

FI N° 83.705 (CZ)  
Serapis N° 2014 0093

**Skoda Engine RDI**  
**Finance Contract**  
*between the*  
**European Investment Bank**  
*and*  
**Volkswagen AG**

**Wolfsburg, 6 November 2014**  
**Luxembourg, 6 November 2014**

[...]

**WHEREAS:**

[...]

(9) The Bank considers that access to information plays an essential role in the reduction of environmental and social risks, including human rights violations, linked to the projects it finances and has therefore established its transparency policy, the purpose of which is to enhance the accountability of the Bank's group towards its stakeholders and the citizens of the European Union in general.

[...]

## Technical Description

### **Purpose, Location**

The Project is defined in three parts: (i) the major part concerns selected R&D activities concerning primarily the development and integration of efficient conventional and alternative powertrains. The R&D activities are targeting the increase of fuel efficiency in motor vehicles, the reduction of CO<sub>2</sub> emissions and of local pollutant emissions, and concern conventional diesel and petrol powertrains, electrified (plug-in hybrid and battery electric) platforms, and also compressed natural gas powertrains; in addition the R&D activities cover the development of safety related systems, (ii) [...] and (iii) vocational training expenditures. The R&D activities will take place at the Promoter's R&D centre in Mlada Boleslav, [...]. Finally, the vocational training takes place also in Mlada Boleslav at the Skoda Auto Vocational School facilities.

### **Description**

[...]

### **Calendar**

The Project covers R&D activities from 2013 up to and including 2018, and shall be completed by 30 June 2019. In terms of vocational training, the Project covers the spending over a 4-year period, which corresponds to the longest vocational training programmes of the Promoter.

**SKODA ENGINE RDI**

Project Implementation Agreement

*between the*

European Investment Bank

*and*

SKODA AUTO a.s.

Mladà Boleslav, November 2014  
Luxembourg, November 2014

[...]

**WHEREAS:**

[...]

6. In this Agreement:

[...]

**"Environment"** means the following, in so far as they affect human health or social well-being;

(a) fauna and flora;

(b) soil, water, air, climate and the landscape; and

(c) cultural heritage and the built environment,

and includes, without limitation, occupational and community health and safety.

**"Environmental Approval"** means any Authorisation required by Environmental Law.

**"Environmental Claim"** means any claim, proceeding, formal notice or investigation (other than a regular control) by any person in respect of any Environmental Law.

**"Environmental Law"** means:

(a) EU law, standards and principles;

(b) Czech laws and regulations; and

(c) applicable international treaties,

in each case above, of which a principal objective is the preservation, protection or improvement of the Environment.

[...]

**ARTICLE 1**  
**Project undertakings**

[...]

**1.03 Continuing Project undertakings**

The Promoter shall:

[...]

**(b) Environment:**

- (i) implement and operate the Project in compliance with Environmental Law;
- (ii) obtain and maintain requisite Environmental Approvals for the Project; and
- (iii) comply with any such Environmental Approvals;

[...]

**ARTICLE 2**  
**General representations and warranties**

The Promoter represents and warrants to the Bank that:

[...]

- (f) it is in compliance with Article 1.03(b) and to the best of its knowledge and belief (having made due and careful enquiry) no material Environmental Claim has been commenced or is threatened against it;

[...]

**ARTICLE 3**  
**Information concerning the Project**

The Promoter shall:

(a) deliver to the Bank:

[...]

(ii) unless the Promoter (acting reasonably) has an overriding interest of confidentiality, any such information or further document concerning the financing, procurement, implementation, operation and environmental matters of or for the Project as the Bank may reasonably require within a reasonable time,

provided always that if such information or document is not delivered to the Bank on time, and the Promoter does not rectify the omission within a reasonable time set by the Bank in writing, the Bank may remedy the deficiency, to the extent feasible, by employing its own staff or a consultant or any other third party, at the Promoter's expense and the Promoter shall provide such persons with all reasonable assistance necessary for the purpose;

[...]

(c) promptly inform the Bank of:

(i) any action or protest initiated or any objection raised by any third party or any genuine complaint received by the Promoter or any material Environmental Claim that is to its knowledge commenced, pending or threatened against it with regard to environmental or other material matters affecting the Project;

[...]

(iv) any material non-compliance by it with any applicable Environmental Law; and

(v) any suspension, revocation or modification of any material Environmental Approval, and set out the action to be taken with respect to such matters; and

[...]

**Technical Description and Reporting****A.1 TECHNICAL DESCRIPTION****Purpose, Location**

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**A.2 REPORTING**

[...]

3. Information on the end of works

The Promoter shall deliver to the Bank the following information on Project completion at the latest by the deadline indicated below.

<b>Document / information</b>	<b>Date of delivery to the Bank</b>
Project Completion Report, including: <i>A brief description of the technical characteristics of the project as completed, explaining the reasons for any significant change</i> - [...]	<i>June 30<sup>th</sup>, 2020</i>

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