

# Continental United Kingdom Modern Slavery Statement for the Financial Year 2022

## 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 members of Continental AG subsidiaries subject to mandatory reporting obligations in the United Kingdom (pls. refer to annex) to understand subsidiary specific and country specific activities and review of the final form of this statement. The statement is made pursuant to Section 54 of the UK Modern Slavery Act 2015 and covers the 2022 fiscal year from January 1 to December 31, 2022.

## Corporate 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 2022, Continental generated sales of €39.4 billion.

Continental AG is the parent company of the Continental Group. In addition to Continental AG, the Continental Group comprises 477 companies, including non-controlled companies. The Continental team is made up of 199,038 employees at 519 locations for production, research and development, and administration in 57 countries and markets. Added to this are distribution locations, with 917 company-owned tire outlets and a total of around 5,228 franchises and operations with a Continental brand presence.

The Continental Group is divided into four group sectors: Automotive, Tires, ContiTech and Contract Manufacturing. As of January 1, 2023, these comprise a total of 18 business areas. A group sector or business area with overall responsibility for a business, including its results, is classified according to product requirements, market trends, customer groups and distribution channels.

Overall responsibility for managing the company is borne by the Executive Board of Continental Aktiengesellschaft (AG). The Automotive, Tires and ContiTech group sectors are each represented on the Executive Board. The group 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 and Sustainability, and assume the functions required to manage the Continental Group across the group sectors. They include, in particular, Finance, Controlling, Compliance, Law, IT, Human Relations, Sustainability, and Quality and Environment. The Group Purchasing group function is represented by the Executive Board member responsible for the Tires group sector.

Production and sales in the Automotive and ContiTech group sectors are organized across regions. For the Tires group sector, economies of scale play a key role when it comes to tire manufacturing. Low production costs coupled with large volumes and proximity to our customers or high rates of regional growth constitute key success factors. For this reason, manufacturing takes place at major locations in the dominant automotive markets, namely Europe, the USA and China. Tires are sold worldwide via our dealer network with tire outlets and franchises, as well as through tire trading in general.

Continental processes a wide range of raw materials and semi-finished products. The purchasing volume in the reporting year was €28.4 billion in total, €19.3 billion of which was for production materials. Electronics and electromechanical components together make up around 35% of the Continental Group's purchasing volume for production materials, which are primarily used in the Automotive and Contract Manufacturing group sectors, while mechanical components account for around 19%. Natural rubber and oil-based chemicals as well as synthetic rubber and carbon black are key raw materials for the Tires and ContiTech group sectors. The total purchasing volume for these materials amounts to around 26% of the total volume for production materials.

## Sustainability Management

Sustainability is a driver of innovation for Continental during the current transformation of mobility and industries, and is thus firmly anchored in its corporate strategy in the cornerstone of "turning change into opportunity." Sustainability is also a key component in our vision of "creating value for a better tomorrow."

In the Continental Group's sustainability ambition, we describe how we want to shape this transformation in the relevant topic areas with respect to sustainability in order to seize transformation opportunities and mitigate transformation risks. Along with the relevant guidelines, this sustainability ambition brings together existing strategies, programs and processes, as well as their further development.

Continental is a signatory to the UN Global Compact since 2012. 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 entire ambition can be found at [www.continental-sustainability.com](https://www.continental-sustainability.com).

Within the Executive Board, the Executive Board member for Group Human Relations (director of Labor Relations) and Group Sustainability is responsible for sustainability. Sustainability management within the Continental Group is regulated by a dedicated internal sustainability policy.

The Group Sustainability group function is further supplemented by sustainability functions in the group sectors as well as coordinators in several business areas and countries. The key sustainability functions were expanded and strengthened in 2022.

The Group Sustainability Steering Committee is responsible for assessing interdepartmental issues, weighing up risks and opportunities and discussing relevant Executive Board decisions in advance. In fiscal 2022, it consisted of the entire Executive Board as well as the heads of the sustainability functions at corporate level and group sector level as well as the heads of other relevant group functions. The committee is chaired by the Executive Board member for Group Human Relations (director of Labor Relations) and Group Sustainability and managed by the head of the Group Sustainability group function. Some of the group sectors have their own interdepartmental sustainability committees, which are coordinated by the relevant sustainability functions.

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

Continental pursues an integrated management approach to fulfilling its duty of care with respect to human and environmental rights. Continental is committed to respecting human rights and the core labor standards of the International Labour Organization (ILO) in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGP) and the OECD Guidelines.

A comprehensive company wide management system for ensuring due diligence within a responsible value chain was developed. The aim of the system is to ensure the corresponding laws are observed and recognized, in particular the requirements under the German Supply Chain Due Diligence Act. The act entered into force as of January 2023 and is applicable for the entire Continental Group globally. It is also aimed at systematically applying due diligence procedures, reducing risks, supporting the implementation of customer requirements and supplementing the existing internal control system. The system was developed and launched in the 2022 reporting year, as the respect for human rights is at the core of a responsible value chain. The global implementation of the system in stages is designed to achieve continuous improvement and to respect both human and environmental rights along the value chain. The system is designed as a learning system subject to annual reviews focusing on incident management, risk mitigation and overall compliance to Continental's commitments regarding responsible value chain.

Amongst others, the system focuses on forced labour and human trafficking. This covers both Continental's own operations and in particular those of direct suppliers. For this purpose, responsibilities, rules and processes are clearly defined, including control mechanisms. The management system is guided by specific

commitments in the areas of labor standards, occupational health and safety, the environment, safety practices and land rights. With respect to forced labor and modern slavery Continental's commitment is as follows:

*Continental firmly rejects any form of forced labor, modern slavery, debt bondage, trafficking, or any other form of labor not conducted voluntarily or non-compliant with the International Labor Organization's standards. This includes any form of oppression in the vicinity of the workplace, be it economically or of any other kind. Workers must be provided with documented employment terms or an offer of employment in a language the person should be able to understand. Migrant workers need to be treated with special diligence and shall receive the relevant work-related information prior to their departure from their country of origin and must always have access and full control over their identity or immigration documents.*

Continental has incorporated its commitment to human rights into its global codes of conduct which are applicable to the entire Continental Group. Our internal Continental Code of Conduct [\[X\]](#) 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 external Business Partner Code of Conduct (BPCOC) [\[X\]](#) established by Continental's Executive Board, defines the fundamental requirements for our suppliers, and for their suppliers, including human rights and specifically the prohibition of forced labor and human trafficking. The Code of Conduct is updated regularly to reflect changes or adjustments to legislation. Where Continental is notified about violations of our Business Partner Code of Conduct, these are checked, and further, appropriate measures are initiated where necessary. Where business partners are proven to have violated our Business Partner Code of Conduct, Continental requests and monitors remedial measures and reserves the right to terminate the business relationship as a last resort.

As one of the largest manufacturers of rubber goods in the world, natural rubber is a raw material for business success. The group-wide Sustainable Natural Rubber Policy [\[X\]](#) 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. To further increase transparency and sustainability in Continental's natural rubber supply chain, the joint venture "Rubberway," (founded in 2019), was rolled out further for the digital risk analysis of the upstream supply chain. The joint project with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in the Indonesian province of West Kalimantan (in place since 2018), was also further expanded. By optimizing the supply chain and offering training in the sustainable cultivation of natural rubber, smallholders are supported in boosting the quantity, quality and yield of their produce and in this way improving their income. Thus, creating transparency in the supply chain to respect human right is key. A cultivation strategy designed around sustainability prevents clearing and deforestation, thereby conserving valuable resources. As part of a development project with Security Matters (SMX),

Continental is working on testing a tamper-proof means of verification of the geographical origin of natural rubber using marker technologies. In fiscal 2022, field testing was successfully completed, and the marker substance could be verified beyond doubt throughout the entire tire production process.

## 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 group sector 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 human relations and purchasing, have been trained and deployed to integrate human rights topics into their core functions.

### Own Operations

A working group led by Group Human Relations was set up to share knowledge and to drive and coordinate activities regarding labor standards, especially including the topic of forced labor and modern slavery.

### Supply Chain

Responsible sourcing is the responsibility of the relevant purchasing organizations, which are established at Continental by group sector, product group and country, for example. A corporate purchasing network regularly deals with responsible sourcing topics as well.

Sustainability aspects are also taken into consideration at various other points in supplier management. On the basis of various criteria, for example, selected suppliers are assessed with the help of self-assessment questionnaires, which include questions regarding the management of human rights and working conditions. Furthermore, selective local audits or other audit activities – such as in relation to the existence of management systems – are also carried out.

As at December 31, 2022, 1,009 valid supplier self-assessment questionnaires were available via the two sustainability platforms EcoVadis and NQC (PY: 631). This corresponds to a completion rate of 63% of suppliers selected for this process (PY: 53%). The increase in the number of available valid supplier self-assessment questionnaires and the higher completion rate are due to the onboarding of ContiTech suppliers in EcoVadis and the follow-up activities with suppliers to update and renew their self-assessment questionnaires.

Responsible value chain performance indicator	2022	2021
Number of available valid supplier self-assessment questionnaires (as at December 31) <sup>1</sup>	1,009	631

<sup>1</sup> Based on the self-assessment questionnaires via the sustainability platforms EcoVadis and NQC completed by suppliers selected for this process.

Additionally, we actively engage with our suppliers on specific risk topics identified by us e.g. natural rubber. As part this activity, Continental, GIZ and BMZ are also involved in training small farmers involved in the project in sustainable farming practices. These training sessions and optimization of the supply chain enable small farmers and their families to improve their income through higher raw material yields, and to encourage agroforestry. With these projects we aim to identify and mitigate potential risks for adverse impacts on human rights. Regarding 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 since 2020. The Group Quality group function coordinates the management of conflict minerals, including the corresponding reporting processes.

## Communication and Training

The Continental Code of Conduct describes the framework of Continental's alliance for creating top value from values based on the shared vision and mission and four corporate values: Trust, Passion To Win, Freedom To Act, and For One Another, as well as the sustainability of our actions. Amongst others, the Code of Conduct addresses the respect for human rights and fair working conditions. In fiscal 2022, 11,716 employees completed e-learning training on the Code of Conduct (PY: 6,378). In addition, 23,780 participants were recorded taking compliance e-learning courses on anti-corruption and antitrust law (PY: 117,000, including Vitesco Technologies), while 5,069 participants attended in-person training courses on anti-corruption and antitrust law (PY: 13,000 incl. Vitesco Technologies), most of which were conducted virtually as webinars. Participants in in-person training events are selected on a risk-based and target group-oriented basis.

Compliance training sessions	2022	2021
Employees who have completed e-learning on the Code of Conduct	11,716	6,378
Participants in e-learning courses on anti-corruption, antitrust law, or the Vitesco spin-off (in 2021)	23,780	- 117,000
Participants in in-person training courses on anti-corruption and antitrust law	5,069	- 13,000

<sup>1</sup> 2022 numbers include continuing operations only.

<sup>2</sup> 2021 numbers include continuing and discontinued operations.

We also continue to develop our approach for the responsible value chain in dialog with external stakeholders and support the development of industry-wide standards, for example through our participation in industry dialog with the German government on human rights in the automotive industry. Here, we have worked in particular to cultivate a shared understanding of industry risks and

due diligence requirements. We are also involved in initiatives and associations such as econsense, the Responsible Business Alliance (RBA) and the Global Platform for Sustainable Natural Rubber (GPSNR).

## Integrity Hotline and Case Management

Continental has an Integrity Hotline to give its employees and third parties outside of the Continental Group the opportunity to report violations or suspected violations with regard to a responsible value chain. 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, their employees, and family members of these people. Information may also be communicated anonymously via the hotline, where permitted by law. 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 which provide additional confidentiality protections.

The group functions Group Internal Audit, Group Security, and Group Compliance review and track the information received. Confirmed violations of our Code of Conduct will be sanctioned. In the event of any violation of our human rights regulations by our business partners, Continental explicitly reserves the right to demand corrective action or to terminate the business relationship.

The effectiveness of measures regarding the ambition of 100% responsible value chain including no forced labor is assessed along our own operations as well as along our value chains; for example with supplier self-assessments and the reach of training programs. These measures are part of the general continuous improvement of our sustainability management.

This statement was approved by the Executive Board of Continental AG in its capacity as principal governing body on May 31, 2023. For and on behalf of the Executive Board:



Dr. Ariane Reinhart

Executive Board Member for Group Sustainability and Group Human Relations, Continental AG

For more information visit: [www.continental.com](https://www.continental.com) or see the latest version of our [2022 Integrated Sustainability Report](#).

## Annex

Continental AG subsidiaries subject to this reporting in the United Kingdom:

### United Kingdom:

- > Application Solutions (Electronics and Vision) Ltd.
- > Bandvulc Tyres Ltd.
- > BV Environmental Ltd.
- > BV F1rst Ltd.
- > 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 Ltd.
- > Granite Investments Ltd.
- > IAV U.K. Ltd.
- > Kim Holdings Scotland Ltd.
- > Libra Associates (Properties) Ltd.
- > Merlett Plastics UK Ltd.
- > Phoenix Oil & Marine Ltd.
- > R & J Strang Tyre Services Ltd.
- > Semperit (UK) Ltd.
- > Specialised Belting Supplies Ltd.
- > TecAlliance Limited
- > Tyre Maintenance Ltd.
- > Vanvulc Tyres Ltd.
- > Viking Tyres (UK) Ltd.
- > Zytek Automotive Ltd.
- > Zytek Group Ltd.