

Questions from NGO Dachverband der kritischen Aktionärinnen und Aktionäre and Western Sahara Resource Watch to the Executive Board of Continental AG at the Annual General Meeting on July 14, 2020.

NGOs have repeatedly called on your company to cease activities associated with the conveyor belt of the OCP BouCraa mine in occupied Western Sahara. In 1971, Continental participated in the construction of the 100km conveyor belt, which transports phosphate rock to the coast for export. Today ContiTech still supplies OCP with replacement belts that keep the belt running and thus enable the illegal mining of the phosphate. The exploitation of mineral resources without the explicit consent of the Sahrawi people is a violation of international law, according to the legal opinion of Hans Corell, former UN Under-Secretary-General for Legal Affairs and Legal Counsel to the United Nations. This has prompted investors worldwide, such as the Norwegian and Swedish pension funds, to sell their shares in companies involved in phosphate mining in Western Sahara. When the contract expired on June 30, 2020, ContiTech had the opportunity to finally withdraw from this business and end its support for the violation of international law.

In cooperation with Western Sahara Resource Watch, we therefore direct the following questions to ContiTech, or respectively Continental:

1. Has the supply contract with OCP been extended in the meantime?
2. If so, with what term? Will it still be possible in future that the replacement conveyor belts that you contractually provide to OCP are used in the conveyor belt system of the BouCraa mine in occupied Western Sahara?
3. If the contract has not yet been renewed, will you make sure in the new contract that the replacement conveyors will NOT be used in the occupied Western Sahara?
4. The UN-recognized representative of the Sahrawi people, the Polisario Front, wrote a letter to Continental in March this year, clarifying that the Sahrawi people have never given their consent to Continental's activities and calling on Continental to end its cooperation with OCP in Western Sahara. If the contract has been extended and Western Sahara has not been excluded from the contracts with OCP, how does Continental justify this in the light of Hans Corell's legal opinion and the Sahrawi people's explicit rejection of its activities?
5. Do you intend to obtain the agreement of the Polisario Front, should your future economic activities allowed the mining and export of phosphate from occupied Western Sahara by providing (replacement) conveyor belts?
6. OCP's subsidiary, Phosboucraa, plans to build and expand the following infrastructure for the mine in occupied Western Sahara by 2022 (source: <http://www.phosboucraa.ma/industry/industrial-strategy/industrial-program>): Hopper systems, storage and handling capacities, washing plant and flotation unit, drying plant for export, processing platform, fertilizer factory, expansion of the port for import and export (new quay). Does Continental rule out the possibility that a new contract will enable OCP to use Continental's products in the planned expansion of the mine's infrastructure?
7. Can ContiTech guarantee that in the event of an extension, the existing supply contract has not been/will not be extended to include maintenance obligations that include plants in occupied Western Sahara?

Answer from the Executive Board (Dr. Ariane Reinhart):

Finally, a large number of questions from the *Dachverband der Kritischen Aktionärinnen und Aktionäre* address the business relationship between ContiTech and OCP, Morocco, regarding the supply of conveyor belts. In order for you, dear shareholders, to be able to understand these questions, we have preceded the questions with the main points of a statement that we have received from the *Dachverband* on this complex of questions, without adopting this statement as our own:

The *Dachverband* states that non-governmental organizations had repeatedly called on Continental to cease activities associated with the conveyor belt of the OCP BouCraa mine in the occupied Western Sahara. In 1971, Continental had participated in the construction of the 100km conveyor belt, which transports phosphate rock to the coast for export. ContiTech still supplied OCP with replacement belts today. According to the legal opinion of Hans Corell, former UN Under-Secretary General for Legal Affairs and Chief Legal Advisor of the United Nations, the exploitation of mineral resources without the explicit consent of the Sahrawi people was a violation of international law. With the expiration of the contract on June 30, 2020, ContiTech had had the opportunity to withdraw from this business. The UN-recognized representative of the Sahrawi people, the Frente Polisario, had made it clear in a letter to Continental in March of this year that the Sahrawi people had never given their consent to Continental's activities. OCP's subsidiary, Phosboucraa, planned to build and expand the infrastructure for the mine in occupied Western Sahara by 2022.

In cooperation with Western Sahara Resource Watch, the *Dachverband* therefore asked the following questions:

- Has the supply contract with OCP been extended in the meantime?
- If so, with what term? Will it still be possible in future that the replacement conveyor belts that you contractually provide to OCP are used in the conveyor belt system of the BouCraa mine in occupied Western Sahara?
- If the contract has not yet been renewed, will you make sure in the new contract that the replacement conveyors will NOT be used in the occupied Western Sahara?
- If the contract has been extended and Western Sahara has not been excluded from the contracts with OCP, how does Continental justify this in the light of Hans Corell's legal opinion and the Sahrawi people's explicit rejection of its activities?
- Do you intend to obtain the agreement of the Polisario Front, should your future economic activities allowed the mining and export of phosphate from occupied Western Sahara by providing (replacement) conveyor belts?
- Does Continental rule out the possibility that a new contract will enable OCP to use Continental's products in the planned expansion of the mine's infrastructure?
- Can ContiTech guarantee that in the event of an extension, the existing supply contract has not been/will not be extended to include maintenance obligations that include plants in occupied Western Sahara?

Mr. Werning from Union Investment also asks whether ContiTech has examined this business relationship and terminated it at short notice like other companies, and if not, why not.

We would now like to comment on these questions in summary as follows: We would like to point out that Continental is neither active in Western Sahara nor does it supply directly to Western Sahara. This will not change either. The supply contract to which you refer has not yet been extended. Whether a new contract will be concluded and, if so, what its content would be, cannot be

said at present. The dialog on this matter is still ongoing, but of course we cannot discuss details from the current dialog.

The status of the Western Sahara region has remained unresolved for decades. Like many other interested parties, we hope for a peaceful solution to the overall situation, and we deeply regret that after all this time and despite all efforts, a political solution is not in sight. Our business activities have no political background whatsoever, and together with the international community and the United Nations, we hope that adequate political processes will lead to a peaceful solution of this still open conflict for the benefit and in the interest of the people of Western Sahara.