

Sustainability @Continental



Our Group Vision

Creating value for a better
tomorrow

**CREATING VALUE FOR
A BETTER TOMORROW.**

OUR TECHNOLOGIES. YOUR SOLUTIONS.
POWERED BY THE PASSION OF OUR PEOPLE.

Our Group Strategy

Emerge as a Winner of the Transformation



1 Strengthen operational performance

- › Right-size cost structure
- › Commit to efficiency and quality

2 Differentiate our portfolio

- › Win in growth businesses
- › Manage value businesses for profitability and cash

3 Turn change into opportunity

- › **Embrace sustainability** 
- › Focus on passion to win and transparency and ownership

Ambitious

Create positive impact by committing to circular economy, carbon neutrality, emission-free mobility & industries and a responsible value chain

Viable

Develop sustainable and scalable business matching the speed of our markets to foster our economic resilience



Embracing Sustainability

Compliant

Ensure compliance with applicable sustainability requirements based on systematic governance

Passionate

Unleash the passion to contribute for a better tomorrow by inspiring people



Our Sustainability Ambition

Guiding rails in a complex environment

OUR KEY AMBITIONS

-  **100% carbon neutrality**
along our entire value chain
 -  **100% emission-free mobility & industry**
(no harmful emissions)
 -  **100% circular economy**
 -  **100% responsible value chain**
-  **by 2050 at the latest**  **and together with our value chain partners**



+ 8 ESSENTIALS

-  **Good working conditions**
-  **Green and safe factories**
-  **Innovations & digitalization**
-  **Benchmark in quality**
-  **Safe mobility**
-  **Long-term value creation**
-  **Sustainable management practices**
-  **Corporate citizenship**

We will provide solutions matching the speed of our customers, industries and markets.

Implementation of the Sustainability Ambition

At all stages of the value chain

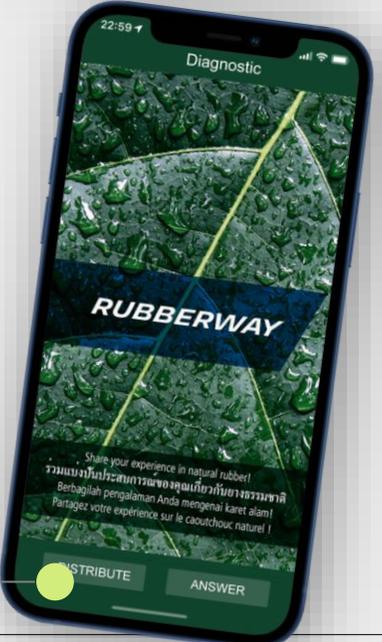


Our Value Chain

	Supply Chain	Own Operations	Products & Customers	End of Life
Carbon neutrality	●	●	●	●
Emission-free mobility and industry	●	●	●	●
Closed product and resource cycles	●	●	●	●
Responsible sourcing and business partnerships	●	●	●	●



Product example: Components for ID.4



Supply chain initiative example: Rubberway



100%

Carbon neutrality
along our entire value
chain





What Carbon Neutrality entails for Continental

Significantly limiting global warming is essential for mitigating climate change. For this, companies need to operate carbon-neutrally.

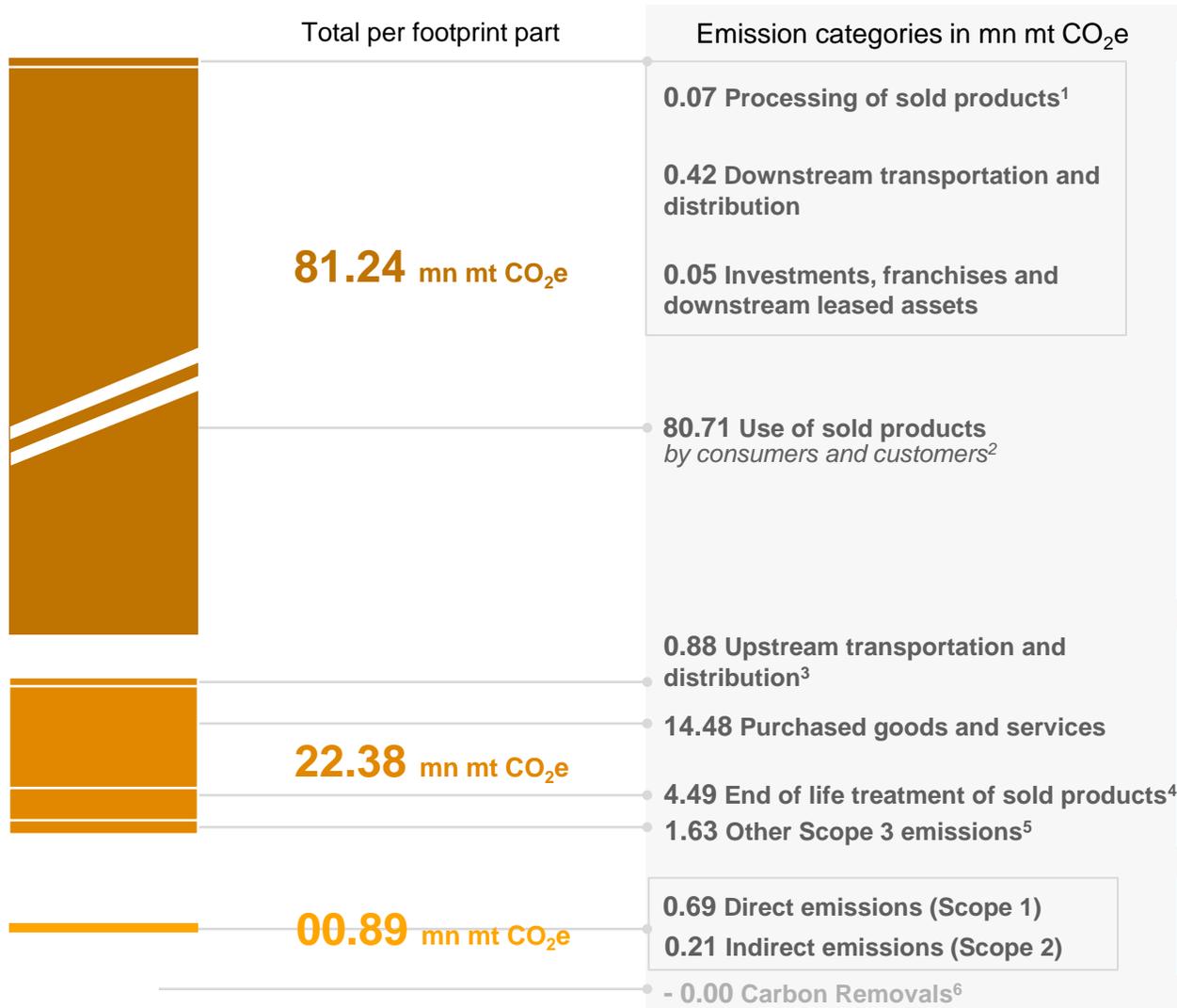
Continental is committed to the Paris Agreement and is aiming for

100% carbon neutrality by 2050 at the latest – along its entire value chain.



Focus Topic Carbon Neutrality

Total gross carbon footprint in 2023: ~104 Mio CO₂e



Customer and product use-related (Scope 3)

Backpack (Scope 3)

Own CO₂ emissions (Scope 1+2)

Carbon Accounting logic:

- Own CO₂ emissions (Scope 1 and 2)
- + Scope 3 backpack
- + Scope 3 customer and product use-related
- = total gross carbon footprint
- Scope 3 customer and product use-related
- Carbon removals
- = total net carbon backpack



¹ Excluding the trading goods business within the Automotive group sector, ContiTrade within the Tires group sector and the industrial business within the ContiTech group sector due to an accounting approach that is currently missing. Due to these scope limitations, this category covers 85% of Continental Group sales in 2023. For the Automotive and ContiTech group sectors, emissions do not include the effects of methane (CH₄) and nitrogen oxide (N₂O) due to an accounting approach that is currently missing.

² Indirect emissions in accordance with the GHG protocol. Some products in the Automotive group sector, especially electronics, consume electricity in their use-phase and may also classify as direct use-phase emissions. They are included, but have not been considered independently in order to avoid doublecounting. In fiscal 2023, the conveyor business – which is part of the industrial business of the ContiTech group sector – is included in the calculations for the first time. The remaining part of the industrial business of the ContiTech group sector is still excluded due to an accounting approach that is currently missing. Individual business operations that are insignificant in terms of CO₂ in the Automotive group sector (trading goods business) and Tires group sector (e.g. parts of the speciality tires business, non-tire products and sold products of

³ Excluding the inbound logistics paid by the suppliers due to an accounting approach that is currently missing.

⁴ Excluding the trading goods business within the Automotive group sector. End-of-life treatment for automotive parts is considered for car shredders but not beyond. Further treatments are not transparent. Large amounts of material mass, especially metals, are recycled. Due to these scope limitations, this category covers 98% of Continental Group sales in 2023. Other emissions include the reporting categories "Business travel," "Fuel- and energy-related activities (not included in Scope 1 or 2)," "Waste generated in operations," "Capital goods," "Employee commuting" and "Upstream leased assets." Details in Sustainability Report.

⁵ Only those negative CO₂ emissions due to carbon removal that are purchased and used in the corresponding fiscal year as part of the NetZeroNow global customer program.

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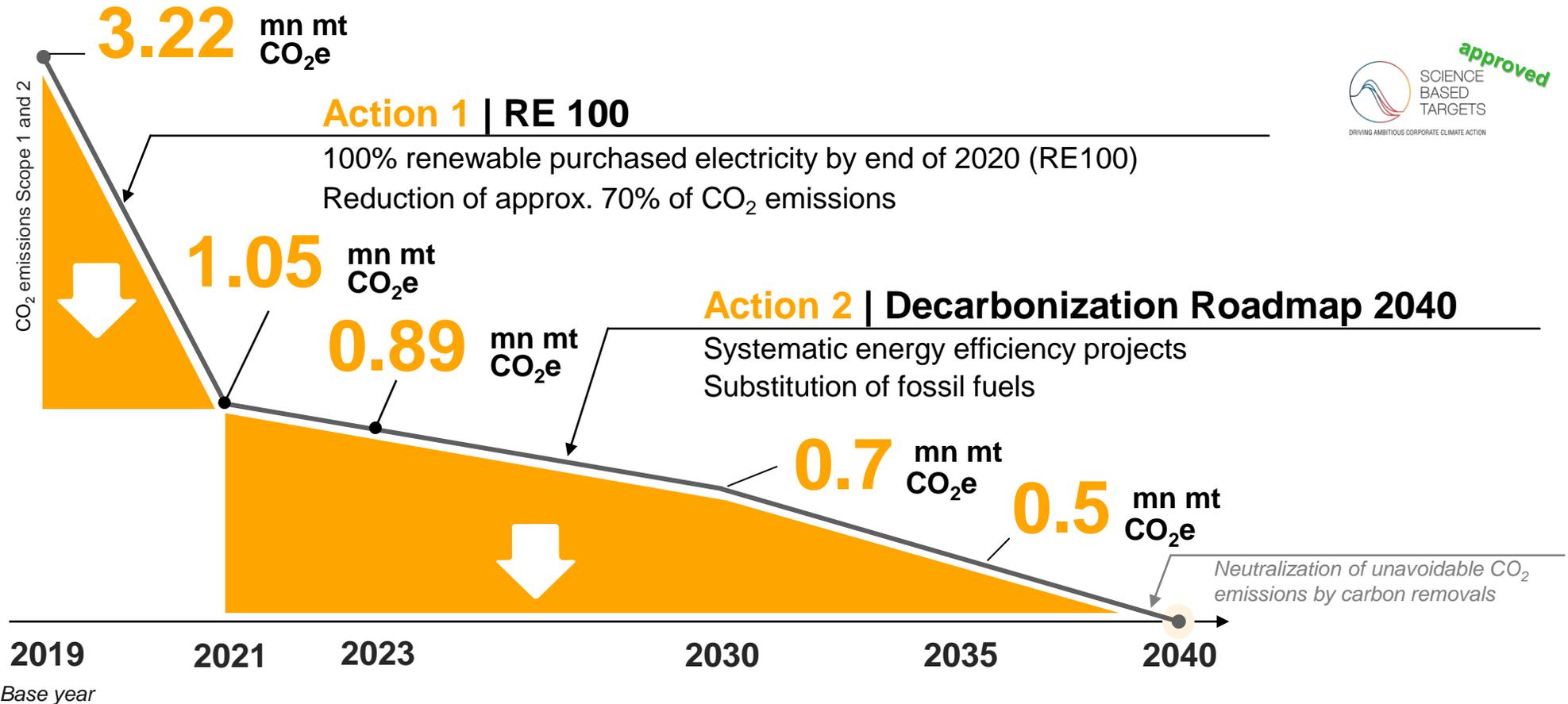
100% carbon-neutrality along the entire value chain latest by 2050

Our goal 100% carbon-neutral own operations by 2040

Reduction path for own CO₂ emissions (Scope 1+2)

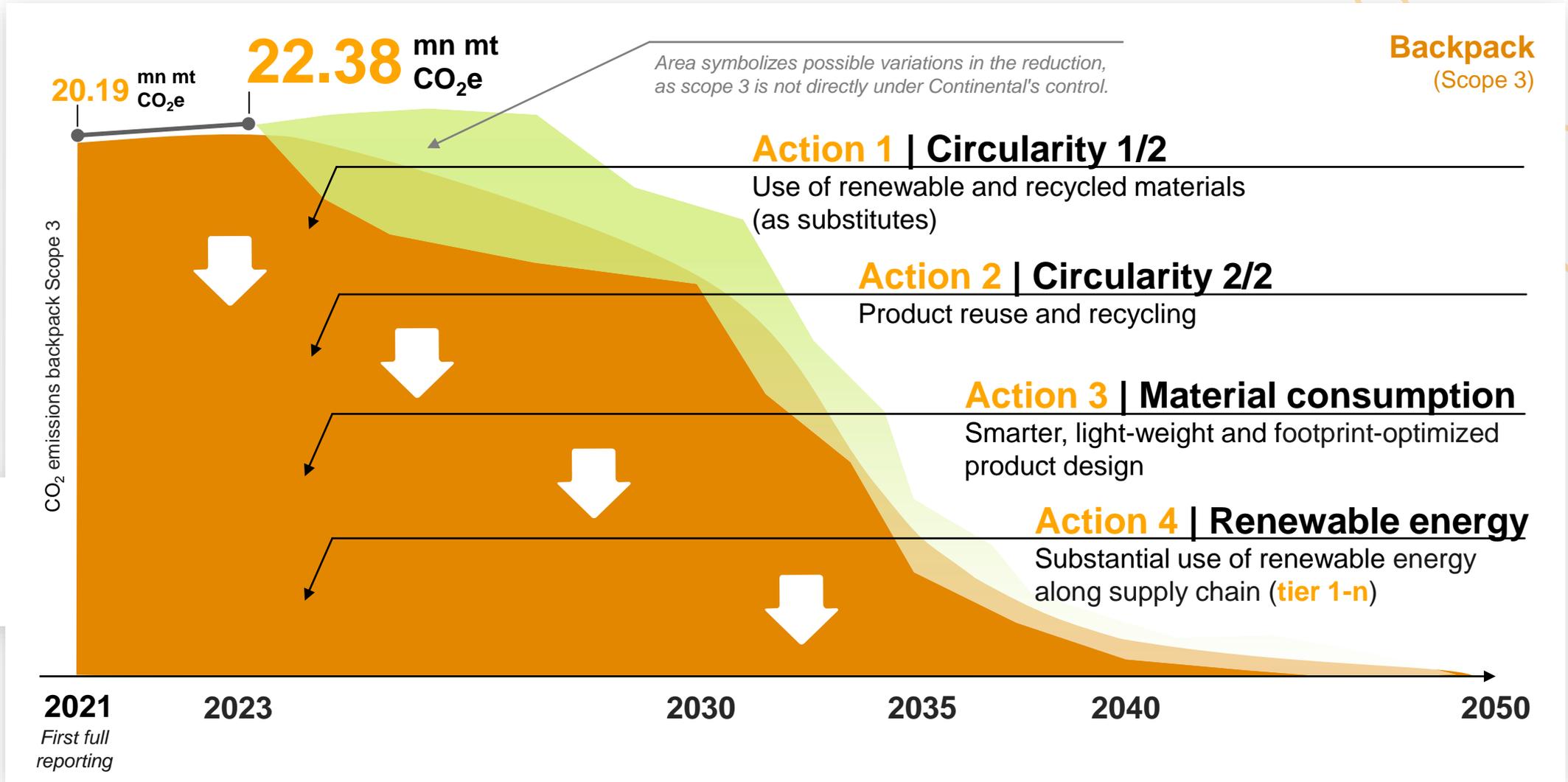


Own CO₂ emissions (Scope 1+2)



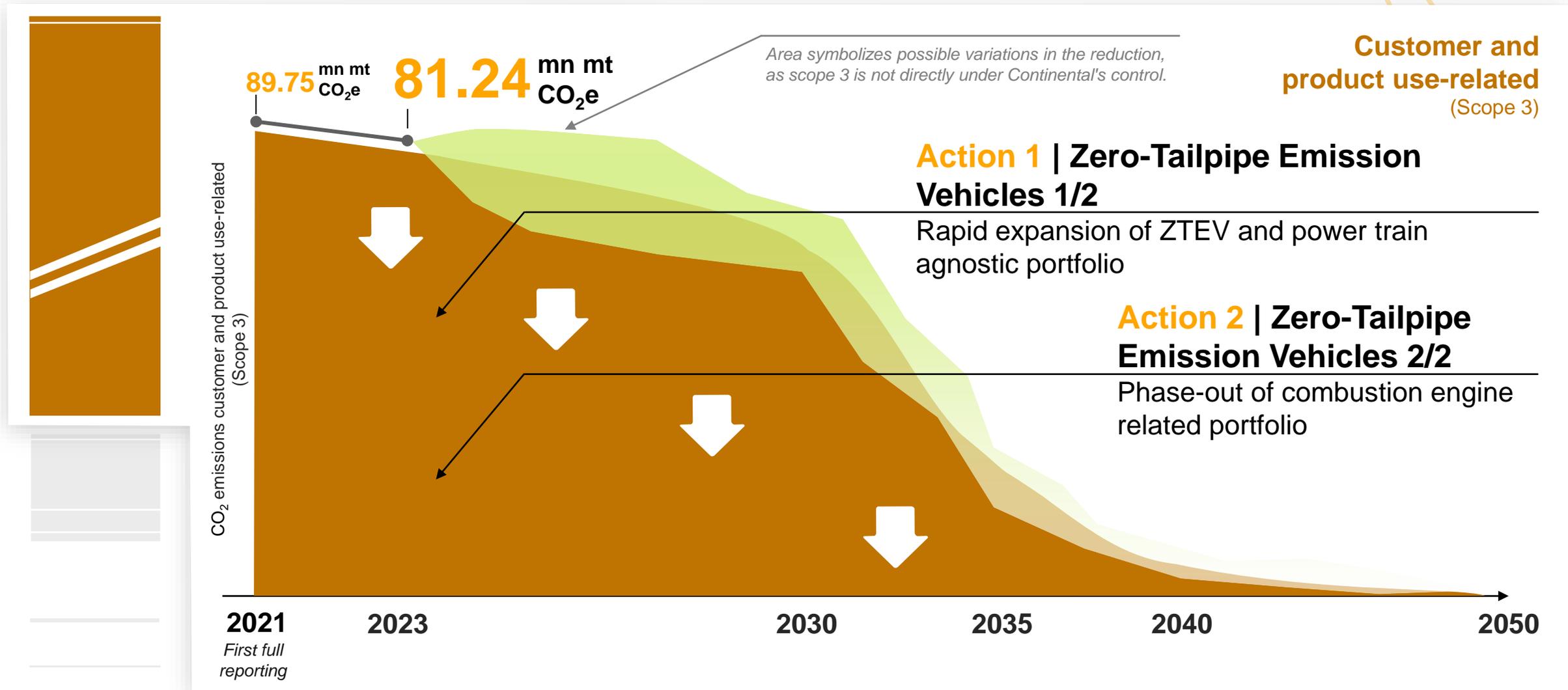
Our goal 100% along the entire value chain by 2050 at the latest

Reduction levers for Continentals gross CO₂ backpack (Scope 3)



Our goal 100% along the entire value chain by 2050 at the latest

Reduction levers for customer and product use-related CO₂ emissions (Scope 3)





100%

Emission-free*
mobility and industries

*no harmful emissions





What emission-free mobility and industries entails for Continental

With the world's population growing, the demand for mobility and industrial production is also increasing. Given climatic developments and impact on human health, it is crucial that these avoid producing harmful emissions.

Together with our partners in the value chain, we want to achieve

100% emission-free mobility and industry by 2050 at the latest.



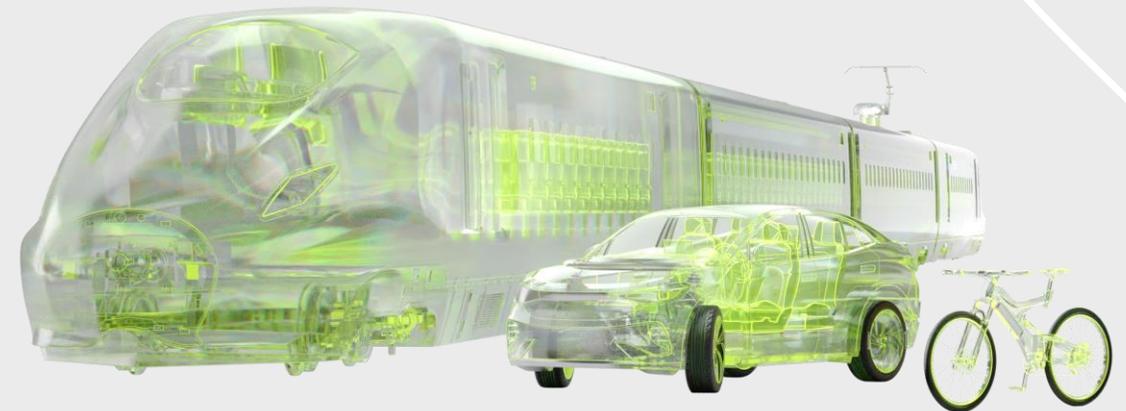
Focus Topic Emission-free mobility and industries

We are already a relevant player in emission-free mobility



Around 2 bn €
allocated business with ZTEV
vehicles in 2023

- › High-performance computer
- › Advanced surface materials
- › Drum brakes with electromechanical parking brake function
- › Sophisticated thermal management
- › High performance tires
- › And many more





Our ZTEV components for emission-free mobility

Exemplary Overview

- 1 Traction Links
- 2 Bearings for Powertrain
- 3 Primary and Secondary Suspension Systems for Railway Applications
- 4 Radar
- 5 Head-up Display
- 6 Driver Monitoring Camera
- 7 Actuators for Pantographs
- 8 Seat Upholstery
- 9 Folding Bellow Material
- 10 Pedestrian Protection System
- 11 Long-Range Radar for Intelligent Driving Functions
- 12 BEV Coolant Lines
- 13 Acceleration Sensors for Crash Detection
- 14 Electric Vehicle Engine Mounts
- 15 Air Conditioning (Heating and Cooling System)
- 16 Acella® Lux Surface Material for Instrument Panel, Door Panel, Seat Covers
- 17 Radio Frequency Transceiver
- 18 Chassis Position Sensor
- 19 Spring Seat
- 20 Linear Passive Dampers
- 21 Wheel Speed Sensors
- 22 Summer and Winter Tires
- 23 Strut Mount
- 24 Bluetooth and UWB Transceiver
- 25 Full Digital Cluster-Silverbox (IC-Box)
- 26 Integrated Brake System MK C1
- 27 Smartphone Terminal/NFC Reader
- 28 Inertial Measurement Unit
- 29 Airbag Control Unit
- 30 Intelligent Glass Control
- 31 Door Control Units
- 32 Pressure Sensors for Side Crash Detection
- 33 Control Unit for Passenger Seat
- 34 Chassis Control Unit
- 35 Intelligent Battery Sensor
- 36 Broadcast Window Antennas
- 37 UWB Transceivers
- 38 ContiMobilityKit
- 39 Bicycle Tires
- 40 Bicycle Tubes
- ...



On the road to 100% emission-free mobility and industries

Examples contributing to our ambition



Green Caliper



One Box System
(MK C2)

- › Green Brake Caliper: Tailored to requirements of electrified vehicles. It significantly reduces residual braking torque, contributing to the reduction of CO₂ emissions in manufacturing and operation.
- › MK C2: Second generation of electrohydraulic integrated braking system. 30 percent higher regenerative efficiency compared to conventional hybrid braking systems resulting in up to 5 grams less CO₂ emissions per kilometer traveled.



- › Urban Taraxagum bicycle tire: It is the first serial product made of dandelion rubber combining local production with minimal transport distances in the supply chain. As a bicycle tire, it is a ZTEV component



100%

Closed product
and resource cycles





What a circular economy entails for Continental

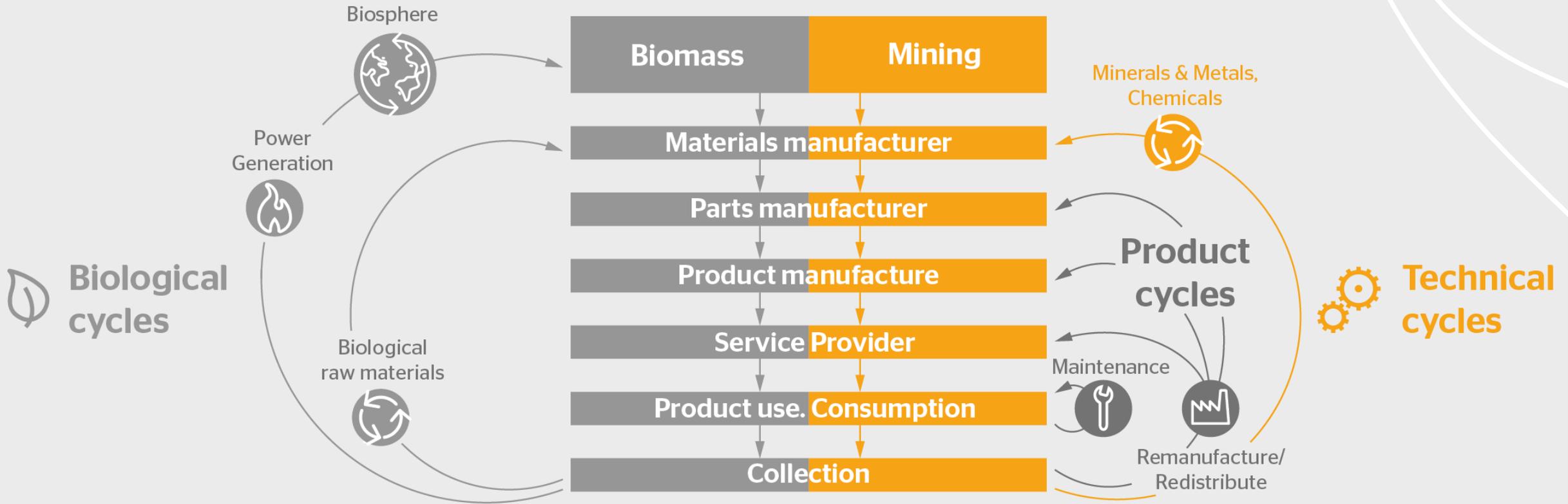
A circular economy will be the business model of the future. It can help to make limited resources infinitely usable and shape the economy in a way that treats resources sustainably. The aim is to close product and resource cycles and avoid waste at the end of a product's life.

By **2050 at the latest, we want to fully close our product and resource cycles** together with our partners – and make circular economy a reality.



Focus topic circular economy

The concept of a circular economy



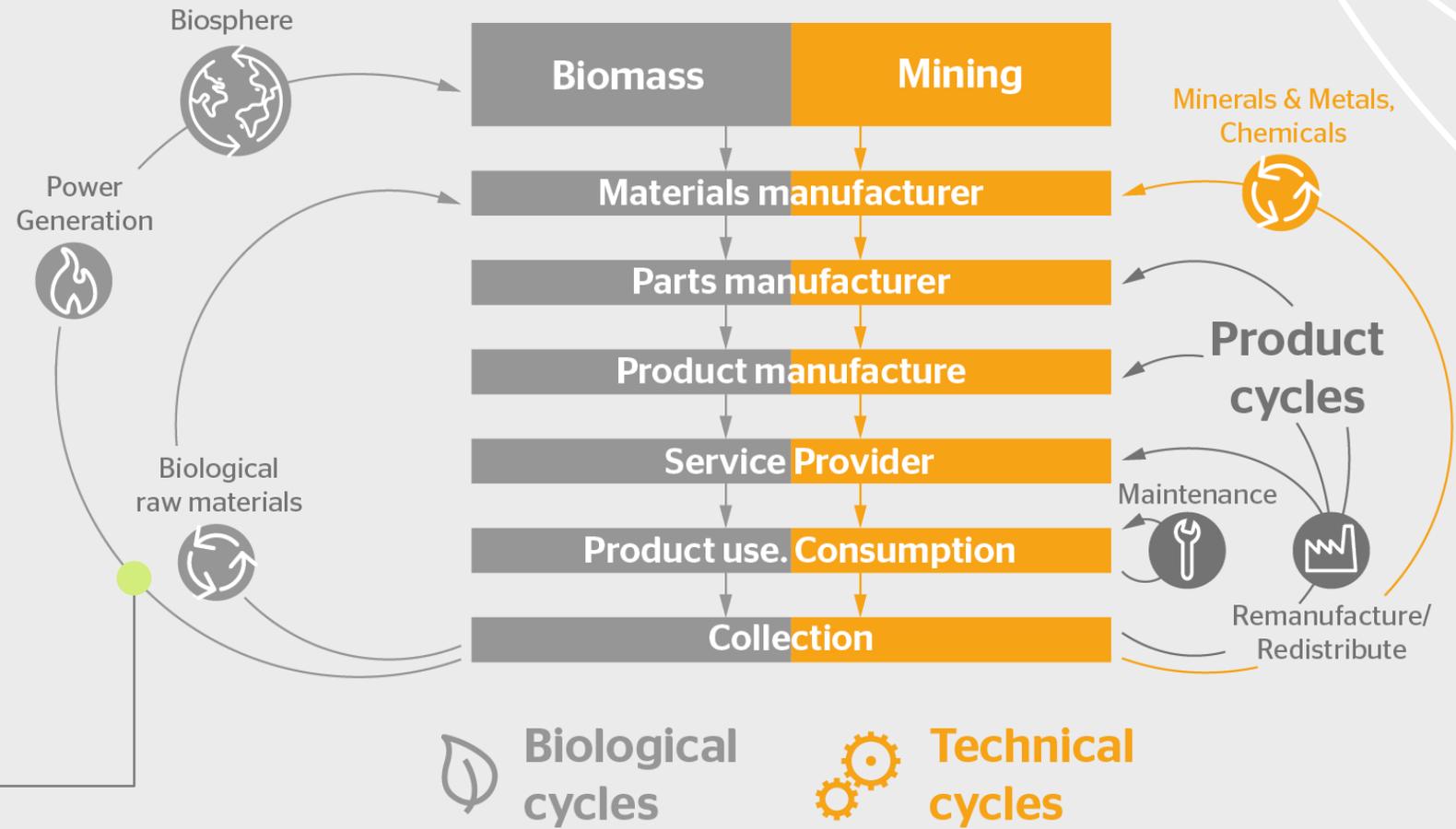
In a Circular Economy There is No Waste – Just Material in the Wrong Place

The concept of a circular economy

Examples for biological cycles

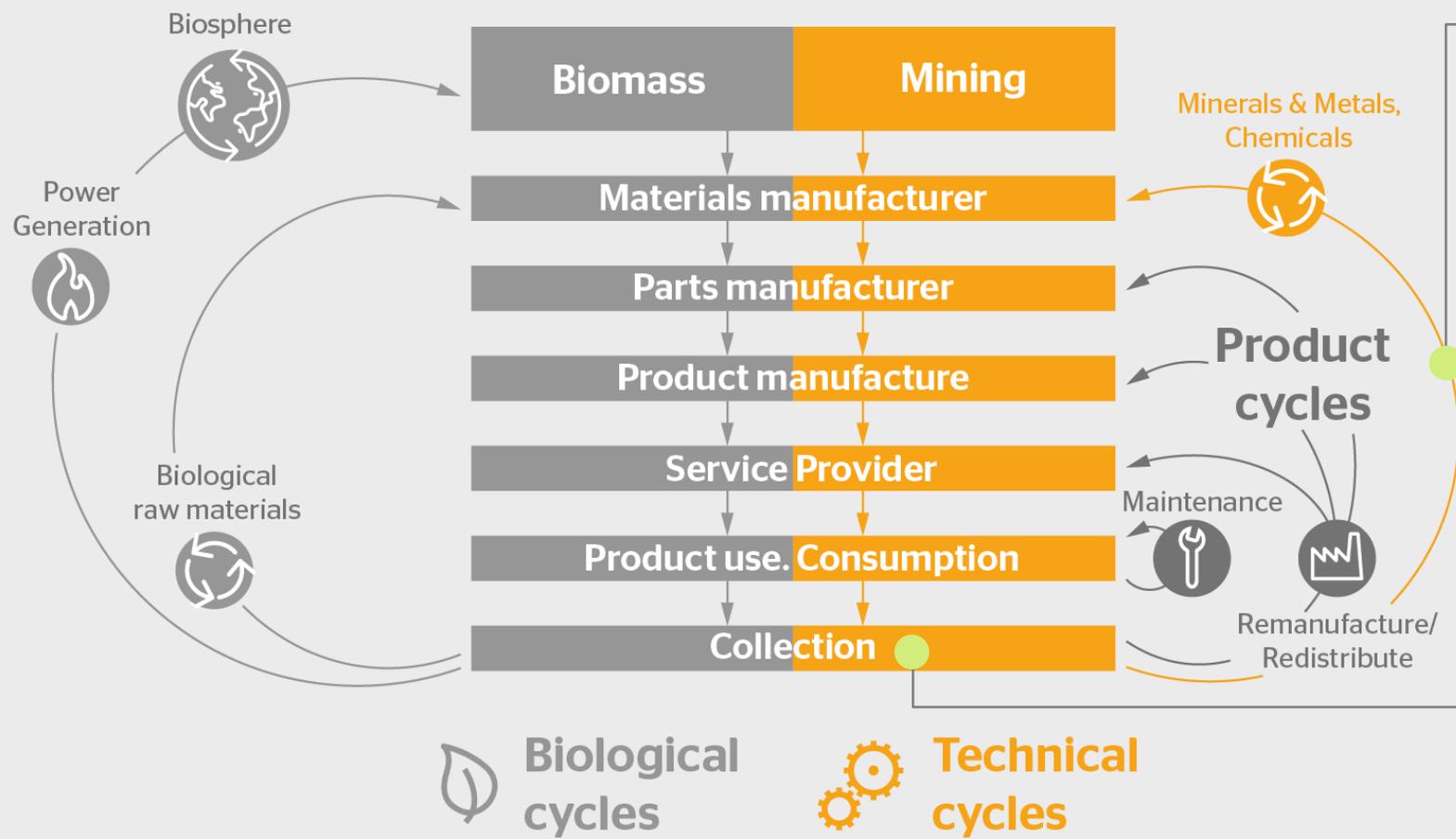


-  **Eco rubber garden hose**
made of sugar cane ethylene
-  **Bicycle tires**
made of natural rubber from dandelions
-  **Upholstery fabric**
made from coffee grounds



The concept of a circular economy

Examples for technical cycles



- 

Recycled carbon black
recovered from end-of-life tires
- 

Retreaded tires
for commercial vehicles
- 

Remanufactured displays
for longer use of the components
- 

Refurbished air springs
for urban trains in Hamburg
- 

95% waste recovery quota
in own operations until 2030

Circular economy in our own operations

Responsible handling of water and waste



	Challenges	Approach	Objective										
Saving Water 	<ul style="list-style-type: none"> Water is an existential and important resource Water scarcity and water scarcity risks in the value chain must be mitigated effectively 	Risk-based targets for water security and a global framework for water programs:  	<table border="0"> <tr> <td style="text-align: center;">4 %</td> <td style="text-align: center;">2 %</td> </tr> <tr> <td style="text-align: center;">reduction of water withdrawal per year based on sales in water stress high risk areas</td> <td style="text-align: center;">reduction of water withdrawal per year based on sales in water stress medium and low risk areas</td> </tr> </table>	4 %	2 %	reduction of water withdrawal per year based on sales in water stress high risk areas	reduction of water withdrawal per year based on sales in water stress medium and low risk areas						
4 %	2 %												
reduction of water withdrawal per year based on sales in water stress high risk areas	reduction of water withdrawal per year based on sales in water stress medium and low risk areas												
Reducing Waste 	<ul style="list-style-type: none"> Globally around 90 billion tons of materials are used each year to fuel our economy Most of the resources follow a linear value chain model. Closed material cycles are necessary to mitigate negative impact on our business. 	The waste hierarchy <table border="0"> <tr> <td style="background-color: #4CAF50; color: white; padding: 5px;">Avoid</td> <td style="padding: 5px;">1 Maximum conservation of resources</td> </tr> <tr> <td style="background-color: #009688; color: white; padding: 5px;">Reuse</td> <td style="padding: 5px;">2 Reusing materials</td> </tr> <tr> <td style="background-color: #0070C0; color: white; padding: 5px;">Recycle</td> <td style="padding: 5px;">3 Recycling and reprocessing materials</td> </tr> </table>	Avoid	1 Maximum conservation of resources	Reuse	2 Reusing materials	Recycle	3 Recycling and reprocessing materials	<table border="0"> <tr> <td style="text-align: center;">2 %</td> <td style="text-align: center;">95 %</td> </tr> <tr> <td style="text-align: center;">reduction of waste generation per year based on sales</td> <td style="text-align: center;">waste recovery quota by 2030</td> </tr> </table>	2 %	95 %	reduction of waste generation per year based on sales	waste recovery quota by 2030
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2 %	95 %												
reduction of waste generation per year based on sales	waste recovery quota by 2030												

100%

Responsible sourcing and
business partnerships





What a Responsible Value Chain entails for Continental

Responsibility along the value chain means that each partner creates ecological, economic and social value for society - Referring both to our supply chain and customer relationships as well as to our own operations.

Continental strives for a **100% responsible value chain – together with our business partners and by 2050 at the latest.**



Building a Responsible Value Chain

Embracing our responsibility towards human rights



OHCHR | What are human rights?

Human rights are rights we simply have because we exist as human beings - they are not granted by any state. These universal rights are **inherent to us all**, regardless of nationality, sex, national or ethnic origin, color, religion, language, or any other status.



- › Human rights reach from the very basic as the **right to life** to those making life **worth living**
- › As the environment affects the lives of humans, **environmental protection** is key for protecting human rights

Responsible Value Chain Due Diligence System (RVCDDS)

Areas of RVC Commitments



Our Responsible Value Chain Due Diligence System aims to protect humans & the environment as detailed in our RVC commitments via roles, responsibilities & tasks along 7 core processes:



Labor Standards

- 1. No child labor
- 2. Fair payment
- 3. Equal treatment & anti-discrimination
- 4. No forced labor & modern slavery
- 5. Freedom of association
- 6. Working conditions



Security Practices

- 10. Responsible security practices



Environment

- 11. Environmental impacts
- 12. Waste handling



Safety and Health

- 7. Health and safety
- 8. Mercury
- 9. Persistent organic pollutants



Land Rights

- 13. Land rights



These rights must be protected in our own operations and supply chain

Responsible Value Chain Due Diligence System (RVCDDS)

Core Processes



Our Responsible Value Chain Due Diligence System aims to protect humans & the environment as detailed in our RVC commitments via roles, responsibilities & tasks along 7 core processes:



1 Strategy Development & Implementation

Define, implement and improve groupwide RVC strategy



2 Regulations Management

Monitor RVC regulations with groupwide relevance and act accordingly



3 Risk Management

Analyze RVC risks and mitigate by preventive measures



4 Incident Management

Monitor potential RVC incidents and end violations



5 Training

Guide and train employees and suppliers regarding RVC



6 System Review

Review and consequently improve the system



7 Reporting

Report in- & externally on the system and its findings

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The Future in Motion