

MODERN SLAVERY STATEMENT - CONTINENTAL CORPORATION¹ STATEMENT IN ADHERENCE TO THE UK MODERN SLAVERY ACT 2015

ORGANISATION'S STRUCTURE AND BUSINESS

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 2018, Continental generated sales of around €44.4 billion and currently employs around 244,000 people in more than 60 countries and markets. This statement covers Continental AG with all its subsidiaries over which the company has operational control.¹ For more information: www.continental-tyres.co.uk

SUSTAINABILITY MANAGEMENT

Sustainability has been deeply rooted in the values of our company for almost 150 years. For Continental, sustainable business practices means creating positive impact on society. It is regarded as a strategic task for our corporate development and therefore a task for the Executive Board. Dr. Ariane Reinhart is the head of Human Relations and Sustainability.

Continental is committed to the United Nations Global Compact and supports its ten principles on human rights, labour standards, environmental protection and anti-corruption. The United Nations Guiding Principles on Business and Human Rights as well as the internationally recognized core labour standards of the International Labour Organization (ILO) – among others – guide this work.

POLICIES IN RELATION TO FIGHTING MODERN SLAVERY AND HUMAN TRAFFICKING

Continental has adopted the commitment to Human Rights and ILO Core Labour Standards in its global and overall codes of conduct: The internal Code of Conduct which was expanded at the start of 2019 mandates the respect for human rights and fair working conditions for every employee and executive including freedom of association, the abolishment of child labour and forced labour as well as freedom from discrimination.

The [Business Partner Code of Conduct](#), originally established by Continental's Executive Board in 2011 as the Supplier Code of Conduct and updated in 2017, requires all of Continental's suppliers and their respective suppliers to human rights. This specifically includes the prohibition of forced labour and human trafficking. This expectation is underlined with the clear expectation towards our business partners to cascade this into their supply chains. As the one of the largest tyre producers in the world natural rubber is a crucial raw material for our business success. In the context of increased global demand, it is important to focus on sustainability across the entire value chain of rubber in order to mitigate risks and negative impacts on workers, communities and the environment and promote positive impacts. Continental has therefore launched and published a particular [Sustainable Natural Rubber Policy](#) in 2018, which among other standards for

fair working conditions specifically includes standards for our suppliers on forced labour, child labour as well as ethical recruitment practices. With this policy we have committed to work with our suppliers to mitigate these risks.

DUE DILIGENCE - RISK MANAGEMENT AND INTEGRATION

Continental takes its responsibility seriously and regularly reviews its measures in its own operations and its supply

chain for respecting human rights and combating modern slavery and human trafficking. In 2018 a sustainability department was established at corporate level which includes a position dedicated specifically to coordinating human rights related measures. Additionally, sustainability experts have been deployed in the relevant purchasing departments. Between 2016 and 2018 an internal global labour relations network has been established in 12 countries covering approximately 70% of our employees. These labour relations coordinators take on the role to prevent and mitigate compliance cases in relation to working conditions at our facilities through investigation, training and monitoring. This is mirrored by a labour relations team at corporate level who evaluate the current situation in countries and induce preventative measures.

Compliance with our Business Partner Code of Conduct in our supply chain is assessed through the sustainability platforms NQC and Ecovadis. First-tier suppliers are being asked to submit self-assessments. The questionnaire includes questions regarding the management of human rights and working conditions. This programme is extended with the sustainable natural rubber policy that describes measures for the upcoming years. With a [private public partnership in Indonesia](#) that was started in 2018 together with German development cooperation (GIZ) Continental has taken concrete steps to improve agricultural practices on the ground and develop and monitor sustainable rubber production.

COMMUNICATION AND TRAINING

Every new employee of Continental is informed about Continental's Code of Conduct when being hired. Continental offers an online training on the Code of Conduct and performs regular classroom compliance trainings at different locations worldwide. These trainings are particularly mandatory to employees working in purchasing or having an executive position within Continental. In 2018 a global workshop specifically on sustainability and human rights issues was conducted with the members of the internal labour relations network. Suppliers working with Continental are expected to acknowledge the Business Partner Code of Conduct and cascade the requirements throughout their respective supply chains.

COMPLIANCE AND CASE MANAGEMENT

Continental maintains a [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 violation of human rights such as forced labour or human trafficking. The Hotline process is also accessible through the Continental website and is accessible for anyone, including all Continental employees and third parties such as suppliers. Submissions can be made on an anonymous basis. Any submission to the Hotline is followed-up with a defined process involving different departments of Continental.

MORE THAN A TYRE

BANDVULC

Hanover, March 2019

For and on behalf of the Executive Board:

Dr. Ariane Reinhart

Executive Board member for Human Relations and Sustainability of Continental AG

¹ This statement covers all subsidiaries of Continental AG as being consolidated in the Annual Report 2018 (LINK and page) including the following subsidiaries in the UK: Application Solutions (Electronics and Vision) Ltd., Bandvulc Tyres Limited, BV Environmental Limited, BV F1rst Limited, CAS UK Holding Ltd., Continental Automotive Holdings UK Ltd., Continental Automotive Telford UK Ltd., Continental Automotive Trading UK Limited, Continental Automotive UK Ltd., Continental Engineering Services Ltd., Continental Investment Ltd., Continental Teves UK, Ltd., Continental Tyre Group Ltd., Continental Tyre Investment UK Ltd., Continental Tyres Ltd., Continental UK Group Holdings Ltd., ContiTech United Kingdom Ltd., Dunlop Oil & Marine Limited, Granite Investments Limited, Libra Associates (Properties) Limited, Phoenix Oil & Marine Limited, Semperit (UK) Ltd., Specialised Belting Supplies Ltd., Tyre Maintenance Limited, Viking Tyres (UK) Ltd., Zytec Automotive Ltd., Zytec Group Ltd.

Arthur Gregg
Managing Director



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