

ContiTech AG • PO Box 169 • 30001 Hanover • Germany

For the attention of  
Sara Eyckmans  
Coordinator  
Western Sahara Resource Watch

Hanover, April 10, 2017

## Regarding ContiTech deliveries of conveyor belts in Morocco

Dear Ms. Eyckmans,

We appreciate the opportunity to explain the background of our conveyor belt business in Morocco which you addressed in your letter to our CEO Dr. Elmar Degenhart. For reasons of operative responsibility we would like to respond on his behalf, while ensuring that a copy of our letters will be shared with him in parallel.

We would like to emphasize that Continental is a participant in the United Nations Global Compact initiative. In doing so, we have been demonstrating our commitment to its ten principles in the area of human rights, labor, environment, and anti-corruption for many years. They represent the basis for our global business activities.

For your information, our answers to your questions are as follows:

1. *According to the website article mentioned above, ContiTech has supplied ST 2500 STAHLCORD conveyor belts to Phosboucraa. When was that equipment delivered?*

The conveyor belt ST 2500 Stahlcord was delivered in 1971 to a plant manufacturer that was contracted by the mine operator. In general, mine operators contract their plant manufacturers to ensure comprehensive installations. ContiTech or Continental are neither a mine operator nor are they design or erect comprehensive plants or installations. Rather, it is our business to manufacture conveyor belts, which typically are integrated into the installations built by a third party who delivers directly or indirectly to mining operators.

2. *Has ContiTech made any other deliveries or maintenance on the Phosboucraa conveyor belt since?*

We entered into a framework agreement with OCP S.A. to ensure replacement demands when needed. Accordingly, we still receive replacement orders from all OCP sites, including Phosboucraa, for all types of conveyor belts.

3. *When was the last time ContiTech took part in such work?*

We still receive replacement belt orders from OCP for all types of conveyor belts and deliver them to the port of Casablanca (CFR).

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4. *The website article mentions that the Phosboucraa mine is located in Morocco. Why?*

The content of our website is not meant to make any statement about or take a particular position as to sovereignty over the territory of West Sahara. We regret the accidental error that we recognized Western Sahara as a part of Kingdom of Morocco. Within the scope of the re-launch of our ContiTech websites, which has been projected more than one year ago and which has been released on April 7, the webpage with the mentioned content has not been taken over.

5. *In a press release from August 2015, your company states that it was to build a conveyor belt production facility in Morocco. Is the cooperation agreement with OCP for this production also covering the conveyor belt in Western Sahara?*

The agreement provides for the supply of replacement conveyor belts from ContiTech to all OCP sites.

6. *If yes, when does such contract expire?*

The current contract will regularly expire five years after the start of the construction works.

7. *Has the production facility – which was said to be completed by mid-2016 – been completed?*

The construction of the facility has been completed. Production started at the beginning of April 2017.

8. *What steps has Continental/ContiTech taken to assure itself of the express consent of the Saharawi people to the material support delivered to Phosboucraa's exploitation of their occupied homeland's resources, in line with the judgment of the CJEU?*

The judgment of the CJEU holds that Western Sahara cannot be deemed included in certain agreements made by the EU and the Kingdom of Morocco. Our business activities are not inconsistent with such ruling. Furthermore, the respect for freedom, democracy and human rights is an essential principle. It creates the framework for our operations and is prerequisite for our success. Continental does not tolerate any form of discrimination based on characteristics protected by applicable law.

In case of further questions or requests with regard to an enhanced assessment of this matter, please do not hesitate to contact us again.

Sincerely,  
Hannes Friederichsen  
Head of ContiTech's Conveyor Belt Group Business Unit