



ŠKODA
SIMPLY CLEVER

PRESS RELEASE

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ŠKODA AUTO has closed Czech plants due to coronavirus pandemic for initial period of minimal two weeks

- › Mladá Boleslav, Kvasiny and Vrchlabí plants were shut down on Wednesday 18 March 2020
- › Employees to receive 70 per cent of their average wage since 19 March 2020 to 29 March 2020 during the production shutdown, and 75 per cent since 30 March 2020 to 5 April 2020
- › Primary goal is to keep all staff members employed during the shutdown period
- › Production of ŠKODA models has resumed in China, whilst manufacturing continues in India and Russia so far

Mladá Boleslav, 19 March 2020 – Due to the coronavirus pandemic and in consultation with Volkswagen Group and the KOVO union, ŠKODA AUTO suspended production at its Czech plants in Mladá Boleslav, Kvasiny and Vrchlabí at 22:00 last night, for an initial period of minimum two weeks. The factories are being shut down in an orderly manner in close alignment with the supply chain to ensure a smooth process. As things stand, operations are scheduled to recommence on 6 April. Meanwhile, production of ŠKODA models has resumed at the Chinese plants. In India and Russia, manufacturing is continuing according to plan.

ŠKODA AUTO CEO, Bernhard Maier, explained the halt in production as follows, “With 37,000 employees in the Czech Republic alone, our responsibility extends far beyond the factory gates. Everything must be done to slow the spread of the virus in order to protect and help those who will be particularly affected – most notably the elderly and people with underlying health conditions. In addition, the sales channels in most markets have also collapsed due to government measures.”

At ŠKODA AUTO, there have been three confirmed cases of coronavirus as of 15:00 on 19 March 2020. The company immediately looked after the colleagues concerned and they are in a stable condition. Workstations have been thoroughly disinfected to prevent the virus from spreading further. As a precaution, several other staff members are self-isolating at home.

ŠKODA AUTO bears great responsibility for its employees, customers, suppliers and sales organisations. The board has therefore decided to close the three plants in the Czech Republic. All employees will receive 70 per cent of their average wage at the start of the production shutdown (18 to 29 March 2020), and 75 per cent from 30 March to 5 April 2020.

ŠKODA will be financing this challenging situation and its consequences from its own resources initially. The company’s primary goal is to keep all staff members employed during this time. As the board of management has emphasised, the effects and duration of this crisis cannot yet be predicted at this time. The industry and companies in the Czech Republic are faced with an enormous burden. Therefore, as in other European countries, government support should be provided. In association with the unions, ŠKODA AUTO is holding discussions with the government regarding this matter. The sales markets have been severely affected – also due to the decision of some governments to close down the retail sector. In a few markets, only some service facilities remain open to keep cars on the road.



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The ŠKODA AUTO coordination team is continuously monitoring and assessing the current situation. All corporate measures in connection with the coronavirus pandemic are guided by scientific expertise.

Meanwhile, all SAIC Volkswagen plants in China (with the exception of Changsha) where ŠKODA vehicles are built, have resumed production. So far, there are no restrictions in the production facilities for ŠKODA models in Russia. Manufacturing at the Indian plant in Aurangabad is continuing, although at a significantly reduced capacity. Production has stopped in Pune, India. This was however planned as part of the INDIA 2.0 project, as the plant is currently being converted for the manufacturing of a new model family.

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ŠKODA AUTO

- › is this year celebrating 125 years since the company was founded during the pioneering era of the automobile in 1895, making it one of the longest-established car manufacturers in the world.
- › currently offers its customers nine passenger-car series: the CITIGO, FABIA, RAPID, SCALA, OCTAVIA and SUPERB as well as the KAMIQ, KAROQ and KODIAQ.
- › delivered 1.24 million vehicles to customers around the world in 2019.
- › has been part of Volkswagen Group since 1991. Volkswagen Group is one of the most successful vehicle manufacturers in the world. In association with the Group, ŠKODA AUTO independently develops and manufactures vehicles, as well as components such as engines and transmissions.
- › operates at three locations in the Czech Republic; manufactures in China, Russia, Slovakia and India mainly through Group partnerships, as well as in Ukraine and Kazakhstan with local partners.
- › employs approximately 42,000 people globally and is active in more than 100 markets.
- › is pressing ahead with the transformation from a traditional car manufacturer into the 'Simply Clever company for the best mobility solutions' as part of the ŠKODA 2025 Strategy.