

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 2023. 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 fiscal 2023, for example as part of a governance roadshow in November, on topics specific to the Supervisory Board.

Meetings of the Supervisory Board and the committees

The Supervisory Board convened for five ordinary meetings and one extraordinary meeting in fiscal 2023, as well as for the strategy meeting. The meeting in July and the extraordinary meeting in December took place virtually, while all other meetings were held in person. At its meetings, the Supervisory Board regularly conferred part of the time in the absence of the Executive Board.

The Chairman's Committee held five meetings in the reporting year (four in person or hybrid and one virtually) and passed one resolution by written procedure. The Audit Committee met four times in 2023 (three in person and one virtually). The Nomination Committee held two meetings virtually in the reporting year and prepared the resolution for introducing the concept of a "staggered board" for the Supervisory Board and selecting the candidates for shareholder representatives on the Supervisory Board for the 2024 Annual Shareholders' Meeting. It also discussed updating the profile of skills and expertise for the Supervisory Board. The Mediation Committee in accordance with Section 27 (3) of the German Co-determination Act (*Mitbestimmungsgesetz - MitbestG*) was not required to meet in 2023, 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 three times in the year under review. The special committee formed in connection with the investigation into irregularities in the production of air conditioning lines and industrial hoses in two of the ContiTech group sector's business areas (Special ContiTech Committee) also met three times in the year under review. Upon completion of the investigation, the Supervisory Board resolved at its meeting on December 13, 2023, to dissolve the Special ContiTech Committee.

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 16 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 2023

	Attendance	
	Number of meetings	Percentage
Supervisory Board plenary session		
Prof. Dr.-Ing. Wolfgang Reitzle (chairman)	7 / 7	100
Dorothea von Boxberg	7 / 7	100
Stefan E. Buchner	7 / 7	100
Dr. Gunter Dunkel	7 / 7	100
Satish Khatu	6 / 7	86
Isabel Corinna Knauf	7 / 7	100
Sabine Neuß	7 / 7	100
Prof. Dr. Rolf Nonnenmacher	7 / 7	100
Klaus Rosenfeld	7 / 7	100
Georg F. W. Schaeffler	7 / 7	100
Christiane Benner	7 / 7	100
Hasan Allak	7 / 7	100
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	5 / 7	71
Chairman's Committee		
Prof. Dr.-Ing. Wolfgang Reitzle (chairman)	5 / 5	100
Christiane Benner	5 / 5	100
Georg F. W. Schaeffler	5 / 5	100
Jörg Schönfelder	5 / 5	100

	Attendance	
	Number of meetings	Percentage
Audit Committee		
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
Nomination Committee		
Prof. Dr.-Ing. Wolfgang Reitzle (chairman)	2 / 2	100
Isabel Corinna Knauf	2 / 2	100
Prof. Dr. Rolf Nonnenmacher	2 / 2	100
Georg F. W. Schaeffler	2 / 2	100
Special Emissions Committee		
Prof. Dr.-Ing. Wolfgang Reitzle	3 / 3	100
Prof. Dr. Rolf Nonnenmacher	3 / 3	100
Dirk Nordmann	3 / 3	100
Special ContiTech Committee		
Prof. Dr.-Ing. Wolfgang Reitzle	3 / 3	100
Prof. Dr. Rolf Nonnenmacher	3 / 3	100
Dirk Nordmann	3 / 3	100

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 procurement and sales markets and about Continental AG's share price performance.

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. Sustainability-related issues – in particular the reduction of CO₂ emissions – were also regularly discussed. 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 also addressed the irregularities in the production of air-conditioning lines and industrial hoses. The Supervisory Board discussed both of these issues at each ordinary meeting. In addition, the Supervisory Board received

regular reports on the processing of the cyberattack from the previous fiscal year and the measures taken to improve cybersecurity. Finally, reporting on strengthening the risk management and internal control system and compliance management system overseen by the newly created Executive Board function for Integrity and Law was regularly discussed, as was reporting on further internal investigations.

At its meeting on **March 15, 2023**, the resolution of December 14, 2022, to create a new Executive Board function for Integrity and Law and appoint Olaf Schick to head this function was specified such that he would take up his new position on May 1, 2023. Olaf Schick is responsible for the central areas of Group Compliance; Group Internal Audit; Group Law and Intellectual Property; Group Quality, Technical Compliance, Continental Business System and Environment; and the new area of Group Risks and Controls. The company's annual financial statements and the consolidated financial statements for 2022 were also discussed and subsequently approved in the presence of the auditor. As part of the reporting for the current fiscal year, the business development of the Autonomous Mobility business area, the partnership with Ambarella International LP and the status of the business model with Aurora Innovation Inc. were discussed in detail.

The decision by the Executive Board to again hold the Annual Shareholders' Meeting virtually in 2023 was also approved, as was the draft agenda for the Annual Shareholders' Meeting. The agenda included granting the Executive Board the authorization to decide, for a period of three years, whether the Annual Shareholders' Meeting would be held virtually or as an in-person event. Finally, the Supervisory Board adopted its proposed resolutions for the Annual Shareholders' Meeting. The Supervisory Board additionally addressed the status of the investigation into the cyberattack on Continental in fiscal 2022 and received reports on the investigation activities. It also dealt with the reorganization of the ContiTech group sector into the Industrial Solutions (Americas, APAC, EMEA), Surface Solutions and Original Equipment Solutions business areas. Finally, discussions were held on the planned sale of shares in Russian subsidiaries of the Tires group sector with the resolution to sell the companies OOO Continental Tires RUS and OOO Continental Kaluga to the Russian joint-stock company S8 Industrial Assets.

At the Supervisory Board meeting on **April 27, 2023**, we decided to reappoint Nikolai Setzer as a member of the Executive Board and chairman of the Executive Board from April 1, 2024, for a period of five years until March 31, 2029. In addition, Philipp von Hirschheydt was appointed as member of the Executive Board responsible for the Automotive group sector from May 1, 2023, for a period of three years until April 30, 2026. The ongoing business development was also discussed.

At the meeting on **July 6, 2023**, we decided to reappoint Philip Nelles as member of the Executive Board responsible for the ContiTech group sector from June 1, 2024, for a period of five years until May 31, 2029. Measures to reduce fixed costs in the Automotive group sector were another important topic of discussion. The Supervisory Board also addressed the steps being taken to strengthen the risk and compliance management system. Finally, the Supervisory Board took note of the Executive Board's decision to exit the business at the Gifhorn plant in the Automotive group sector as

well as its efforts to develop employment prospects for affected employees.

At the full-day strategy meeting held on **September 26, 2023**, the Executive Board and the Supervisory Board discussed in detail the strategic objectives and strategic planning of the Continental Group, the Automotive group sector (with a focus on measures to reduce costs and increase efficiency) and the Tires and ContiTech group sectors. The strategy of the Executive Board function for Integrity and Law, the Continental Group's sustainability requirements - as well as own sustainability ambitions - and the HR strategy were also discussed. In particular, the "from work to work" initiative was presented, which aims to ensure a seamless transition to new jobs for employees through training programs and to help shape the transformation process.

At the meeting on **September 27, 2023**, discussions were initially held without the Executive Board present, including discussions relating to succession planning for the Executive Board. It was also

decided that shareholder representatives would in the future follow the staggered board concept. Under this concept, the terms of office of the shareholder representatives do not run in parallel but are staggered, each for a term of office of four years. Five shareholder representatives will thus be up for election every two years. To establish the rhythm of the staggered election cycles, five shareholder representatives are to stand for election at the Annual Shareholders' Meeting for a one-time term of office of two years. The Supervisory Board also discussed adjustments to the remuneration system of the Executive Board, which are to be presented for approval to the Annual Shareholders' Meeting in fiscal 2024. In the course of the presentation on ongoing business development, the Executive Board gave another status report on the processing of the cyberattack on Continental and improvements to IT security. Discussions were also held with the Executive Board on options for the planned exit from the business at the Gifhorn plant.



As part of the extraordinary meeting of the plenary session on **December 3, 2023**, the Executive Board presented the content of Continental AG's Capital Market Day, held on December 4, 2023, to the Supervisory Board. In particular, the status of its strategic review of measures for the Automotive group sector was described and discussed.

At its meeting on **December 13, 2023**, the adjustments to the remuneration system that were discussed for the first time at the meeting on September 27, 2023, were resolved without the Executive Board present. The revised remuneration system with these adjustments will be submitted to the upcoming Annual Shareholders' Meeting for approval. In addition, the Supervisory Board determined the targets for the short-term incentive (STI) and the long-term incentive (LTI). The Supervisory Board also discussed updating its profile of skills and expertise and agreed to pass a resolution in February 2024 and create an updated qualifications matrix. The shareholder representatives additionally passed a resolution on the candidates for election to the Supervisory Board at the Annual Shareholders' Meeting in 2024. The shareholder representatives will all stand for re-election, with five standing for a (one-time) shortened term of two years to allow for a transition to elections according to the staggered board concept that has been adopted. In the presence of the Executive Board, the Supervisory Board extensively addressed the annual planning for 2024 and the long-term planning. It also approved the planning and investment plans for fiscal 2024. As part of the regular reporting on irregularities in the production of air conditioning lines and industrial hoses, the Executive Board prepared its final report on the internal investigation that had been ongoing since 2022. By means of a resolution, the Supervisory Board declared the investigation previously resolved at the meeting on December 14, 2022, to be complete and dissolved the Special ContiTech Committee. Following an in-depth discussion on the status of the Executive Board's decision to exit the business at the Gifhorn plant, the Supervisory Board approved this measure on the condition that the Executive Board continue to examine and - where reasonably feasible - implement potential mergers and acquisitions as well as a transfer of staff in accordance with the "from work to work" approach.

The **Chairman's Committee** held five 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 its first meeting on **March 15, 2023**, the appointment of Olaf Schick to head the Executive Board function for Integrity and Law was adjusted to become effective from May 1, 2023. In addition, proposals to the plenary session relating to targets set for the variable remuneration of the Executive Board were resolved. The committee also approved Dr. Ariane Reinhart's request to assume a supervisory board appointment at Evonik Industries AG. In March, the Chairman's Committee approved an increase to the budget for the completion of the new company headquarters.

At the meeting on **April 27, 2023**, the Chairman's Committee resolved to submit proposals to the plenary session to recommend the reappointment of Nikolai Setzer as a member of the Executive Board and chairman of the Executive Board from April 1, 2024, for a period of five years until March 31, 2029. It also decided to recommend to the plenary session that Philipp von Hirschheydt be appointed as member of the Executive Board responsible for the

Automotive group sector from May 1, 2023, for a period of three years.

At its meeting on **July 6, 2023**, it decided to recommend to the plenary session that Philip Nelles be reappointed as member of the Executive Board responsible for the ContiTech group sector from June 1, 2024, for a period of five years until May 31, 2029.

At the meeting on **September 27, 2023**, the Chairman's Committee first approved the decision by the Executive Board to acquire a plot of land in Texas, USA, in order to expand a warehouse in the Tires group sector. The committee also approved Katja Garcia Vila's request to assume a supervisory board appointment at a DAX 40 company, for which she will stand for election in 2024. Finally, it discussed adjustments to the remuneration system for the Executive Board.

At its meeting on **December 13, 2023**, the recommendations to the plenary session regarding amendments to the remuneration system were discussed and resolved, as were the recommendations regarding the targets for the variable remuneration of the Executive Board.

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, the Executive Board member for Integrity and Law 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 talked 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 again on dealing with the company's internal control system and risk management system. The work of the Group Compliance and Group Internal Audit functions and reporting on significant risks and incidents were also regular topics at each meeting. This included in particular the matters described in more detail in the report on risks and opportunities and in the notes to the consolidated financial statements.

At its meeting on **March 3, 2023**, the Audit Committee discussed the company's annual financial statements and the consolidated financial statements as well as the combined non-financial statement for 2022 with the Executive Board and the auditor, and recommended their approval to the plenary session of the Supervisory Board. The global minimum tax regulations introduced by the OECD were also discussed. Finally, the Audit Committee discussed and assessed the quality of the audit.

The meeting on **May 5, 2023**, focused on regularly recurring topics, with the Audit Committee addressing in particular detail the efforts to strengthen the company's internal control system and risk management system. At the meeting on **August 1, 2023**, the Audit Committee additionally addressed requirements for future sustainability reporting. It resolved to take note of and confirm the appointment of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Germany, by the Executive Board to audit the implementation of the process for future sustainability reporting. The Audit Committee then received and discussed a report on the status of implementation of the new export control and customs unit. Finally, the committee addressed an external assessment of the Continental Group's protection against cyberattacks and the current status of internal investigations. At the meeting on **November 2, 2023**, the Audit Committee issued the mandate for the audit of the 2023 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, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Hanover branch. 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 committee also addressed the perception of Continental on the capital market and discussed Group Internal Audit's audit plan for fiscal 2024 in detail.

Corporate governance

At its meeting on December 13, 2023, the Supervisory Board adopted its declaration in accordance with Section 161 *AktG* on the recommendations of the German Corporate Governance Code. At the same meeting, the Supervisory Board also discussed updating its profile of skills and expertise and agreed to pass a resolution in the first quarter of 2024 and create an updated qualifications matrix. The resolution was passed in February 2024 in the form of a circular resolution.

The chairman of the Supervisory Board was not notified of any potential conflicts of interest in 2023. For conflicts of interest for which notification was received in fiscal 2022 and that are still ongoing, it continues to be 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 still do not constitute such 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 16).

Annual and consolidated financial statements; combined non-financial statement for 2023

PwC audited the annual financial statements as at December 31, 2023, prepared by the Executive Board in accordance with the provisions of the *HGB*, the 2023 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 2023 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, 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 4, 2024. Furthermore, the plenary session of the Supervisory Board discussed these at length at its meeting to approve the annual financial statements on March 12, 2024. 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 26, 2024, that a dividend of €2.20 per share entitled to dividends be paid out for the past fiscal year and that the retained earnings be carried forward to new account.

Personnel changes on the Supervisory Board and Executive Board

There were no personnel changes on the Supervisory Board in the past fiscal year.

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 224 and 225.

As resolved at its meeting on December 14, 2022, the Supervisory Board created a new Executive Board function for Integrity and Law, and appointed Olaf Schick to head this function for a period of three years. Olaf Schick took up his position on May 1, 2023. At its meeting on April 27, 2023, the Supervisory Board also resolved to appoint Philipp von Hirschheydt as member of the Executive Board responsible for the Automotive group sector for a period of three years. Philipp von Hirschheydt likewise took up his position on May 1, 2023. At the same meeting, the Supervisory Board decided to reappoint Nikolai Setzer as a member of the Executive Board and chairman of the Executive Board from April 1, 2024, for a period of five years until March 31, 2029. Finally, at the meeting on July 6, 2023, it decided to reappoint Philip Nelles as member of the Executive Board responsible for the ContiTech group sector from June 1, 2024, for a period of five years until May 31, 2029.

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 12, 2024



Prof. Dr.-Ing. Wolfgang Reitzle
Chairman