

Continental Draws a Line Under Fine Proceedings



PUBLISHED APR 25, 2024
BY [CONTINENTAL AG](#)

Public prosecutor's office in Hanover has fined Continental €100 million

- Reason: negligent breach of supervisory duties in connection with the supply of engine control units and engine control unit software in Continental's former powertrain business (Vitesco Technologies)
- Calculation of fine takes into account, in Continental's favor, the company's full cooperation and assistance with the investigation, as well as its strengthened compliance structures
- Continental has accepted fine and will not appeal decision
- Fine will not lead to any significant additional impact on earnings thanks to a provision set aside for this purpose in previous years

Hanover, April 25, 2024. The public prosecutor's office in Hanover today issued a fine totaling €100 million against Continental AG and individual subsidiaries because of a negligent breach of supervisory duties in connection with the supply of engine control units and engine control unit software (including for the VW EA189 1.6l). The fine consists of a penalty portion totaling €5 million and a levy of economic benefits totaling €95 million. The proceedings relate to the business activities of Continental's former powertrain division, which was spun off to form Vitesco Technologies in 2021.

Continental has accepted the decision, following intensive discussions with the public prosecutor's office in Hanover and a detailed review, and will not be taking the matter to appeal. It is in the company's interests that the fine proceedings have been brought to an end.

Continental has been cooperating fully with the public prosecutor's office, including regularly sharing the results of its own investigation with the authorities. The company has significantly strengthened compliance, created an independent Executive Board function for

Integrity and Law, and further expanded its technical compliance system. This was taken into account in Continental's favor when calculating the fine.

Olaf Schick, Executive Board member for Integrity and Law:

It is important and in our own interests that we draw a line under the fine proceedings. We have made the topic of integrity our top priority, creating a new organizational structure and mandating intensive training for our employees. We are committed to this process and will continue to invest in the integrity of the company.

The fine will not lead to any significant additional impact on earnings in fiscal 2024 thanks to a provision set aside for this purpose in previous years. As at December 31, 2023, a provision amounting to a high eight-figure sum had been set aside to cover risks of fines arising from the proceedings conducted by the public prosecutor's office in Hanover.

On the basis of and in accordance with existing contractual provisions, Vitesco Technologies is in this respect generally obligated to indemnify Continental against the ensuing costs and liabilities. This follows the principle that all opportunities as well as risks from the transferred business passed to Vitesco Technologies as part of its spin-off.

Spokesperson, Business & Finance

Press release distributed by Wire Association on behalf of Continental AG, on Apr 25, 2024. For more information subscribe and [follow us](#).

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