

# Corporate Governance

## Report of the Supervisory Board

Dear shareholders,

The Supervisory Board comprehensively fulfilled all tasks incumbent upon it under applicable law, the Articles of Incorporation and By-Laws in fiscal 2022. We closely supervised, carefully monitored and advised the Executive Board in the management of the company. We were directly involved in a timely manner in all decisions of fundamental importance to the company.

The Executive Board provided the Supervisory Board with regular, timely and comprehensive updates at its meetings as well as verbally and in writing on all issues of relevance to the company. In particular, these include the business performance, business strategy, planning, significant business transactions in the company and the Continental Group, and the related risks and opportunities, as well as compliance issues. The members of the Supervisory Board were also available to the Executive Board for consultation outside the meetings. As chairman of the Supervisory Board, I had regular contact with the members of the Executive Board, in particular with its chairman, and discussed current company issues and developments with them. Pursuant to a suggestion of the German Corporate Governance Code, I also held discussions with investors in 2022 on topics specific to the Supervisory Board.

### Meetings of the Supervisory Board and the committees

Meetings of the Supervisory Board took place both virtually and in person in fiscal 2022. In total, the Supervisory Board convened for five ordinary meetings and one extraordinary meeting in 2022, as well as for the strategy meeting. The September and December meetings and the strategy meeting were held in person, while the other meetings took place virtually. At its meetings, the Supervisory Board regularly conferred part of the time in the absence of the Executive Board. In addition to these meetings, the Supervisory Board passed two resolutions by written procedure, one of which was passed only by the shareholder representatives.

The Chairman's Committee held two meetings in the reporting year (one virtually and one in person) and passed two resolutions by written procedure. The Audit Committee met four times virtually in 2022 and passed one resolution by written procedure. The Nomination Committee passed one resolution by written procedure and also prepared the appointment of a new member to the Supervisory Board and the revision of its profile of skills and expertise. The Mediation Committee in accordance with Section 27 (3) of the German Co-determination Act (*Mitbestimmungsgesetz - MitbestG*) was not required to meet in 2022, and neither was the Committee for Related Party Transactions (RPT Committee).

The special committee formed in connection with the Supervisory Board's investigation into the manipulation of emission limits by certain automotive manufacturers (Special Emissions Committee) met twice in the year under review. At its December meeting, the Supervisory Board additionally formed a further special committee to support the Supervisory Board's investigation into irregularities in the production of air conditioning lines and industrial hoses in two business areas of the ContiTech group sector (Special ContiTech Committee). The Special ContiTech Committee did not hold any meetings in the year under review.

There are no other committees. All committees report to the plenary session. The corporate governance statement pursuant to Sections 289f and 315d of the German Commercial Code (*Handelsgesetzbuch - HGB*) starting on page 15 describes their responsibilities in more detail and names their members.

The following overview provides information on the individual attendance of the Supervisory Board members at meetings of the Supervisory Board and its committees.

### Individual attendance of Supervisory Board members at in-person and virtual meetings of the Supervisory Board and its committees in fiscal 2022

	Attendance	
	Number of meetings	Percentage
<b>Supervisory Board plenary session</b>		
Prof. Dr.-Ing. Wolfgang Reitzle (chairman)	7 / 7	100
Dorothea von Boxberg (since April 29, 2022)	4 / 5	80
Stefan E. Buchner	7 / 7	100
Dr. Gunter Dunkel	7 / 7	100
Satish Khatau	6 / 7	85.71
Isabel Corinna Knauf	7 / 7	100
Sabine Neuß	7 / 7	100
Prof. Dr. Rolf Nonnenmacher	6 / 7	85.71
Klaus Rosenfeld	7 / 7	100
Georg F. W. Schaeffler	7 / 7	100
Maria-Elisabeth Schaeffler-Thumann (until April 29, 2022)	2 / 2	100
Christiane Benner	7 / 7	100
Hasan Allak	6 / 7	85.71
Francesco Grioli	7 / 7	100
Michael Iglhaut	7 / 7	100
Carmen Löffler	7 / 7	100
Dirk Nordmann	7 / 7	100
Lorenz Pfau	7 / 7	100
Jörg Schönfelder	7 / 7	100
Stefan Scholz	7 / 7	100
Elke Volkmann	7 / 7	100
<b>Chairman's Committee</b>		
Prof. Dr.-Ing. Wolfgang Reitzle (chairman)	2 / 2	100
Christiane Benner	2 / 2	100
Georg F. W. Schaeffler	2 / 2	100
Jörg Schönfelder	2 / 2	100

	Attendance	
	Number of meetings	Percentage
<b>Audit Committee</b>		
Prof. Dr. Rolf Nonnenmacher (chairman)	4 / 4	100
Francesco Grioli	3 / 4	75
Michael Iglhaut	4 / 4	100
Dirk Nordmann	4 / 4	100
Klaus Rosenfeld	4 / 4	100
Georg F. W. Schaeffler	4 / 4	100
<b>Special Emissions Committee</b>		
Prof. Dr.-Ing. Wolfgang Reitzle	2 / 2	100
Dirk Nordmann	2 / 2	100
Georg F. W. Schaeffler	1 / 2	50

### Key topics dealt with by the Supervisory Board and the Chairman's Committee

At each ordinary meeting of the plenary session, the Executive Board informed the Supervisory Board in detail of the sales, results and employment development in the Continental Group and individual group sectors as well as the financial situation of the company. Where the actual course of business deviated from the defined plans and targets, the Executive Board provided detailed explanations. It discussed the reasons for these deviations and the measures introduced in depth with the Supervisory Board. In addition, the Executive Board regularly informed us about the Continental Group's main raw materials and sales markets and about Continental AG's share price performance. As part of this regular reporting, the Executive Board also went into detail on the impact of the war in Ukraine on the company.

In addition, the work of the Supervisory Board and its collaboration with the Executive Board in the year under review continued to be shaped by the transformation process in the automotive industry and its consequences for the company. Another focus of the Supervisory Board's work was again on the Supervisory Board's investigation into the manipulation of emission limits in vehicles of specific automotive manufacturers, including monitoring of the corresponding investigative proceedings by public prosecutors. The Supervisory Board discussed this at each ordinary meeting. The Special Emissions Committee formed in connection with this matter also met twice in 2022. Finally, the Supervisory Board addressed cybersecurity and the cyberattack on Continental in detail, as well as the irregularities in the production of air conditioning lines and industrial hoses in two business areas of the ContiTech group sector.

At the meeting on **March 17, 2022**, we discussed and subsequently approved the company's annual financial statements and the consolidated financial statements for 2021. We also approved both the decision by the Executive Board to hold the 2022 Annual Shareholders' Meeting virtually and the draft agenda for the Annual Shareholders' Meeting, and resolved the proposed resolutions of the Supervisory Board to the Annual Shareholders' Meeting.

In addition, we discussed the acquisition of US conveyor belt manufacturer WCCO Belting, LLC, Wilmington, Delaware, USA, by the ContiTech group sector and the sale of a product line from the Automotive group sector. Measures from the Supervisory Board's self-assessment in 2021 were also discussed at the meeting, and we resolved to implement the proposed improvement measures. These include, for example, establishing a further regular plenary meeting per fiscal year.

We also passed a resolution on the approval in principle of the reassignment of 24.9% of the shares in ContiTech AG, Hanover, from Continental Pension Trust e. V., Hanover, to the Continental Group. Final approval on this reassignment was resolved by written procedure at the end of May on the recommendation of the Audit Committee.

In addition, we resolved to update the declaration in accordance with Section 161 of the German Stock Corporation Act (*Aktien-gesetz - AktG*) on the recommendations of the German Corporate Governance Code, since the circumstances that required a change to the declaration in connection with the spin-off of Vitesco Technologies Group AG in September 2021 no longer applied.

At the Supervisory Board meeting on **April 29, 2022**, in addition to the ongoing business development, we also discussed in depth the Continental Group's business activities in Russia, particularly with respect to the Tires group sector. We also received reports from the Executive Board on how the company is responding to supply shortages and price increases in the supply of energy.

In implementing concrete measures following the Supervisory Board's self-assessment, an additional ordinary meeting of the Supervisory Board was held for the first time on **June 23, 2022**. The transformation process in the automotive industry was an important topic of discussion at this meeting. In addition, the head of Compliance reported on the future organizational structure for compliance, and the Executive Board provided an update on the Continental Group's current insurance situation.

At the full-day strategy meeting held on **September 21, 2022**, the Executive Board and the Supervisory Board once again discussed in detail the strategic objectives and strategic planning of the Continental Group, the Automotive group sector (with a focus on the Autonomous Mobility business area) and the Tires and ContiTech group sectors, the Continental Group's sustainability requirements and the HR strategy.



We again devoted a larger part of the meeting on **September 22, 2022**, to discussions without the Executive Board, including discussions relating to the succession planning for the Executive Board. In the course of the presentation on ongoing business development, we discussed with the Executive Board the current status of the cyberattack on Continental and the potential impact on the company. The current situation of the locations in Russia and possible options were discussed once again.

In addition, we addressed issues of corporate governance. Given the new version of the German Corporate Governance Code, we discussed amendments to the Supervisory Board's profile of skills and expertise and resolved amendments to the By-Laws of the Supervisory Board and to the By-Laws of the Audit Committee.

The extraordinary meeting of the plenary session on **November 22, 2022**, focused exclusively on the cyberattack on the company. At this meeting, the Executive Board provided an in-depth update on the current situation. We discussed with the Executive Board the impact of the attack on Continental and the measures already taken or planned.

At its meeting on **December 14, 2022**, the Supervisory Board resolved to create a new Executive Board function for Integrity and Law, and appointed Olaf Schick to head this function. Mr. Schick will take up his position on May 1, 2023, and will be responsible for the

new Group Risks and Controls area as well as the central areas Group Quality Management, Group Compliance, Group Law and Intellectual Property, and Group Internal Audit. Also at this meeting, the Supervisory Board extensively addressed the annual planning for 2023 and the long-term planning. It also approved the planning and investment plans for fiscal 2023. The Executive Board also provided an update at this meeting on the current status of the cyberattack. We resolved the amendment to the profile of skills and expertise for the Supervisory Board as well as the corresponding skills matrix. We also agreed to an updated declaration in accordance with Section 161 *AktG* on the recommendations of the German Corporate Governance Code.

Finally, we addressed the irregularities in the production of air-conditioning lines and industrial hoses in two business areas of the ContiTech group sector. The project team set up by the Executive Board provided information about the background and current status of the investigation into the irregularities. At the suggestion of the Executive Board, the Supervisory Board resolved to carry out a comprehensive and independent investigation into the irregularities in accordance with Section 111 (2) *AktG*. To support these efforts, the Supervisory Board brought in external law firms, in particular to take on the tasks of clarifying the underlying facts and establishing the plausibility of the previous investigation results, reporting to the Supervisory Board on the progress of the investigation and its findings, and proposing recommendations for

action. The Supervisory Board also resolved that a further special committee (the Special ContiTech Committee) would support this investigation.

The **Chairman's Committee** held two meetings in the year under review, in which it primarily prepared the personnel-related decisions of the plenary session and made recommendations for resolutions. At the first meeting on **March 17, 2022**, this included the recommendation on determined performance bonuses for fiscal 2021, which the plenary session resolved at its following meeting. At the second meeting on **December 14, 2022**, the Chairman's Committee resolved proposals to the Chairman's Committee relating to targets set for the variable remuneration of the Executive Board and to the creation of a new Executive Board function for Integrity and Law. At the end of May, the Chairman's Committee also approved the acquisition of US conveyor belt manufacturer WCCO Belting, LLC, Wilmington, Delaware, USA, by written procedure. This acquisition had previously been discussed at the meeting of the plenary session on March 17, 2022. In September, the Chairman's Committee approved an investment project of the Automotive group sector by written procedure.

#### Key topics dealt with by the Audit Committee

The Audit Committee was also informed by the Executive Board in detail and on an ongoing basis about sales, results and employment development in the Continental Group and individual group sectors as well as the financial situation of the company. The Executive Board is assisted by the head of Accounting and the head of Group Controlling, who attend the meetings of the Audit Committee and can thereby provide information directly. In addition, the chairman of the Audit Committee is in regular contact with the chief financial officer and the auditor of the Continental Group outside of meetings and has access to senior employees entrusted with tasks relating to accounting, the internal control system, the risk management system, internal auditing and compliance. The chairman of the Audit Committee shares key information with the Audit Committee.

As a focus of each of its quarterly meetings, the Audit Committee talks with the Executive Board about the accounting as at the end of the previous quarter and the outlook for the year as a whole as well as the quarterly statements and the half-year financial report prior to their publication. Another focus of the Audit Committee's work in the past fiscal year was dealing with the company's internal control system and risk management system.

At its meeting on **March 2, 2022**, the Audit Committee discussed the company's annual financial statements and the consolidated financial statements as well as the combined non-financial statement for 2021 with the Executive Board and the auditor, and recommended their approval to the plenary session of the Supervisory Board. The interim financial statements as at June 30, 2022, were reviewed by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hanover branch (PwC), on behalf of the Audit Committee. The work of the Group Compliance and Group Internal Audit group functions and reporting on significant risks and incidents are also regular topics at each meeting. This includes in particular the matters described in more detail in the report on risks and opportunities and in the notes to the consolidated financial statements.

In addition to these recurring topics, at its meeting on **May 4, 2022**, the Audit Committee discussed the reassignment of 24.9% of the shares in ContiTech AG, Hanover, from Continental Pension Trust e. V., Hanover, to the Continental Group, and was updated on the current status of cybersecurity. At the meeting on **August 2, 2022**, acquisition controlling was treated as a special topic of discussion. The Audit Committee also addressed the review of the interim financial statements by auditor PwC at this meeting. In the absence of the Executive Board, the committee discussed with PwC the focal points to be determined in the audit by the Supervisory Board. At the meeting on **November 9, 2022**, the Audit Committee issued the mandate for the audit of the 2022 annual and consolidated financial statements, including the combined non-financial statement, the report on relations with affiliated companies and the remuneration report, to the auditor appointed by the Annual Shareholders' Meeting, PwC. In addition, the Audit Committee defined an approval framework for commissioning the auditor with permissible non-audit services in accordance with the EU Audit Regulation. The Executive Board regularly informs the Audit Committee about the use of this authorization. The Audit Committee discussed the current status of the cyberattack and initial consequences with the Executive Board and addressed the status of implementation of the German Supply Chain Due Diligence Act (*Lieferkettensorgfaltspflichtengesetz*). The perception of Continental on the capital market was also discussed. Finally, the Audit Committee extensively addressed the irregularities in the production of air-conditioning lines and industrial hoses in two business areas of the ContiTech group sector and received reports on the current situation.

#### Corporate governance

At its meetings on March 17, 2022, and December 14, 2022, the Supervisory Board agreed to an updated declaration in accordance with Section 161 *AktG* on the recommendations of the German Corporate Governance Code. At its meeting on September 22, 2022, the Supervisory Board approved amendments to the By-Laws of the Supervisory Board and to the By-Laws of the Audit Committee, prompted as a result of the new version of the German Corporate Governance Code. At its meeting on December 14, 2022, the Supervisory Board decided on amendments to its profile of skills and expertise, and passed a resolution on the corresponding skills matrix.

The chairman of the Supervisory Board was notified of potential conflicts of interest by three Supervisory Board members in 2022. In such cases, it is ensured that the Supervisory Board members in question do not participate in discussions of the Supervisory Board and its committees on the topics that could constitute a conflict of interest and also do not receive any information in this regard. These are not significant and long-term conflicts of interest that would require the members to step down. In its opinion, the Supervisory Board also had an appropriate number of independent members, in particular on the shareholder side, as defined in the Code at all times in the period under review. Further information on this topic and on corporate governance in general is included in the corporate governance statement pursuant to Sections 289f and 315d *HGB* (starting on page 15).

### Annual and consolidated financial statements; combined non-financial statement for 2022

PwC audited the annual financial statements as at December 31, 2022, prepared by the Executive Board in accordance with the provisions of the *HGB*, the 2022 consolidated financial statements and the combined management report for the company and the Continental Group, including the accounts and the system for early risk recognition. The 2022 consolidated financial statements of Continental AG were prepared in accordance with the International Financial Reporting Standards (IFRS). The auditor issued unqualified opinions. In addition, PwC audited the Executive Board's report on relations with affiliated companies pursuant to Section 312 *AktG* (dependent company report). PwC issued the following unqualified opinion on this report in accordance with Section 313 (3) *AktG*:

"Based on the results of our statutory audit and evaluation we confirm that:

- > the actual information included in the report is correct,
- > with respect to the transactions listed in the report, payments by the company were not unduly high or detrimental effects were compensated for, and
- > there are no circumstances in favor of a significantly different assessment than that made by the Executive Board in regard to the measures listed in the report."

The Audit Committee discussed the documents relating to the annual financial statements, including the dependent company report, as well as the auditor's reports and the remuneration report with the Executive Board and the auditor on March 5, 2023. Furthermore, the plenary session of the Supervisory Board discussed these at length at its meeting to approve the annual financial statements on March 15, 2023. The discussions also concerned the combined non-financial statement for the Continental Group and for Continental AG according to Sections 289b and 315b *HGB*. The required documents were distributed to all members of the Audit Committee and the Supervisory Board in good time before these meetings so that the members had sufficient opportunity to review them. The auditor was present at these discussions. The auditor reported on the main results of the audits and was available to provide additional information to the Audit Committee and the Supervisory Board. Based on its own review of the annual financial statements, the consolidated financial statements, the combined management report of Continental AG and of the Continental Group, as well as the dependent company report including the final declaration of the Executive Board, and based on the report and the recommendation of the Audit Committee, the Supervisory Board concurred with the results of the auditor's audit. There were no objections. The Supervisory Board approved the annual financial statements and the consolidated financial statements. The annual financial statements are thereby adopted. PwC issued an unqualified opinion for the combined non-financial statement. Based on the Supervisory Board's own review, the Audit Committee's report on its preliminary examination and its recommendation, and PwC's audit and unqualified opinion on the combined non-financial statement, the Supervisory Board finds that the combined non-financial statement is correct and appropriate and was prepared in accordance with Sections 315b and 315c in conjunction with Sections

289c to 289e *HGB*. The auditor reviewed the remuneration report prepared by the Executive Board and the Supervisory Board and issued a report that is attached to the remuneration report.

The Supervisory Board together with the Executive Board will propose to the Annual Shareholders' Meeting on April 27, 2023, to distribute a dividend for the past fiscal year of €1.50 per share entitled to dividends, and to carry the retained earnings forward in full to new account.

### Personnel changes on the Supervisory Board and Executive Board

The Annual Shareholders' Meeting elected Mr. Stefan Buchner to the Supervisory Board on April 29, 2022, after Mr. Buchner had already been appointed as a member of the Supervisory Board by the Hanover Local Court at the request of the Executive Board with effect from January 1, 2022. In addition, the Annual Shareholders' Meeting on April 29, 2022, elected Ms. Dorothea von Boxberg to the Supervisory Board. Ms. Maria-Elisabeth Schaeffler-Thumann stepped down from the Supervisory Board with effect from the end of the Annual Shareholders' Meeting on April 29, 2022. The Supervisory Board would like to thank Maria-Elisabeth Schaeffler-Thumann for her many years of successful service on the Supervisory Board, for her good and trusting cooperation and for her constant commitment to the company.

Further information on the members of the Supervisory Board and its committees who were in office in the year under review can be found on pages 10 and 11 and on pages 220 and 221.

There were no personnel changes on the Executive Board in the past fiscal year. At its meeting on December 14, 2022, the Supervisory Board resolved to create a new Executive Board function for Integrity and Law, and appointed Mr. Olaf Schick to head this function for a term of three years. Mr. Schick will take up his position on May 1, 2023.

The Supervisory Board would like to thank the Executive Board, all the employees and the employee representatives for their considerable dedication over the past year.

Hanover, March 15, 2023



Prof. Dr.-Ing. Wolfgang Reitzle  
Chairman