

Ms. Sara Eyckmans  
coordinator@wsrw.org

by eMail

Northeim, February 10, 2021

Dear Ms. Eyckmans,

Thank you very much for your good wishes, and please accept my best wishes for you in return. Health and happiness are indeed major blessings and assets as we all strive to navigate the “new normal” in the wake of the COVID-19 pandemic.

I would also like to use this opportunity to briefly update you on the status of our supply contract. As you are aware, for our Jorf Lasfar location we had signed a five-year cooperation agreement for the supply of spare parts. This agreement expired in 2020, and ContiTech has – for financial and strategy-related reasons – decided not to renew it.

As a means of maintaining the competitiveness of our global conveyor belt portfolio and future-proofing our corporate strategies, we routinely assess all related activities worldwide. This naturally also applies to our business activities in Jorf Lasfar. However, we have not been able to realize expanding business relationships with new customers in the Northern Africa region that would have helped to ensure necessary, sustainable growth for our location. Given that as well as the steady decline in production volumes at our location over the years, the lack of any prospects for future growth and the expiration of our cooperation agreement, we opted to phase out production in Jorf Lasfar by the end of December 2020. We will therefore be ramping down our activities there over the course of the next few months, sell or scrap manageable amount of remaining conveyor belt stock and will then close the location entirely by the end of June. However, as a company we remain committed to Morocco.

This is part of our ongoing global structural realignment program for the years 2019-2029 as announced in September of 2020 (<https://www.continental.com/en/press/press-releases/structural-program-189618>), the aim of which is to boost efficiency and productivity by means of organizational and portfolio-related adjustments.

I hope this gives you a better understanding of the situation. Please understand not being able to comment on any further customer-related issues as this is our companies' general principle.

Once again in closing, please accept my very best wishes for your health and happiness.

Sincerely,



Hannes Friederichsen  
Executive Vice President  
Business Unit Conveying Solutions