

Continental and Employee Representatives Agree on Social Plan for Employees of the Tire Plant in Aachen

- **Reconciliation of interests and extensive social plan concluded**
- **Tire production in Aachen to be maintained until the end of 2022 at the latest; establishment of transfer company agreed**
- **Training initiative includes individual training and further education offers at full pay (“from work to work”)**
- **Agreement sets out conditions for the development of viable re-use concepts**

Hanover, Aachen, April 27, 2021. In a reconciliation of interests and comprehensive social plan, Continental and the employee representatives of the tire plant in Aachen have agreed on the general conditions for the socially responsible discontinuation of tire production by the end of 2022 at the latest. In addition to financial compensation, the social plan includes numerous measures to provide the best possible support for affected employees during the transformation phase.

The social partners have agreed to continue tire production in Aachen with up to 1,200 employees for longer than originally planned: instead of the end of 2021, they now envisage the gradual phasing out of production by the end of 2022 at the latest. In addition, up to 500 employees are to remain at the tire plant in 2023. The entire adjustment will be accompanied by a comprehensive training initiative. The aim is to enable as many employees as possible to make the direct transition “from work to work”. For employees close to retirement age, the extension will also simplify the transfer to a statutory pension. A transfer company is to be set up for the training and procurement of follow-up employment on the job market. The social partners have also agreed on a volunteer program.

“The discontinuation of tire production in Aachen is painful. We are aware of the consequences of this step for our employees, and we stand by our responsibility,” says Continental Executive Board member for Human Relations Dr. Ariane Reinhart, adding: “We can only overcome the transformation of our industry and its jobs through a practiced and resilient social partnership. The agreement now reached creates clarity and prospects for our employees in Aachen and is an expression of the social partners’ ability to shape the future. Our training initiative is intended to enable the affected employees to make as direct a transition as possible ‘from work to work.’”

The employees of the tire plant have the opportunity to retrain for the internal and external job market at full pay. Unskilled and semi-skilled employees in particular can, for example, complete a further training course certified by the German chambers of industry and commerce at the company's own CITT (Continental Institute for Technology and Transformation) with the option of obtaining a full professional qualification. In addition, the company will ensure that all trainees at the tire plant in Aachen can complete their training at Continental.

The agreement now reached on the production period is another important prerequisite for the ongoing talks on the viable re-use of the factory premises, as it will enable conceivable concepts to be developed. To this end, Continental will maintain an open dialog with all stakeholders and work in close coordination with them. This also includes the participants of the roundtable for the city of Aachen that was set up for this discussion.

The discontinuation of production in Aachen is unavoidable due to the massive structural overcapacity in the European tire market. It has not been growing for several years and a recovery in market demand is not expected in the foreseeable future. Continental must therefore adjust its production capacity to the declining market trend in order to secure the competitiveness and future viability of its remaining tire production in the long term. The tire plant in Aachen is the smallest and also the most cost-intensive site in the company's European production network.

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. Continental generated sales of €37.7 billion in 2020 and currently employs more than 235,000 people in 58 countries and markets. In 2021, the company celebrates its 150th anniversary.

The **Tires business area** has 24 production and development locations worldwide. Continental is one of the leading tire manufacturers with more than 56,000 employees and posted sales of €10.2 billion in 2020 in this business area. Continental ranks among the technology leaders in tire production and offers a broad product range for passenger cars, commercial and special-purpose vehicles as well as two-wheelers. Through continuous investment in research and development, Continental makes a major contribution to safe, cost-effective and ecologically efficient mobility. The portfolio of the Tires business area includes services for the tire trade and fleet applications, as well as digital management systems for tires.

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