

Counter-motion by the Association of Ethical Shareholders regarding the Annual Shareholders' Meeting of Continental AG on July 14, 2020

On agenda item 3: Resolution on the ratification of the actions of the Executive Board members for fiscal year 2019

The Association of Ethical Shareholders moves that the actions of the members of the Executive Board not be ratified for fiscal year 2019.

Reasoning:

The Executive Board of Continental AG is not sufficiently meeting its responsibility to implement more effective climate protection measures and to comply with human rights due diligence requirements.

Failure to comply with the UN provisions on human rights due diligence

Furthermore, Continental still does not fully comply with the requirements of the UN Guiding Principles on Business and Human Rights (UNGPs) as they relate to corporate conduct. Continental does not sufficiently document how and whether human rights risks are identified, assessed and minimized. Measured against Germany's 20 largest corporations, six of these are better positioned in this respect than Continental. This is the result of a recent study conducted by the Business & Human Rights Resource Centre and the ZHAW School of Management and Law: <https://www.business-humanrights.org/de/kurzbewertung-deutscher-unternehmen>

Support for the illegal mining of raw materials in the occupied territories of Western Sahara

As shown by the example of Western Sahara, Continental must step up its efforts to assess human rights risks. Phosphate from the Bou Craa mine in the occupied territories of Western Sahara, which is mined by Morocco's state-owned OCP Group in violation of international law, is transported along a 100km-long conveyor belt that uses spare parts still supplied by Continental AG. By supplying these spare parts, Continental AG is supporting Morocco's illegal occupation of the territory. While the contract with OCP expired on June 30, 2020, there were no indications at that time that Continental AG would be terminating the relationship.

If the contract has been extended without excluding Western Sahara, Continental AG will be acting without the consent required under international law of the people of Western Sahara, whose UN-recognized representative, Polisario, has sent a letter to Continental calling for an end to this relationship.

Climate targets must be compatible with the Paris Agreement on climate change

Continental AG must make a much greater effort to ensure that the 1.5°C goal set out by the Paris Agreement on climate change can be reached. This limit is the only way to significantly reduce the risks and consequences of climate change borne by future generations as well as by the people and ecosystems of the southern hemisphere, in particular.

If every corporation had the same climate footprint as Continental until 2050, this would result in an enormous 4.1°C increase in global temperatures. Even worse: if Continental were to actually implement its own climate targets, this would still amount to an increase of 2.9°C. This was shown in a report published by the Right consulting firm in late 2019: <https://www.right-basedonscience.de/>