accordance with the applicable law and for the period specified therein;
(b) handle the personal data of their Employees, Škoda Group's employees or contractors or any third persons in accordance with the applicable law;
(c) protect all Škoda Group data from loss, misuse or damage, including but not limited to, sensitive data and Škoda Group customer data;
(d) ensure that neither the trade secrets of Škoda Group nor of any other third party of the Supplier are not disclosed to unauthorised third parties, i.e., any significant, identifiable, valuable and commonly unavailable facts relating to the activities of Škoda Group; and

(e) ensure that no confidential information concerning the relationship between the Supplier and Škoda Group is disclosed to third parties or that third parties to whom such information is to be disclosed are bound by the same confidentiality obligations as the Supplier itself.

7.4. FRAUD, BRIBERY AND CORRUPTION

Škoda Group does not tolerate behaviour that is dishonest, illegal, fraudulent, corrupt or unethical.

THE SUPPLIERS UNDERTAKE TO
(a) strictly comply with all anti-bribery and anti-corruption laws, regulations and related regulatory requirements in all countries in which they operate;
(b) avoid any engagement or involvement in any way in corrupt practices for personal gain or in practices that interfere with objective and fair business decisions, especially to avoid the offering or receiving of gifts, entertainment or travel;
(c) implement such measures that will ensure that no Employees or other person on behalf of the Supplier and in relation to its business offers, promises, provides, accepts or solicitates any benefit that would aim to receive an unjustified or unfair advantage or to influence someone to facilitate such unfair or unjustified advantage;
(d) develop and implement a policy for the protection of Employees from retaliation for reporting misconduct in order to protect employees who will not consent or refuse to become involved in bribery or corruption cases;

(e) implement a "Know Your Partners" and/or "Know Your Customer" procedure (or equivalent) to ensure that business partners and customers are not involved in illegal activities; and
(f) employ reasonable measures and controls to ensure that their Employees and subcontractors do not commit fraud, bribery or corruption, or become involved in such activities.

7.5. ANTI-MONEY LAUNDERING, FAIR COMPETITION AND TRADE REGULATION

THE SUPPLIERS UNDERTAKE TO
(a) comply with all applicable anti-money laundering regulations, ensure that their commercial partners are in compliance with such regulations and evaluate any factors that would indicate money laundering taking place in their supply chains;
(b) ensure that they and their Employees do not take or appear to take any action that could unfairly exclude or reduce competition in any market, especially that they do not manipulate, conceal or misuse confidential information regarding their business partners or other third persons;
(c) never appear to be engaged in any unfair practice or any anti-competitive conduct, this especially includes bd rigging, price fixing, price signalling, market sharing, abuse of dominance and/or any anti-competitive exchange of confidential information;
(d) comply with all applicable Trade and Import regulations, including sanctions and embargoes, and ensure that their subcontractors comply with such regulations;

(e) not source goods or services on behalf of Škoda Group from any country, entity or persons subject to internationally-recognised trade sanctions; and
(f) in relation to all above, implement a "Know Your Partner" procedure and/or "Know Your Customer" procedure or similar mechanism in relation to all above, to ensure that their business partners and customers are not involved in any illegal activities.

7.6. SOCIAL MEDIA

Škoda Group is committed to using social media platforms responsibly and being courteous to and respectful of others.

THE SUPPLIERS UNDERTAKE TO REFRAIN FROM
(a) disrespectful, unprofessional, harassing, defamatory, discriminatory and prohibited activity on social media platforms. Such activity is prohibited even if it does not directly concern Škoda Group;
(b) acting or speaking on behalf of Škoda Group, representing themselves as Škoda Group, or expressing any views attributable to Škoda Group, unless expressly authorised to do so by Škoda Group in writing; and
(c) using Škoda Group's brands or logos, except as expressly permitted by Škoda Group in writing.





8. The criteria for a responsible supply chain

The requirements presented in this section particularly apply to Suppliers of raw materials, components and finished products and reflect Škoda Group's intention to build an environmentally friendly and long-term social and economic development supply chain, and complement the above-mentioned requirements.

8.1. TRANSPARENCY AND TRACEABILITY

Suppliers of raw materials and components must actively promote the maximum information openness of their supply chains. By information openness, Škoda Group understands this as the ability to identify the name and location of all participants in the incoming supply chain all the way down to the extraction of raw materials.

THE SUPPLIERS UNDERTAKE TO

- (a) establish and monitor the life cycle, delivery, location and use of products, components and materials. In the context of sustainable development, traceability enables the verification and assurance that the goods and products comply with the concept of social and environmental responsibility and ensuring good conduct at all stages of the supply chain. Traceability must be carefully managed and easily controlled; and
- (b) provide traceability protocols and all relevant information upon request. Škoda Group must be made aware of any changes in the name and location of participants in the Suppliers' supply chains. Traceability data may be verified by independent auditing companies.

8.2. ENVIRONMENTAL MANAGEMENT SYSTEM

Suppliers of raw materials are advised to implement an environmental management system (e.g. ISO 14001) to meet their obligations to comply with the environmental standards and reduce their environmental impact.

THE SUPPLIERS UNDERTAKE TO

- (a) develop an environmental action plan and monitor their environmental impact; and
- (b) provide information regarding their environmental action plan to Škoda Group upon its request.



9. Report misconduct or any relevant information

Škoda Group enables and encourages the Suppliers and the Employees to report any behavior and/or situation that may be considered as a breach of the Supplier Code or any applicable laws by both Škoda Group and/or the Suppliers. For this purpose, Škoda Group has established the TrustLine tools, allowing the Suppliers and the Employees to safely submit notifications about any possible misconduct.

For further information, please see the website: www.skodagroup.com/page/trustline

THE TRUST MODEL IF YOU HAVE A PROBLEM

TRUST

Think about
problem

Competence

Integrity

Read policy
or procedure

Consistency

Availability

Loyalty

Understand

Decision Making

Follow Through

Fairness

Speak to other
for guidance

Openness

Discretion

Take action to
solve problem

Accurate
Self Assessment

Constructive
Intent

**SUPPLIER CODE
OF CONDUCT
OF ŠKODA GROUP**