

# Continental Modern Slavery Statement for the Financial Year 2020

## Information on Reporting

The following statement constitutes the Modern Slavery Statement for the Continental Group submitted by Continental AG as the parent company. The statement covers all subsidiaries and minority holdings where Continental exercises management control (hereinafter collectively referred to as "Continental" or "Continental Corporation"). This statement has been prepared in consultation with Continental AG subsidiaries explicitly subject to mandatory reporting obligations in the United Kingdom and Australia. (pls. refer to annex) The statement covers the 2020 fiscal year from January 1 to December 31, 2020.

## Company Profile

Continental develops pioneering technologies and services for sustainable and connected mobility of people and their goods. Founded in 1871, the technology company offers safe, efficient, intelligent and affordable solutions for vehicles, machines, traffic and transportation. In 2019, Continental generated preliminary sales of €44.5 billion and currently employs more than 233,000 people in 59 countries and markets.

### Organizational Structure

The Continental Group is divided into the group sectors Automotive Technologies, Rubber Technologies and Powertrain Technologies. These sectors comprise five business areas with a total of 21 business units (as of January 1, 2021). A business area or business unit is classified according to product requirements, market trends, customer groups and distribution channels. The business areas and business units have overall responsibility for their business, including their results.

### Business Responsibility

Overall responsibility for managing the company is borne by the Executive Board of Continental Aktiengesellschaft (AG). Each business area is represented by one Executive Board member. To ensure a unified business strategy, an Automotive Board was established in the Automotive Technologies group sector, with the CEO of Continental AG serving as chairman. With the exception of Group Purchasing, the central functions of Continental AG are represented by the chairman of the Executive Board, the chief financial officer and the Executive Board member responsible for Human Relations. They take on the functions required to manage the Continental Group across business areas. These include, in particular, finance, controlling, compliance, law, IT, human relations, sustainability, as well as quality and environment.


### Companies and Locations

Continental AG is the parent company of the Continental Group. In addition to Continental AG, the Continental Group comprises 563 companies, including non-controlled companies. The Continental team is made up of 236,386 employees at a total of 561 locations in the areas of production, research and development, and administration, in 58 countries and markets. Added to this are the distribution locations, with 955 company-owned tire outlets and a total of around 5,000 franchises and operations with a Continental brand presence.

## Sustainability Management and Strategy




In 2020, the Executive Board adopted a new sustainability to drive the transformation process of the company in the area of sustainability. For the four focus areas of sustainability, we are committed to visionary and strong ambitions, which we intend to achieve by 2050 at the latest and together with our partners along the value chain.

- › 100% carbon neutrality,
- › 100% emission-free mobility and industries,
- › 100% circular economy, and
- › 100% responsible value chain.

The new Continental sustainability ambition  relies on existing programs and processes and complements and develops them successively. Continental is a signatory to the UN Global Compact since 2012.

The Executive Board member for Human Relations and Sustainability serves as chief sustainability officer (CSO). The Sustainability group function overseen by the CSO is responsible for sustainability management, including management of an interdepartmental committee. Sustainability organization is further supplemented by dedicated coordinators in the group sectors and business areas. Some of these organizational units also have their own interdepartmental sustainability committees.

## Policies in Relation to Fighting Modern Slavery and Human Trafficking

Continental has incorporated its commitment to human rights and the ILO core labor standards into its global codes of conduct in line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines. Our Continental Code of Conduct , which was expanded early 2019 mandates the respect for human rights and fair working conditions for every employee and executive freedom of association, the prohibition of child labor and forced labor as well as freedom from discrimination. The Business Partner Code of Conduct (BPCOC) , established by Continental's Executive Board, requires all of Continental's suppliers to respect human rights. This includes the prohibition of forced labor and human trafficking. As one of the largest producers in the world, natural rubber is a raw material for business success. Continental therefore launched and published a Sustainable Natural Rubber Policy  in 2018, which specifically includes standards and expectations for suppliers regarding human rights, e.g. regarding land rights, forced labor, child labor as well as the rights of migrant workers and ethical recruitment practices. The respect for human rights is at the core of a responsible value chain. Therefore, among other topics, our publicly communicated sustainability ambition of 2020 stipulates that we strive to achieve full, 100%, responsible business partnerships and sourcing - by 2050 at the latest and together with our partners along the value chain.

## Due Diligence - Risk Management Integration

Continental takes its responsibility to respect human rights seriously and reviews measures to address human rights and modern slavery risks regularly. Our understanding of a responsible value chain relates to our supply chain and our customer relationships as well as to our own locations. Group Sustainability together with the respective business area sustainability functions hold the responsibility to continuously monitor and improve measures related to human rights due diligence requirements. In line with this approach, several group functions such as from human relations and purchasing, have been trained and deployed to integrate human rights topics into their core functions.

### Own Operations

Production and sales in Automotive Technologies and Powertrain Technologies as well as in the ContiTech business area are organized across regions. Tire production activities, in which economies of scale play a key role, are represented with major locations in the three dominant automotive markets in terms of production and vehicle numbers, namely Europe, the USA and China. Low production costs coupled with large volumes and proximity to our customers or high rates of regional growth constitute key success factors. Tires are sold worldwide via our dealer network with tire outlets and franchises, as well as through tire trading in general.

At group level, a process for monitoring assessing and minimizing risks for negative impacts on human rights in the countries and locations where Continental operates has been developed in a cross-departmental effort within the Human Relations functions. The approach was tested 2020 and will be integrated into existing processes in 2021, including an update on policies and guidelines for our own locations on good working conditions.

In order to address the COVID-19 pandemic, in 2020, the existing pandemic preparedness plan (pandemic plan) across the group was activated, which contributed to pandemic-safe production. At the company level, a crisis organization led by the Corporate Security function was established that integrates the relevant corporate functions. Regional crisis units have been established at country level. In addition, medical services and mental health programs for our employees and their families, such as a worldwide hotline have been created.

### Supply Chain

Continental processes a wide range of raw materials and semi-finished products. The purchasing volume in the reporting year was €24.4 billion in total, €16.7 billion of which was for production materials. Automotive Technologies and Powertrain Technologies use primarily steel, aluminum, precious metals, copper and plastics. Key areas when it comes to purchasing materials and semi-finished products include electronics and electromechanical components, which together make up about 45% of the Continental Group's purchasing volume for production materials. Furthermore, mechanical components account for nearly a quarter of production materials. Natural rubber and oil-based chemicals such as synthetic rubber and carbon black are key raw materials for Rubber Technologies.

The total purchasing volume for these materials amounts to around a sixth of the total volume for production materials.

In 2020, we evaluated our procurement processes in terms of management capacity to implement human rights due diligence and jointly derived necessary measures from them in the overall purchasing network. The evaluation was based on a recognized external instrument for the self-assessment developed by the Global Compact Network Germany. The transformation into a fully and consistently responsible value chain begins with concrete requirements that we already place on our direct suppliers. In 2020, a Corporate Purchasing Network was established, which regularly addresses issues of responsible procurement. Compliance with the BPCOC along the supply chain is assessed through the sustainability platforms NQC and Ecovadis. Direct strategic suppliers are asked to submit self-assessments. They include questions regarding the management of human rights and working conditions. Audits for risk areas such as environmental management or building safety are conducted. Additionally, we actively engage with our suppliers on specific risk topics identified by us e.g. natural rubber. As a key performance indicator for the implementation of a responsible value chain, the total number of available valid supplier self-information on the two sustainability platforms EcoVadis and NQC is currently used. As of 31 December 2020, 696 (previous year: 670) of valid self-information were available to us. This corresponds to a compliance ratio of 59 % (previous 57 %) of the suppliers selected for this process. In the priority area of action for the procurement of sustainable natural rubber, the pilots for traceability approaches have been further developed within the framework of the "Rubberway Project"  and cooperation with GIZ (German Development Cooperation) in Indonesia. With these projects we aim to identify and mitigate potential risks for adverse impacts on human rights. With regard to other critical raw materials with regard to human rights in our supply chain, we have also reorganized our management and reporting specifically for conflict minerals and cobalt in 2020, and have newly anchored processes, roles and responsibilities within the company organization.

## Communication and Training

New employees of Continental are informed about Continental's Code of Conduct when hired. Continental provides online training on the Code of Conduct and regular classroom compliance training sessions at various locations worldwide. With the update of the COC a module on human rights and good working conditions was included in 2019 and continuously rolled-out in 2020. These training sessions are mandatory for new employees. In total, 24.904 employees participated in trainings on the Code of Conduct (PY: more than 98.483). In Australia, as well as in other Continental countries, specific online trainings took place on case management with Human Relations Staff. Due to the situation caused by COVID-19 pandemic most trainings were held in virtual formats. Continental suppliers are continuously informed on our expectations stipulated in our BPCoC and are expected to meet these requirements throughout their own processes as well as their supply chains.

We are further developing our approach in dialog with external stakeholders and support the development of industry-wide stand-

ards, including: through our active participation in the Industry Dialog of the German Federal Government on Human Rights in the Automotive Industry and the Global Platform for Sustainable Natural Rubber (GPSNR), as well as active participation in industry associations.

## Compliance Hotline and Case Management

Continental operates a global Compliance and Anti-Corruption Hotline, where submissions can be made on any topic of concern in relation to Continental's business, including concerns in relation to the ethical rights such as forced labor or human trafficking. The hotline process is available through Continental's website and is broadly accessible, including to all Continental employees and any third parties such as suppliers and their employees. Submissions can be made anonymously and without fear of salvation. Any submission to the hotline is followed-up by a defined process involving different group departments at Continental. Group wide policies are complemented by local policies such as whistleblower policies in Australia.

Hanover, July 14, 2021

The Executive Board

S-list Id: 12920189

Nikolai Setzer  
*Chairman of the Executive Board*

S-list Id: 12920189

Frank Jourdan  
*Member of the Executive Board*

S-list Id: 12920189

Christian Kötz  
*Member of the Executive Board*

S-list Id: 12920189

Helmut Maschti  
*Member of the Executive Board*

S-list Id: 12920189

Philip Nelles  
*Member of the Executive Board*

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Dr. Ariane Reinhart  
*Member of the Executive Board*

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Wolfgang Schäfer  
*Member of the Executive Board*

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Andreas Wolf  
*Member of the Executive Board*

## Annex

Continental AG subsidiaries explicitly subject to mandatory reporting obligations in the United Kingdom and Australia:

### Australia:

- > Conti Trade Australia Pty. Ltd.
- > Continental Pty Ltd.
- > Continental Tyres of Australia Pty Ltd.
- > ContiTech Australia Pty Ltd.
- > EasyMile Pty. Ltd.
- > Tyre and Auto Pty Ltd.
- > Veyance Technologies Australia Pty., Ltd.
- > Vulcanite Holdings Pty Ltd.
- > Vulcanite Pty Ltd.

### United Kingdom:

- > Application Solutions (Electronics and Vision) Ltd.
- > Bandvulc Tyres Limited
- > BV Environmental LimitedZytek Group Ltd.
- > BV F1rst Limited
- > CAS UK Holding Ltd.
- > Continental Automotive Holdings UK Ltd.
- > Continental Automotive Trading UK Limited
- > Continental Automotive UK Ltd.
- > Continental Engineering Services Ltd.
- > Continental Investment Ltd., Continental UK Group Holdings Ltd.
- > Continental Teves UK Ltd.
- > Continental Tyre Group Ltd.
- > Continental Tyre Investment UK Ltd.
- > Continental Tyres Ltd.
- > ContiTech United Kingdom Ltd.
- > Dunlop Oil & Marine Limited
- > Granite Investments Limited
- > Hornschuch UK Ltd.
- > IAV U.K. Ltd.
- > Kim Holdings Scotland Limited
- > Libra Associates (Properties) Limited
- > Merlett Plastics UK Ltd.
- > Phoenix Oil & Marine Limited
- > R & J Strang Tyre Services Limited
- > Semperit (UK) Ltd.
- > Specialised Belting Supplies Ltd.
- > TecAlliance Limited
- > Tyre Maintenance Limited
- > Vanvulc Tyres Limited
- > Viking Tyres (UK) Ltd.
- > Vitesco Technologies UK Ltd.
- > Zytek Automotive Ltd.

For more information visit: [www.continental.com](https://www.continental.com)