



Responsible Value Chain

Natural Rubber

Coverage includes all direct natural rubber suppliers within Central Purchasing for volumes in 2023

Responsible Value Chain

Our Ambition:

Source all materials for our tire production by 2050 at the latest responsibly.



Managing our Impact

Responsible value chain



ACTION FIELD



Responsible Value Chain

→ labor standards, environmental protection, land rights, safety and health...

TARGET

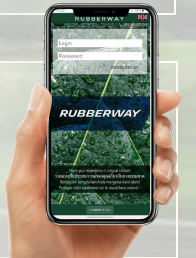
100% responsible sourcing and value chain

ENABLERS

- › Full commitment to our values!
- › Deep understanding of our business processes & supply chain; track and trace
- › Balance business knowledge and actions vs. our ambitions.
- › Incident management

PROOF POINT

- › Natural Rubber GIZ project, RubberWay, ...



Sustainable Materials

Definition

Fully Circular Loops

- › Our materials come from a closed-loop material flow.

Neutral Environmental Footprint

- › Our materials have minimal environmental impact including carbon neutrality along the entire supply chain.



No Harmful Impact

- › Our materials [*including material loss from our tires*] are not harmful for operators, users or the environment.

Responsible Value Chain

- › Our materials come from known source and supply chain due diligence has been applied leading to minimized social, environmental and human rights related risks.



By 2050 at the latest, our tires are made of 100 percent sustainable materials.



We strive for a **Responsible Value Chain**

- › We are fully committed to responsible natural rubber sourcing and proactively strive to minimize all environmental, human rights and social risks that we identify along our global supply chain.
- › We are fully committed to developing, promoting and implementing sustainable and responsible practices for natural rubber sourcing along the entire value chain.

Responsible Value Chain

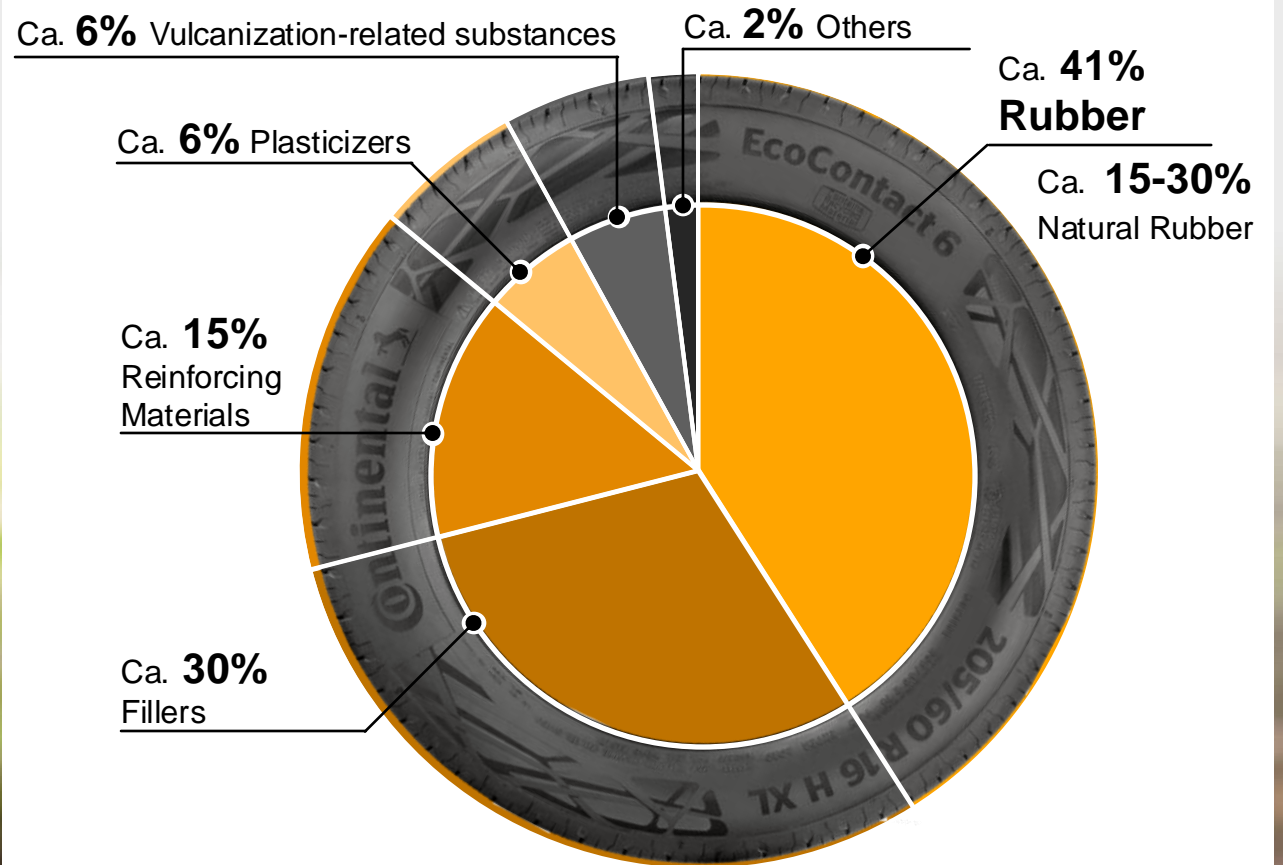
Why is responsibly sourced natural rubber important?

- › Natural rubber is derived from *Hevea brasiliensis*, a type of rubber tree grown primarily in the equator regions.
- › Natural rubber is a key raw material in tires and many other products.
- › 73% of the world's natural rubber consumption is used in tire production.*
- › Natural rubber has unique mechanical properties.



*Source: ETRMA

Materials of a standard tire (depending on the segment)



Responsible Value Chain

We strive for responsibly sourced natural rubber

OUR COMMITMENTS

- › Our **Sustainable Natural Rubber Policy** defines our commitments and guides our efforts to transform the supply chain.
- › We are a **founding member** of the **Global Platform for Sustainable Natural Rubber (GPSNR)**.

“ If responsibly managed, natural rubber is a sustainable product. ”



Responsible Value Chain

Projects “from tree to tire”

Natural Rubber Supply Chain



Projects:

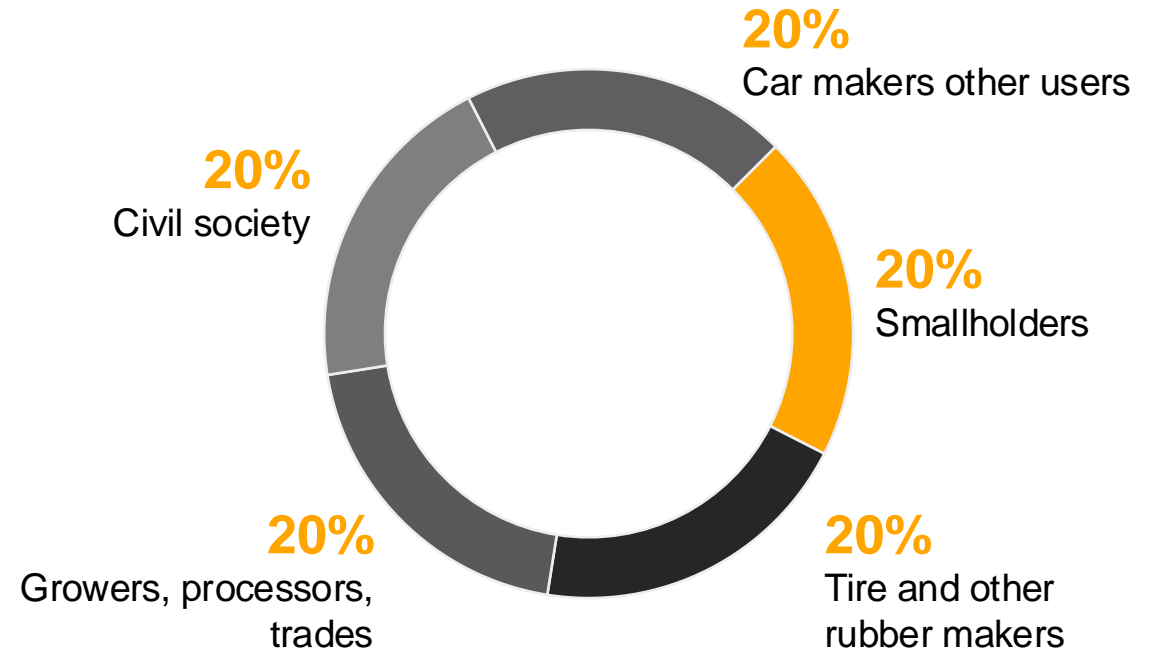


Responsible Value Chain

Global Platform Sustainable Natural Rubber (GPSNR)

- › The Singapore-based multi-stakeholder platform GPSNR was launched in 2018
- › Members of the platform
 - › Producers, processors and traders
 - › Tire makers and other rubber makers/buyers
 - › Car makers / other downstream users and financial institutions
 - › Civil society
 - › Smallholders
- › Continental is among the founding members
- › **Goal of platform:**
To harmonize standards to improve respect for human rights, prevent land-grabbing and deforestation, protect biodiversity and water resources, improve yields, and increase supply chain transparency and traceability.

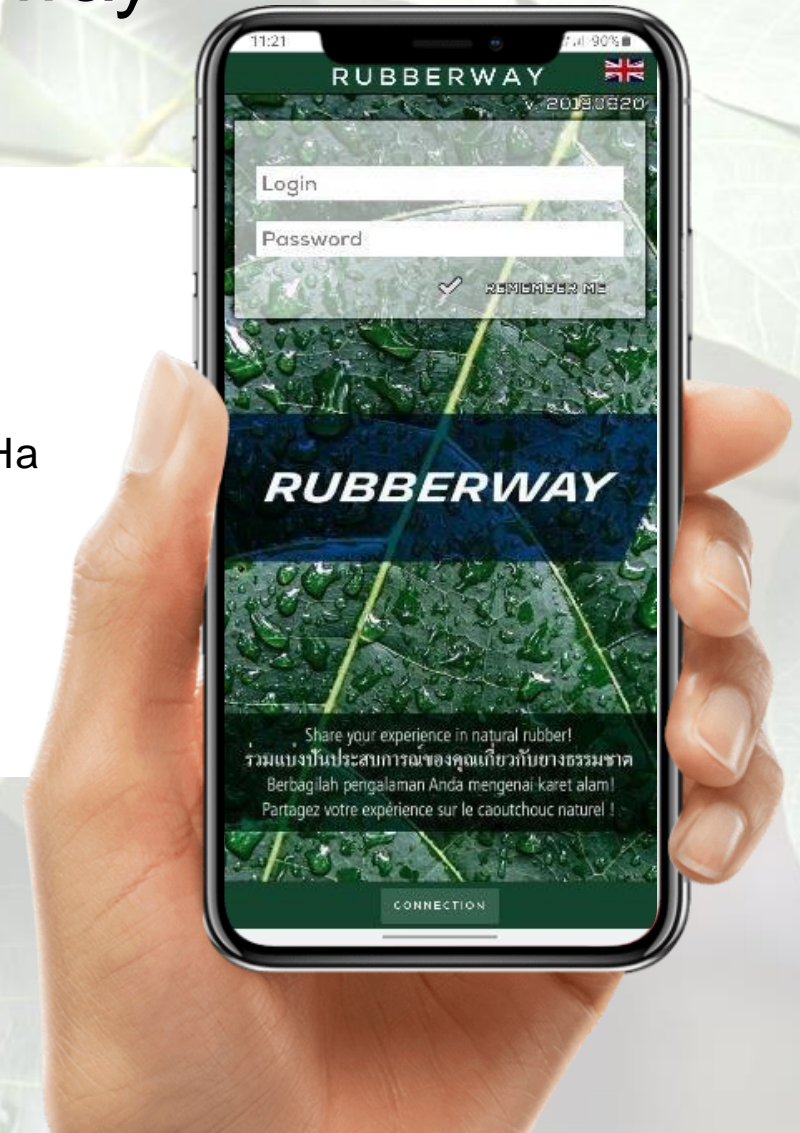
General Assembly



Responsible Value Chain

Transparency and risk mapping: Rubberway

- › Joint venture with Michelin and SMAG
- › Mobile app to assess and map social and environmental risks throughout the natural rubber supply chain
 - › Questionnaires for four supply chain levels: factories, intermediaries, smallholders / farmers, estates / plantations >50 Ha
 - › Web-based dashboard and interactive map
 - › Detailed analysis report with recommendations for improvement
- › Multilingual: English, Portuguese, French, Thai, Bahasa Indonesia
- › Already in use in Thailand, Indonesia, Ivory Coast, Nigeria, Ghana, Brazil



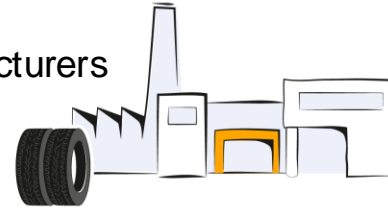
Responsible Value Chain

Transparency and risk mapping: Rubberway

Natural rubber industry faces social and environmental risks:

- › Poor working conditions
- › Low wage when low prices
- › Low yield in some countries pressure on land, farmers income
- › Land grabbing
- › Deforestation
- › Monoculture
- › Concentration in tropical areas, as rainforests

2 Tire
Manufacturers



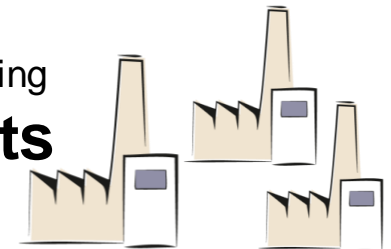
12 Natural Rubber
Suppliers



6 Countries

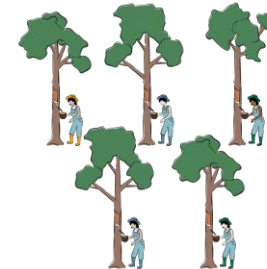


53 Processing
Plants



32,000

Interviews



29,000

Smallholders' Questionnaires

Responsible Value Chain

Transparency and risk mapping: EcoVadis

Natural rubber industry faces social and environmental risks:

Continental uses digital risk analysis systems to ensure compliance with the defined principles of its relevant purchasing policies. For all direct and centrally managed suppliers (Tier 1), we assess human rights, environmental and ethical risks in our suppliers' business and procurement processes, in particular using verified self-information with the help of third-party partners ([EcoVadis](#)). Continental set itself the target of obtaining valid, verified self-disclosure from all direct suppliers of the central purchasing volume by 2025 at the latest.



Natural Rubber Supply Chain

Continental Tires

Responsible Value Chain

Results reporting year 2023*



[Link](#)

In the Spotlight

Responsible Sourcing of Natural Rubber

Over the past fiscal year, Continental further developed its management approach for the strategic dimension of responsibly sourced natural rubber. All activities here are compliant with the human rights and due diligence guidelines of the Organisation for Economic Cooperation and Development (OECD). Continental's Responsibly Sourced Natural Rubber (RSNR) framework is based on digitalization, risk assessment, risk mitigation and training.

All the principles are laid out in Continental's Sustainable Natural Rubber Sourcing Policy, which has been fully harmonized with the multi-stakeholder policy framework of the Global Platform for Sustainable Natural Rubber (GPSNR). To ensure compliance with the defined principles of relevant purchasing policies, we use digital systems. For all direct and centrally managed suppliers (Tier 1), Continental assesses risks related to human rights, the environment and ethical risks in its suppliers' business and procurement processes, in particular by reviewing verified self-provided information with the help of third-party partners (e.g. EcoVadis, audits). In fiscal 2023, as in fiscal 2022, Continental successfully reached 100 percent coverage by volume of all direct natural rubber suppliers within Central Purchasing in terms of Policy acceptance and verified self-risk assessment. In addition, approximately 91 percent of our direct natural rubber suppliers (by volume) attained the ISO 14001 environmental management system certification. We expect our suppliers, service providers and partners to progressively implement the requirements set out in our Sustainable Natural Rubber Sourcing Policy and our Code of Conduct in their respective supply chains. To increase transparency and sustainability along its supply chain, Continental is actively working with its competitors and stakeholders in various collaborative industry approaches. For example, as a driver of innovation in the natural rubber sector, Continental, together with certain partners (Michelin, SKF) as fellow shareholders, has been successfully implementing the joint venture "Rubberway", a digital system for risk assessment in the upstream supply chain (Tier 1 - Tier 2). In fiscal 2023, Continental achieved approximately 91 percent coverage by volume of all direct natural rubber suppliers within Central Purchasing - and is on track to reach full coverage in 2024. In 2023, Rubberway also expanded its function to ensure traceability of natural rubber back to the plot of land where it was produced as well as the necessary due diligence procedures. Other tire manufacturers have also joined Rubberway as users of this system.

In terms of risk mitigation and prevention, Continental is engaged in and conducting various projects. The partnership between Continental and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in Indonesia marks our largest project.

As part of this development partnership, Continental is getting involved right at the start of the supply chain in Indonesia, the world's second-largest producer of natural rubber. Production here is mainly carried out by independent smallholders. The farmers mostly live scattered around remote areas, making it difficult to reach them with offers of advice and training. As part of a joint development partnership, Continental and the GIZ are training smallholders locally in sustainable cultivation practices. This helps the farmers to cultivate higher-quality natural rubber, which in turn helps secure the livelihoods of many smallholdings while also preventing deforestation. The number of farmers involved increased from 450 to 4,000 by the end of 2023. The project will be concluded in 2024.

Continental is committed to improving the livelihoods of smallholders worldwide. As a founding member of the GPSNR, Continental works together with other partners to not only further increase traceability in the value chain for natural rubber but also increase capacity building (e.g. by delivering training, infrastructure and incentives). The GPSNR and its stakeholders collectively account for more than 50 percent of the global demand for natural rubber and represent all stages of the value chain. Together, they are working to build a fair and equitable value chain. In 2022, Continental was elected to the Executive Committee (EC) by the GPSNR plenary meeting. In addition, Continental is actively involved in working groups on the platform, shares relevant project experience and supports capacity building activities. Continental disclosed relevant information as set out in the GPSNR reporting requirements in 2023.

In 2023, the European Union (EU) passed a new legislation named the EU Deforestation Regulation (EUDR). The scope of this regulation includes natural rubber and its derivatives (e.g. tires, belts) as well as other commodities. From December 30, 2024, onward, only traceable products that comply with the relevant legal requirements may enter the EU. The EUDR requires the implementation of plot-of-land traceability, which represents a challenge within the complex and fragmented smallholder supply chains on a very ambitious timeline. For this reason, the Tires and ContiTech group sectors set up a project in 2023 that is aimed at ensuring compliance with this legislation. Based on the results of this project, Continental will review its Responsibly Sourced Natural Rubber Concept and resource allocation into all its activities.

- ☑ **100%** Coverage of Tier-1 suppliers with EcoVadis Risk Assessments
- ☑ **91%** of Tier-1 supplier certified by ISO14001
- ☑ **74%** of Purchasing Volume risk assessed by Rubberway (Tier-1 to Tier-n)
- ☑ **4000** smallholder farmers trained in Indonesia project with GIZ
- ☑ GPSNR reporting accomplished

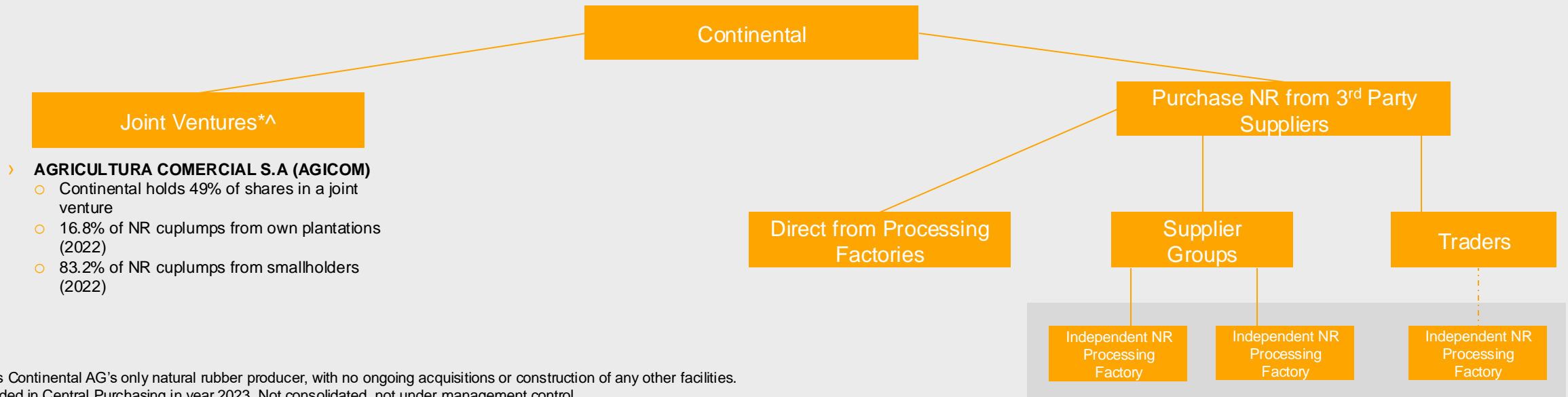
* KPI development and calculation ongoing and regularly updated.

Responsible Value Chain

Natural Rubber Supply Chain

Continental sources its natural rubber mainly through 3rd Party natural rubber suppliers (direct from processing factories, supplier groups, traders). Additionally, Continental also purchases natural rubber from AGRICULTURA COMERCIAL S.A. (AGICOM), which is the only natural rubber producer that Continental owns a stake in.

Our responsible value chain commitments are focused on upholding human rights, minimizing environmental impacts, improving the livelihoods of communities, and creating a fair and sustainable value chain. This is applicable to all aspects of our natural rubber supply chain.



*Agicom is Continental AG's only natural rubber producer, with no ongoing acquisitions or construction of any other facilities.

^Not included in Central Purchasing in year 2023. Not consolidated, not under management control.

Summary of Tier-1 Natural Rubber Supplier Groups

Detailed

Supplier ID	Region	Country	No. of processing factories delivering to Continental	Policy Acknowledgement	Tier-1 ** Risk Assessment	Tier-n ** Risk Assessment	ISO14001	NR Sourcing	
								Own Plantations	3 rd Party Suppliers
19 (Total)	3	7	50 *	50	50	44	43	11	49
1	Asia	Indonesia	1	Yes	Yes	Yes	Yes	No	Yes
2	Asia	Malaysia	1	Yes	Yes	Yes	Yes	No	Yes
3	Asia	Thailand	1	Yes	Yes	Yes	Yes	No	Yes
4	Asia	Indonesia	1	Yes	Yes	Yes	Yes	No	Yes
5	Asia	Indonesia	4	Yes x 4	Yes x 4	Yes x 4	Yes x 3 / No x 1	No x 4	Yes x 2
	Africa	Ivory Coast	2	Yes x 2	Yes x 2	Yes x 2	Yes x 2	Yes x 2	Yes x 2
6	LATAM	Guatemala	1	Yes	Yes	Yes	Yes	Yes	Yes
7	Asia	Indonesia	3	Yes x 3	Yes x 3	Yes x 3	Yes x 3	No x 3	Yes x 3
8	Africa	Ivory Coast	2	Yes x 2	Yes x 2	Yes x 1 / No x 1	No x 2	Yes x 1 / No x 1	Yes x 2
9	Asia	Indonesia	1	Yes	Yes	Yes	No	No	Yes
10	Asia	Indonesia	1	Yes	Yes	Yes	Yes	Yes	No
11	Asia	Malaysia	5	Yes x 5	Yes x 5	Yes x 5	Yes x 5	No x 5	Yes x 5
12	Africa	Ivory Coast	1	Yes	Yes	Yes	Yes	Yes	Yes
13	Africa	Ivory Coast	4	Yes x 4	Yes x 4	Yes x 4	Yes x 4	Yes x 3 / No x 1	Yes x 4
		Cameroon	1	Yes	Yes	Yes	No	Yes	Yes
		Liberia	1	Yes	Yes	Yes	No	Yes	Yes
14	Asia	Indonesia	1	Yes	Yes	Yes	Yes	No	Yes
		Thailand	2	Yes x 2	Yes x 2	Yes x 2	Yes x 2	No x 2	Yes x 2
15	Asia	Indonesia	2	Yes x 2	Yes x 2	Yes x 2	Yes x 2	No x 2	Yes x 2
		Thailand	5	Yes x 5	Yes x 5	Yes x 3 / No x 2	Yes x 5	No x 5	Yes x 5
16	Asia	Indonesia	2	Yes x 2	Yes x 2	No x 2	Yes x 1, No x 1	No x 2	Yes x 2
17	Asia	Thailand	5	Yes x 5	Yes x 5	Yes x 5	Yes x 5	No x 5	Yes x 5
18	Asia	Thailand	2	Yes x 2	Yes x 2	Yes x 2	Yes x 2	No x 2	Yes x 2
19	Asia	Thailand	1	Yes	Yes	No	Yes	No	Yes

* Continental has 100% traceability of all listed factories (i.e. verifiable locations of natural rubber processing facilities belonging to our approved third-party Natural Rubber suppliers (Tier -1)).

** Tier-1 Risk Assessment as per EcoVadis and/or RubberWay Factory Questionnaire; Tier-n Risk Assessment as per RubberWay Intermediary, Estate or Smallholder Questionnaires

List of Jurisdictions/Sourcing Districts*

Smallholders

*Data extracted from all volumes mapped via RubberWay Risk Mapping tool

**Located in Grand Bassa County

Africa				Latin America					
Ivory Coast				Liberia	Guatemala				
Abengourou	Bettie	Grand-Bassam	Sassandra	District #3**	Ayutla	El Rodeo	Malacatán	Retalhuleu	San Miguel Panán
Abidjan	Bongouanou	Guiglo	Sikensi	District #4**	Catarina	El Tumbador	Mazatenango	Río Bravo	San Pablo
Aboisso	Bouafle	Issia	Soubre	Neekreen	Chicacao	Escuintla	Morales	Samayac	Santa Bárbara
Adiaka	Dabou	Jacqueville	Tabou		Coatepeque	Flores Costa Cuca	Nueva Concepción	San Antonio	Santa Cruz Muluá
Adzope	Daloa	Kouibly	Tai		Cobán	Fray Bartolomé de Las Casas	Nuevo Progreso	Suchitepéquez	Santa Lucía Cotzumalguapa
Agboville	Danane	Koun Fao	Tiapoum		Colomba	Génova	Nuevo San Carlos	San Bernardino	Santo Domingo
Agnibilekrou	Daoukro	Man	Tiassale		Cuyotenango	Ixcán	Pajapita	San Francisco Zapotitlán	Suchitepéquez
Akoupe	Duekoue	MBatto	Yakasse-		Dolores	La Democracia	Patulul	San José El Ídolo	Siquinalá
Alepe	Facobly	Meagui	Attobrou		El Asintal	Lívingston	Pochuta	San José La Máquina	Tiquisate
Arrah	Fresco	San Pedro	Yamousoukro		El Estor	Los Amates	Puerto Barrios	San Juan Bautista	Tucurú
								San Lorenzo	
Asia									
Indonesia					Malaysia				
Asahan	Deli Serdang	Landak	Pasaman	Sintang	Alor Gajah	Kota Setar	Melaka Tengah	Sik	
Bandar Lampung	Gunung Mas	Lubuk Linggau	Pekan Baru	Solok	Baling	Kuala Kangsar	Padang Terap	Tampin	
Bangka Barat	Jakarta Barat	Mandailing Natal	Pontianak	Tapanuli Selatan	Batang Padang	Kuala Krai	Pasir Mas	Tanah Merah	
Banyuasin	Jakarta Pusat	Muara Enim	Prabumulih	Tapanuli Tengah	Bentong	Kuala Muda	Pendang	Temerloh	
Belitung Timur	Jambi	Muaro Jambi	Rokan Hilir	Tebo	Bera	Kuala Pilah	Perak Tengah		
Bengkulu	Labuhan Batu	Musi Banyu Asin	Rokan Hulu	Tulang Bawang	Hulu Perak	Kuantan	Port Dickson		
Bengkulu Utara	Lampung Barat	Ogan Komering Ilir	Sanggau	Way Kanan	Jempol	Larut & Matang	Raub		
Bogor	Lampung Selatan	Ogan Komering Ulu	Sawahlunto		Jerantut	Lipis	Rembau		
Bulukumba	Lampung Tengah	Padang	Simalungun		Kinta	Manjung	Seberang Perai Tengah		
Bungo	Lampung Timur	Palembang	Sinjai		Kota Bharu	Maran	Seremban		
Thailand									
Amnat Charoen	Chon Buri	Kalasin	Nakhon Si Thammarat	Pattani	Phrae	Sakon Nakhon	Sukhothai	Trat	
Bangkok	Chumphon	Krabi	Nan	Phangnga	Phuket	Satun	Surat Thani	Ubon Ratchathani	
Bueng Kan	Chachoengsao	Loei	Nong Bua Lam Phu	Phatthalung	Rayong	Si Sa Ket	Surin	Udon Thani	
Buri Ram	Chanthaburi	Mukdahan	Nong Khai	Phitsanulok	Roi Et	Songkhla	Trang	Yala	

List of Jurisdictions/Sourcing Districts*

Estates and industrial plantations

*Data extracted from all volumes mapped via RubberWay Risk Mapping tool

**Located in Grand Bassa County

Africa				
Cameroon	Ivory Coast			Liberia
Cameroon	Abengourou	Bocanda	Prikro	District #3**
	Abidjan	Gagnoa	San Pedro	District #4**
	Aboisso	Grand-Bassam	Sassandra	Neekreen
	Adzope	Guiglo	Soubre	
	Agboville	Issia	Taabo	
	Akoupe	Koun Fao	Tai	
	Alepe	MBatto	Yakasse-Attobrou	

Latin America				
Guatemala				
Catarina	El Estor	La Reforma	Panzós	San Juan Bautista
Chicacao	El Tumbador	Lívingston	Patulul	San Miguel Panán
Coatepeque	Flores Costa Cuca	Mazatenango	Puerto Barrios	Santa Bárbara
Cobán	Fray Bartolomé de Las	Morales	Retalhuleu	Senahú
Colomba	Casas	Nueva	Río Bravo	Siquinalá
Cuyotenango	Génova	Concepción	San Antonio	Tucurú
	Ixcán	Pajapita	Suchitepéquez	

Asia		
Indonesia	Malaysia	Thailand
Banyumas	Bentong	Buri Ram
Belitung Timur	Hulu Perak	Phuket
Bungo	Kuala Krai	Si Sa Ket
Cilacap	Kuala Lumpur	Surat Thani
Muara Enim	Lipis	Surin
Musi Banyu Asin	Perak Tengah	Ubon Ratchathani
Ogan Komering Ilir		
Palembang		
Pekalongan		
Semarang		