

Continental AG's Statement in Adherence to the UK Modern Slavery Act 2015

The organization's structure, its business and its supply chains

Continental AG was established in 1871 as Continental-Caoutchouc- und Gutta-Percha Compagnie and is headquartered in Hanover, Germany. Continental AG is the parent company of the Continental Group, which comprised 510 subsidiaries with 427 locations in 56 countries in 2016.

Continental's customers come from the automotive industry, various key industrial sectors (e.g. railway engineering, machine and equipment engineering and mining) and the end-user market. Continental supplies these customers with high-quality innovative or established products, systems, and services around the world.

The diversity of Continental's product portfolio is reflected in Continental's supply chain. Continental maintains a network of about 4,600 suppliers for production material and about 77,000 for non-production material.

Continental sources 64% of its entire production material from suppliers headquartered in countries belonging to the Organization for Economic Cooperation and Development.

Policies in relation to slavery and human trafficking

Sustainable management and social responsibility are among Continental's fundamental values. They form the basis of Continental's business. Acting sustainably and responsibly means for Continental respecting the law, conserving resources, promoting climate protection, while also fulfilling Continental's responsibilities to our employees and wider society. Continental is a participant in the Global Compact of the United Nations and supports human rights, labor standards, environmental protection, and the fight against corruption.

The Principles of our Corporate Social Responsibility have been enacted by Continental's Executive Board in 2010 and express Continental's respect for human rights as well as the combatting of any form of forced labor.

Continental's Code of Conduct, established by Continental's Executive Board in 2012 and acknowledged by each Continental employee establishes the principle of adherence to the laws wherever we do business and to Continental's internal rules. It also establishes the principle of fair and non-discriminatory treatment and fair dealings.

Continental's Business Partner Code of Conduct, established by Continental's Executive Board in 2011 as Supplier Code of Conduct, requires all of Continental's suppliers to treat all individuals with respect and fairness and to observe basic human rights,

including those set forth in the Universal Declaration of Human Rights of the United Nations and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of the International Labor Organization. This includes the prohibition of forced labor and the provision of fair working conditions.

Due Diligence and risk management and risk assessment

Continental takes its responsibility seriously and regularly reviews its measures in its supply chain for safeguarding human rights and combatting modern slavery and human trafficking. Since 2011, Continental has required all of its suppliers to subscribe to Continental's Supplier Code of Conduct, now Business Partner Code of Conduct, or to adhere to their own ethical rules, which must have a comparable standard as Continental's rules. Our Business Partner Code of Conduct covers several issues, including those in relation to work practices, human rights, as well as prevention of forced or child labor.

Additionally, Continental has started a program for a comprehensive sustainability assessment of its suppliers, including natural rubber suppliers. These assessments cover social sustainability, including, but not limited to human rights, working conditions, no forced or compulsory labor, no forced or child labor. Continental focuses within this program in a first step on its strategic suppliers and will expand it in a second step on a risk-based approach, focusing e.g. on risks related to the region where the respective suppliers are located.

Additionally, Continental is a member of the SNR-I initiative, committing to sustainability for the natural rubber sector.

Effectiveness measures and consequences

In order to ensure Continental's suppliers' adherence to the Business Partner Code of Conduct, any of Continental's employees performing an audit of a supplier (quality, environment, safety and health or other) is required to report any deviation from the Business Partner Code of Conduct to Compliance. Additionally, within the pre-assessment of a supplier before entering into a supply relationship, plant visits are carried out as a part of the review to obtain an impression of the prevailing working conditions.

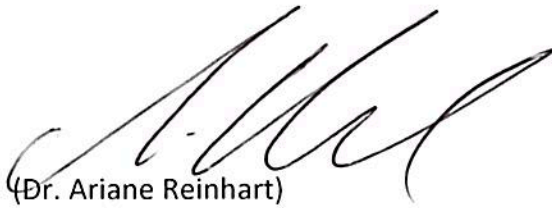
Additionally, Continental maintains a Compliance and Anti-Corruption Hotline, where submissions can be made in relation to any topic of concern, including concerns in relation to the violation of human rights or in relation to modern slavery and human trafficking issues. The Hotline is available on the Continental website and is accessible for anyone, including all Continental employees and third parties and submissions can be made on an anonymous basis. Any submission to the Hotline is followed-up with in a defined process.

Consequences of concerns confirmed may range from discussions with suppliers about remedial measures up to the suspension or termination of a supply relationship.

Communication and training

In addition to suppliers subscribing to the Business Partner Code of Conduct, every new employee of Continental has to acknowledge Continental's Code of Conduct when being hired. Continental offers an online training on the Code of Conduct and performs regular compliance trainings, which include all employees in the Purchasing team, who deal directly with suppliers.

For and on behalf of the Executive Board



(Dr. Ariane Reinhart)



(Wolfgang Schäfer)