

C0. Introduction

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C0.1

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**(C0.1) Give a general description and introduction to your organization.**

As of December 31, 2019 the Continental Corporation consists of 581 companies, including non-controlled companies in addition to the parent company Continental AG. The Continental team is made up of 241,458 employees at a total of 595 locations in 59 countries and markets. The postal addresses of companies under our control are defined as locations. Continental has been divided into the group sectors Automotive Technologies, Rubber Technologies and Powertrain Technologies since January 1, 2020. These sectors comprise five business areas with 23 business units. A business area or business unit is classified according to technologies, product groups and services. The business areas and business units have overall responsibility for their business, including their results. Overall responsibility for managing the company is borne by the Executive Board of Continental Aktiengesellschaft (AG). Each business area is represented by one Executive Board member. An exception is the Powertrain business area, which has had its own management since January 1, 2019, following its transformation into an independent legal entity. To ensure a unified business strategy in the Automotive Technologies group sector, the Automotive Board was established on April 1, 2019, with a member of the Executive Board as "spokesman." The new board is intended to speed up decision-making processes and generate synergies from the closer ties between the Autonomous Mobility and Safety business area and the Vehicle Networking and Information business area.

With the exception of Corporate Purchasing, the central functions of Continental AG are represented by the chairman of the Executive Board, the chief financial officer and the Executive Board member responsible for Human Relations. They take on the functions required to manage the corporation across business areas. These include, in particular, finance, controlling, compliance, law, IT, sustainability, quality and environment.

C0.2

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**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2019	December 31 2019	Yes	Please select

C0.3

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**(C0.3) Select the countries/areas for which you will be supplying data.**

- Austria
- Belgium
- Brazil
- Chile
- China
- Czechia
- Ecuador
- Finland
- France
- Germany
- Greece
- Hungary
- India
- Italy
- Japan
- Malaysia
- Mexico
- Philippines
- Poland
- Portugal
- Republic of Korea
- Romania
- Russian Federation
- Serbia
- Singapore
- Slovenia
- South Africa
- Spain
- Turkey
- United Kingdom of Great Britain and Northern Ireland
- United States of America

C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

EUR

C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

C1. Governance

C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	The highest level of responsibility for climate change strategy and management within Continental is our CEO (Chief Executive Officer / Chairman of the Executive Board). Amongst other issues, he is responsible for Corporate Quality & Environment, which includes climate change as a major issue. The climate change management within the combined Function Corporate Quality & Environment is part of his executive portfolio.
Other C-Suite Officer	The board member for HR and Sustainability is also responsible for the Sustainability department, which coordinates the sustainability strategy, its development and an interdepartmental Sustainability Committee. All relevant business units and central functions are represented on the Sustainability Committee alongside the board member for HR and Sustainability and another Executive Board member, the CFO. Sustainability organization is further supplemented by dedicated coordinators in the business areas. Some of the business areas also have their own interdepartmental sustainability committees. Climate change data, risks and opportunities are a regular agenda topic in their meetings.
Chief Financial Officer (CFO)	The CFO also has some responsibility for sustainability issues. He is part of the Sustainability Committee. Climate change data, risks and opportunities are a regular agenda topic in their meetings. The CFO furthermore oversees the Group risk management process which includes climate change topics.

C1.1b

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	<ul style="list-style-type: none"> <li>Reviewing and guiding strategy</li> <li>Reviewing and guiding major plans of action</li> <li>Reviewing and guiding risk management policies</li> <li>Reviewing and guiding annual budgets</li> <li>Reviewing and guiding business plans</li> <li>Setting performance objectives</li> <li>Monitoring implementation and performance of objectives</li> <li>Overseeing major capital expenditures, acquisitions and divestitures</li> <li>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</li> </ul>	<Not Applicable>	The climate related risks and opportunities as well as the climate strategy are regularly reported via "Management Reviews" which are provided to the CEO and the Top Management. Based on the performance results and the implemented action plans, they steer and decide upon the necessary steps to improve our climate strategy. The corporate strategy includes all risks and opportunities relevant to our existing and future product portfolio.

C1.2

**(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Sustainability committee <i>The CFO and Board Member for HR and Sustainability lead the Sustainability Committee.</i>	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Half-yearly
Energy manager	<Not Applicable>	Managing climate-related risks and opportunities	<Not Applicable>	Half-yearly
Environment/ Sustainability manager	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Annually
Procurement manager	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Chief Procurement Officer (CPO)	<Not Applicable>	Assessing climate-related risks and opportunities	<Not Applicable>	As important matters arise
Other, please specify (Executive Board)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

**C1.2a**

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

All committees and managers listed above operate at the highest management levels and for this reason have been selected as members of the committee to ensure consistent implementation of sustainability strategies. These range from C-Suite responsibilities to higher or middle manager positions depending on the function, or in the case of the Sustainability Committee multiple levels of management are represented together including 2 Executive Board Members. The responsibilities have been distributed in this way due to the complex organisational structure of Continental requiring coordination across the highest levels of decision making with input from division-specific or function-specific managers.

C-Suite individuals within the Sustainability Committee are responsible for making strategic decisions with regard to general sustainability and climate issues together with the Board while the next level of management (e.g. Environmental Managers, Energy Managers, etc.) are responsible for providing input for management reviews. They are also responsible for disseminating and guiding management decisions from the highest management levels to the operational levels where the high-level climate goals must be applied to local or division-specific contexts.

**C1.3**

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Target achievement of carbon neutrality is part of long-term incentives and flexible payments for Board Members and Executives

**C1.3a**

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Board/Executive board	Monetary reward	Emissions reduction target	Target achievement of carbon neutrality is part of long-term incentives and flexible payments for Board Members, Executives (including all C-Suite Officers & Executives) and all managers
Energy manager	Monetary reward	Efficiency target	The energy and emissions reduction targets represent the core competence/responsibility of our energy managers
Environment/Sustainability manager	Monetary reward	Emissions reduction target	The energy and emissions reduction targets represent the core competence/responsibility of our environment managers in the plants, BU's and divisions.
Facilities manager	Monetary reward	Efficiency target	Energy and emissions reduction targets are also a focus of our facility managers within the production plants.
Other, please specify (Divisional Heads for Environment)	Monetary reward	Efficiency target	The focus on energy and emissions reduction targets are the responsibility of our divisional heads for environment.
Procurement manager	Monetary reward	Environmental criteria included in purchases	In Purchasing we have set a target focusing on sustainability along the supply chain.
All employees	Monetary reward	Efficiency project	An on-going component of our "Idea Management" program includes the provision of financial rewards to employees who suggest changes to the production processes/other areas of operations that lead to improved energy efficiency or an improvement in other sustainability metrics (e.g. water use reductions).

**C2. Risks and opportunities**

## C2.1

### (C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

## C2.1a

### (C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	Short term refers to immediate risks that can be responded to and resolved within 1 year.
Medium-term	1	6	Medium term refers to observable risks over a 1-6 year time-horizon that require the implementation of programs and targets to resolve climate-related issues.
Long-term	6	20	Long term refers to long lasting ambitions and goals over a 6-20 year time horizon that require advanced planning to achieve and overcome long-term climate risks.

## C2.1b

### (C2.1b) How does your organization define substantive financial or strategic impact on your business?

Substantive financial or strategic impacts are defined by Continental as risks that exceed €100 million in the period under consideration, or if there is a significant negative impact on the strategic corporate goals. Significant individual risks for the corporation are identified from all of the reported risks based on the probability of occurrence and the amount of damage that would be caused in the period under consideration. The individual risks that Continental has classified as material and the aggregated risks that have been assigned to risk categories are all described in the Report on Risks and Opportunities. This report provides the potential negative EBIT effect of an individual risk or the sum of risks included in a category if they exceed the financial threshold cited above.

## C2.2

### (C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

#### Value chain stage(s) covered

Direct operations  
Upstream  
Downstream

#### Risk management process

Integrated into multi-disciplinary company-wide risk management process

#### Frequency of assessment

More than once a year

#### Time horizon(s) covered

Short-term  
Medium-term  
Long-term

#### Description of process

At the corporate level, the responsibilities of the GRC (Governance, Risk & Compliance) Committee – chaired by the Executive Board member responsible for Finance, Controlling, Compliance, Law, IT – include identifying which risks are significant for the corporation. The GRC Committee regularly informs the Executive Board and the Audit Committee of the Supervisory Board of the major risks, any weaknesses in the control system and measures taken. Moreover, the auditor of the corporation is required to report to the Audit Committee of the Supervisory Board regarding any major weaknesses in the Financial Reporting ICS that are identified by the auditor as part of their audit activities. The risks and their effects are assessed primarily according to quantitative criteria and assigned to different categories in line with the net principle, i.e. after risk mitigation measures. If a risk cannot be assessed quantitatively, then it is assessed qualitatively based on the potential negative effects its occurrence would have on achieving strategic corporate goals and based on other qualitative criteria such as the impact on Continental's reputation. Significant individual risks for the corporation are identified from all of the reported risks based on the probability of occurrence and the amount of damage that would be caused in the period under consideration. The individual risks that Continental has classified as material and the aggregated risks that have been assigned to risk categories are all described in the Report on Risks and Opportunities. This report provides the potential negative EBIT effect of an individual risk or the sum of risks included in a category if they exceed €100 million in the period under consideration, or whether there is a significant negative impact on the strategic corporate goals. Furthermore, the GRC Committee identifies and assesses strategic risks, for example as part of a SWOT analysis. Any new material risks arising unexpectedly between regular reporting dates have to be reported immediately and considered by the GRC Committee. This also includes risks identified in the audits by corporate functions, as well environmental and climate-related risks. In addition to the risk analyses carried out by the reporting units as part of integrated GRC, audits are also performed by the Corporate Audit department. Furthermore, the central controlling function analyzes the key figures provided as part of this reporting process at the corporate and division levels in order to assess the effects of potential risks. Risk management The responsible management level initiates suitable countermeasures that are also documented in the GRC system for each risk identified and assessed as material. The GRC Committee monitors and consolidates the identified risks and suitable countermeasures at the corporation level. It regularly reports to the Executive Board and recommends further measures if needed. The Executive Board discusses and resolves the measures, and reports to the Supervisory Board's Audit Committee. The responsible bodies continually monitor the development of all identified risks and the progress of initiated actions. Corporate Audit regularly audits the risk management process, thereby continually monitoring its effectiveness and further development. Transitional risk: An example for a transitional risk is the requirements of customers and the society to achieve carbon neutrality. Therefore, we started a project to switch our locations to use renewable electricity by the end of 2020 and to join the initiative RE100. Physical risk: Water scarcity in regions where we and our suppliers are located. Therefore, we started this project to mitigate the risks of reduced water supply by implementing programs to reduce the amount of used water.

C2.2a

**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	This is assessed by the divisional strategy departments and is included in the Risk & Opportunity Management described above. Example: Stricter rules for tailpipe emission vehicles by governments
Emerging regulation	Relevant, always included	This is assessed by the divisional strategy departments and is included in the Risk & Opportunity Management described above. Example: Stricter rules for tailpipe emission vehicles by governments
Technology	Relevant, always included	This is assessed by the divisional technology departments and is included in the Risk & Opportunity Management described above. Example: Switch to zero tailpipe emission vehicles
Legal	Relevant, always included	This is assessed by the divisional law and compliance departments and is included in the Risk & Opportunity Management described above. Example: Stricter rules for tailpipe emission vehicles by governments
Market	Relevant, always included	This is assessed by the divisional markets and sales departments and is included in the Risk & Opportunity Management described above. Transitional risk: An example is the requirements of customers and the society to achieve carbon neutrality. Therefore, we started the project switch our locations to use renewable electricity by the end of 2020 and to join the initiative RE100.
Reputation	Relevant, always included	This is assessed by the divisional markets and sales departments and is included in the Risk & Opportunity Management described above. Transitional risk: An example for is the requirements of customers and the society to achieve carbon neutrality. Therefore, we started the project switch our locations to use renewable electricity by the end of 2020 and to join the initiative RE100.
Acute physical	Relevant, always included	This is assessed by the Corporate Loss Preventions department and is included in the Risk & Opportunity Management described above. Physical risk: Water scarcity in regions where we and our suppliers are located. Therefore, we started the project to mitigate the risks of reduced water supply by implementing programs to reduce the amount of used water.
Chronic physical	Relevant, always included	This is assessed by the Corporate Loss Preventions department and is included in the Risk & Opportunity Management described above. Physical risk: Water scarcity in regions where we and our suppliers are located. Therefore, we started the project to mitigate the risks of reduced water supply by implementing programs to reduce the amount of used water.

C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

C2.3a

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
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**Primary potential financial impact**

Decreased revenues due to reduced production capacity

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Continental operates at 595 locations in 59 countries. About one third are in areas subject to increased physical climate-risks such as in Latin-America, South-East Asia and Sub-Saharan Africa. The creation of a climate-related risk assessment and hotspot analysis with a focus on climate-related water supply and water stress for all sites was implemented in 2018. The objective is to be able to react better to the negative effects of climate-related water shortages and to align goals related to water consumption at our locations as well as to implement adaptation projects to meet challenges within specific regions. Currently, a hotspot risk management strategy is under development and will be integrated in Continental's strategy.

**Time horizon**

Medium-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

1

**Potential financial impact figure – maximum (currency)**

10000000

**Explanation of financial impact figure**

5,000,000 = average of estimated range of impact (1 - 10,000,000) The values for potential financial impacts are obtained regularly and are in use for internal decision making and risk assessment purposes. The exact figure for potential financial impact is internal and shall not to be disclosed on the grounds that they contain business secrets or confidential material.

**Cost of response to risk**

5000000

**Description of response and explanation of cost calculation**

Continental operates at 595 locations in 59 countries. About one third are in areas subject to increased physical climate-risks such as in Latin-America, South-East Asia and Sub-Saharan Africa. The creation of a climate-related risk assessment and hotspot analysis with a focus on climate-related water supply and water stress for all sites was implemented starting in 2018. The objective is to be able to react better to the negative effects of climate-related water shortages and to align goals related to water consumption at our locations as well as to implement adaptation projects to meet challenges within specific regions. Currently, a hotspot risk management strategy is under development and will be integrated in Continental's post 2020 strategy. The management of the Continental Corporation is geared toward creating added value and ensuring a well-balanced financing structure. This means sustainably increasing the value of each business unit and the corporation as a whole. We evaluate the risks and opportunities that arise responsibly and on an ongoing basis in order to achieve this. The standardized corporation-wide risk management system regulates the recording, assessment, documentation and reporting of risks.

**Comment**

5,000,000 = The costs of management shall not to be disclosed on the grounds that they contain business secrets or confidential material. (5,000,000 = average of estimated range of impact (1 - 10,000,000)) But: 1. It happens across multiple sectors 2. Is an integral part of the company's strategy and decision making 3. The company is considering the current development of climate-related risk management as a high priority

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**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Upstream

**Risk type & Primary climate-related risk driver**

Chronic physical	Changes in precipitation patterns and extreme variability in weather patterns
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**Primary potential financial impact**

Decreased revenues due to reduced production capacity

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

In 2019 the Rubber Group of Continental Corporation achieved €18.0 billion in sales. Natural rubber is the single most significant raw material required for this production process. Most raw materials suppliers for the Rubber Group are global companies due to the unique nature of the business. Local sourcing is therefore not always appropriate for various reasons. We are working to add information on manufacturing locations to our supplier database. We are already able to assign the majority of our raw materials to their production location so that this can serve as a basis for any following analysis. The share of regional deliveries (within the same region) make up approximately 70% of total deliveries (America, Europe, Asia, other). The share of local deliveries (within the same country) was approximately 27% in the year under review. Key raw materials for the Rubber Group include synthetic rubber (24%), chemicals (28%), reinforcing materials (25%), natural rubber (15%) and other goods. Natural rubber is highly dependent on rain water. Changes in precipitation patterns can be named as the highest risk for the productivity of natural rubber.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

1

**Potential financial impact figure – maximum (currency)**

10000000

**Explanation of financial impact figure**

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**Cost of response to risk**

5000000

**Description of response and explanation of cost calculation**

Continental participates in the Sustainable Natural Rubber Initiative (SNR-i). This establishes standards and best practices to make the entire value chain for natural rubber

more sustainable. In this regard, upholding human rights and promoting humane working conditions constitute one of the six key fields of action.

**Comment**

5,000,000 = The costs of management shall not to be disclosed on the grounds that they contain business secrets or confidential material. (5,000,000 = average of range of impact (1 - 10,000,000)) In our Business Partner Code of Conduct, we define the fundamental sustainability requirements for our supply chains, including with regard to human rights, working conditions, environmental protection and anti-corruption. Before even establishing a business relationship, we check potential new suppliers and service providers by means of self-assessment and sometimes on-site audits, which may also include sustainability topics (such as fire protection and occupational safety). By signing the Business Partner Code of Conduct, suppliers and service providers are also expected to promote the implementation of the sustainability requirements mentioned therein in their own supply chains. Furthermore, we have drafted a special sourcing policy for the purchase of natural rubber to improve conditions in rubber cultivation, which we likewise hand over to the relevant suppliers and with which we require compliance. We assess compliance with the sustainability requirements of the Business Partner Code of Conduct in particular with the help of self-assessment questionnaires via sustainability platforms EcoVadis and NQC, which represent a generally accepted standard for sustainability assessments of suppliers in our industries. This process covers 3/4 of our procurement spent on production materials. In the event of violations of the Code of Conduct, Continental reserves the right to demand improvements or to terminate the business relationship. Violations can also be reported via the Compliance & Anti-Corruption Hotline, which is available around the clock and worldwide. Sustainability in the supply chains is coordinated by the relevant purchasing organizations, which are established at Continental by business area and product group with teams in the various countries.

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**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Downstream

**Risk type & Primary climate-related risk driver**

Market	Changing customer behavior
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**Primary potential financial impact**

Decreased revenues due to reduced demand for products and services

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Due to higher oil prices or other energy costs, the behavior of consumers could change more rapidly than industrial development and production can respond.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

1

**Potential financial impact figure – maximum (currency)**

10000000

**Explanation of financial impact figure**

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**Cost of response to risk**

902000000

**Description of response and explanation of cost calculation**

Zero-emission driving is vital to the current transformation in the mobility industry and is directly related to sustainability. At the same time, this transformation presents opportunities and risks for Continental. On the one hand, Continental develops and produces pioneering technological solutions that pave the way for zero emission driving. These include, for example, electrified drive systems, lightweight design solutions, solutions for automated driving, new transport concepts and rolling-resistance-optimized tires, as well as bridging technologies in the form of solutions for clean gasoline and diesel vehicles. In doing so, we rely both on new product developments and on the further development of the existing product portfolio. On the other hand, the speed of the transformation poses enormous challenges, which we are actively addressing with various measures as part of the Transformation 2019–2029 structural program. In 2019, Continental decided to pursue the spin-off of its powertrain business (renamed Vitesco Technologies) as a separate company, thus enabling it to operate more independently, flexibly and efficiently and shape the transition from combustion drives to electric mobility and the associated growth opportunities. In 2019, products that demonstrably contribute to energy efficiency or to the reduction of pollutant or carbon dioxide emissions accounted for 42% of consolidated sales, according to our own modelling.

**Comment**

In Q1 2020, the technology company's net expenditure for research and development was €902 million, which equates to 8.2 percent of sales. In the same period of the previous year, the ratio was 7.7 percent.

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C2.4

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.4a**

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Resource efficiency

**Primary climate-related opportunity driver**

Use of recycling

**Primary potential financial impact**

Reduced direct costs

**Company-specific description**

Due to a shortage of natural resources species to our business operations, Continental relies increasingly on the use of recycling material and is implementing measures to expand recycling group-wide.

**Time horizon**

Short-term

**Likelihood**

Very likely

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

1

**Potential financial impact figure – maximum (currency)**

10000000

**Explanation of financial impact figure**

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**Cost to realize opportunity**

5000000

**Strategy to realize opportunity and explanation of cost calculation**

The environmental management system incorporates all levels of the value chain and the complete life cycles of Continental products. As a result, our environmental responsibilities extend from research and development, the purchasing of raw materials and components, logistics and production, to the use and recycling of our products. Our activities are geared toward continually optimizing the use of resources in relation to business volume. We manufacture products that make an active contribution toward protecting the environment and conserving resources throughout their entire duration of use as well as when they are ultimately recycled. For Continental we have the following targets implemented in the end of 2019: - Zero CO2 Emissions from purchased electricity in 2020 - Zero CO2 Emissions for Scope 1 & Scope 2 in 2040 - Zero CO2 Emissions along the whole value chain in 2050 - 20% kWh/sales reduction by 2030 compared to 2018 - 1 TWh reduction of external energy demand by energy efficiency projects in 2020 until 2030 - 4% reduction of water demand per year based on sales in water stress high risk areas - 2% reduction of water demand per year based on sales in water stress medium and low risk areas - 2% reduction of waste generation per year based on sales - 95% improvement of the recycling quota by 2030

**Comment**

5,000,000 = average of estimated range of impact (1 - 10,000,000) The values for potential financial impacts are obtained regularly and are in use for internal decision making and risk assessment purposes. The exact figure for potential financial impact is internal and shall not to be disclosed on the grounds that they contain business secrets or confidential material. However, we are striving to achieve a specific waste reduction of 2 % per year based on sales and a recycling rate of 95% by 2030.

**Identifier**

Opp2

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Energy source

**Primary climate-related opportunity driver**

Use of lower-emission sources of energy

**Primary potential financial impact**

Reduced indirect (operating) costs

**Company-specific description**

Sourcing low emission sources of energy presents an opportunity to address likely additional legal regulations to reduce CO2 emissions in the future. By acting proactively, we can hedge our exposure to the shifting political and business environments while reducing production costs.

**Time horizon**

Short-term

**Likelihood**

Very likely

**Magnitude of impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

1

**Potential financial impact figure – maximum (currency)**

10000000

**Explanation of financial impact figure**

5,000,000 = average of estimated range of impact (1 - 10,000,000) The values for potential financial impacts are obtained regularly and are in use for internal decision making and risk assessment purposes. The exact figure for potential financial impact is internal and shall not to be disclosed on the grounds that they contain business secrets or confidential material.

**Cost to realize opportunity**

5000000

**Strategy to realize opportunity and explanation of cost calculation**

Since June we are official member of the initiative RE100, which is led by the Climate Group. Our target is to source 100% renewable electricity by the end of 2020.

**Comment**

5,000,000 = The costs of realizing this opportunity shall not to be disclosed on the grounds that they contain business secrets or confidential material. (5,000,000 = average of estimated range of impact (1 - 10,000,000))

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**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

**Company-specific description**

Through the introduction of eco-labels, Continental could advertise its ecologically beneficial products more effectively, thereby setting itself apart from competitors.

**Time horizon**

Short-term

**Likelihood**

Virtually certain

**Magnitude of impact**

High

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

1

**Potential financial impact figure – maximum (currency)**

10000000

**Explanation of financial impact figure**

5,000,000 = average of estimated range of impact (1 - 10,000,000) The values for potential financial impacts are obtained regularly and are in use for internal decision making and risk assessment purposes. The exact figure for potential financial impact is internal and shall not to be disclosed on the grounds that they contain business secrets or confidential material.

**Cost to realize opportunity**

5000000

**Strategy to realize opportunity and explanation of cost calculation**

Zero-emission driving is vital to the current transformation in the mobility industry and is directly related to sustainability. At the same time, this transformation presents opportunities and risks for Continental. Continental develops and produces pioneering technological solutions that pave the way for zero emission driving. These include, for example, electrified drive systems, lightweight design solutions, solutions for automated driving, new transport concepts and rolling-resistance-optimized tires, as well as

bridging technologies in the form of solutions for clean gasoline and diesel vehicles. In doing so, we rely both on new product developments and on the further development of the existing product portfolio. In 2019, products that demonstrably contribute to energy efficiency or to the reduction of pollutant or carbon dioxide emissions already accounted for 42% of consolidated sales, according to our own modelling.

**Comment**

5,000,000 = The costs of realizing this opportunity shall not to be disclosed on the grounds that they contain business secrets or confidential material. (5,000,000 = average of estimated range of impact (1 - 10,000,000))

**C3. Business Strategy**

**C3.1**

**(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?**

Yes, and we have developed a low-carbon transition plan

**C3.1a**

**(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?**

Yes, qualitative and quantitative

**C3.1b**

**(C3.1b) Provide details of your organization's use of climate-related scenario analysis.**

Climate-related scenarios and models applied	Details
Other, please specify (RCP 4.5 and RCP 8.5)	Continental is in the early stages of integrating climate-related scenarios into our risk analyses and environmental (climate and water) action, and therefore no such scenarios were used thus far in an effective way to inform our internal action. A first use of climate scenarios was used as part of our water risk assessment. The RCP 4.5 and RCP 8.5 climate scenarios were used by the WRI Aqueduct Tool (recommended by the TCFD) as optimistic and business as usual climate scenarios respectively to model changes in water stress and supply over long time horizons (i.e. 2020, 2030 and 2040). These models were used in combination with other indicators to determine where water stress and supply are projected to worsen due to supply side (climate change-related) reasons. We were able to determine that even using the optimistic RCP 4.5 model we will likely see a worsening of water stress due to climate change in several of the high-risk basins where we have direct operations or source raw materials, such as in Mexico. This tool considers qualitative and quantitative indicators.
2DS	The 2DS Scenario was part of the development process of our new environmental strategy, which was released in the end of 2019. Further examinations of climate-related scenarios were part of our assessment regarding the potential to set Science Based Targets. (The 2DS is part of the SBT methodology SDA.) All emission pathways will be examined further in consideration of their integration into our business strategy and in particular in our sustainability strategy (5-15 years). At present, these scenarios are part of an internal energy procurement strategy adaptation process (and the climate-target adaptation process for the beyond 2020 target (SBT)). This approach considers quantitative indicators.

**C3.1d**

**(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Due to increasingly stringent consumption and emission standards throughout the industrial world, including the EU and Asia, car manufacturers are increasingly being forced to develop environmentally compatible technologies aimed at lowering fuel consumption as well as CO2 and particulate emissions and in the end heading for emission-free mobility. These developments have caused a trend towards more CO2-efficient lower-consumption vehicles. The technologies are developed and delivered by Continental, accounting for around 42% of sales. In 2019 we released the new strategy for carbon neutrality in owned production and along the value chain. The strategy has fixed target dated for 2020, 2040 and 2050.
Supply chain and/or value chain	Yes	Continental's earnings situation is affected to a significant extent by the cost of raw materials, electronic components and energy. For the Automotive Group divisions, this particularly relates to the cost of steel and electronic components. If we succeed even better than before in offsetting possible cost increases or compensating for them through higher prices for our products, this would then have a positive effect on Continental's earnings. The earnings situation of the Rubber Group divisions is significantly impacted by the cost of oil and of natural and synthetic rubber. Price developments are sometimes directly connected to climate related risks. In 2019 we released the new strategy for carbon neutrality in owned production and along the value chain. The strategy has fixed target dates for 2020, 2040 and 2050.
Investment in R&D	Yes	Climate-related efficiency programs are an integral part of Continental's R&D strategy and climate-related risk and opportunity aspects are certainly taken into account. This is evident especially in the development of new markets like e-cars and low-carbon technologies. In In Q1 2020, the technology company's net expenditure for research and development was €902 million, which equates to 8.2 percent of sales. In the same period of the previous year, the ratio was 7.7 percent. In 2019 we released the new strategy for carbon neutrality in owned production and along the value chain. The strategy has fixed target dates for 2020, 2040 and 2050.
Operations	Yes	We consider the complete scope of risk management during the planning for new greenfield projects. In 2019 we released the new strategy for carbon neutrality in owned production and along the value chain. The strategy has fixed target dates for 2020, 2040 and 2050.

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Acquisitions and divestments	With regard to revenues, climate-related risks have affected financial planning in two ways, namely 1) plans to institute targets to decouple emissions and value added (revenues) by carbon intensity, and 2) seeking opportunities to develop low-carbon technologies and products compatible with a 2 degree warming scenario as part of the future low-carbon marketplace. With regard to direct costs, climate-related risks are considered to have an impact on raising water and carbon prices as well as the demand for green electricity supplies. These are registered internally as both risks and opportunities for Continental. Finally, acquisitions and divestments can also be driven by climate-related risks, particularly in areas severely impacted by climate change. In 2019 we released the new strategy for carbon neutrality in owned production and along the value chain. The strategy has fixed target dated for 2020, 2040 and 2050. In addition to the strategy we have connected our sustainability performance to our interests for a new credit line.

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

**Target reference number**

Abs 1

**Year target was set**

2019

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 2 (location-based)

**Base year**

2018

**Covered emissions in base year (metric tons CO2e)**

2400000

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2020

**Targeted reduction from base year (%)**

100

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

0

**Covered emissions in reporting year (metric tons CO2e)**

2288000

**% of target achieved [auto-calculated]**

4.666666666666667

**Target status in reporting year**

New

**Is this a science-based target?**

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

**Please explain (including target coverage)**

Since June 2020 we are part of the RE100 initiative to show our commitment to reduce CO2 emissions from production.

---

**Target reference number**

Abs 2

**Year target was set**

2019

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 1+2 (location-based)

**Base year**

2018

**Covered emissions in base year (metric tons CO2e)**

3300000

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2040

**Targeted reduction from base year (%)**

100

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

0

**Covered emissions in reporting year (metric tons CO2e)**

3120000

**% of target achieved [auto-calculated]**

5.45454545454545

**Target status in reporting year**

New

**Is this a science-based target?**

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

**Please explain (including target coverage)**

Since June 2020 we are part of the RE100 initiative to show our commitment to reduce CO2 emissions from production. This target is equal to our committed target in RE100.

---

**Target reference number**

Abs 3

**Year target was set**

2019

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 3 (upstream & downstream)

**Base year**

2019

**Covered emissions in base year (metric tons CO2e)**

122000000

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2050

**Targeted reduction from base year (%)**

100

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

0

**Covered emissions in reporting year (metric tons CO2e)**

122000000

**% of target achieved [auto-calculated]**

0

**Target status in reporting year**

New

**Is this a science-based target?**

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

**Please explain (including target coverage)**

Our target pathway for Scope 3 emissions is: - Reduction of 30% by 2030 - Reduction of 75% by 2040 - Reduction of 100% by 2050

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## C4.2

### (C4.2) Did you have any other climate-related targets that were active in the reporting year?

Other climate-related target(s)

---

## C4.2b

### (C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

**Target reference number**

Oth 1

**Year target was set**

2019

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Intensity

**Target type: category & Metric (target numerator if reporting an intensity target)**

Energy productivity	megawatt hours (MWh)
---------------------	----------------------

**Target denominator (intensity targets only)**

unit revenue

**Base year**

2018

**Figure or percentage in base year**

100

**Target year**

2030

**Figure or percentage in target year**

80

**Figure or percentage in reporting year**

100

**% of target achieved [auto-calculated]**

0

**Target status in reporting year**

New

**Is this target part of an emissions target?**

Yes, this is included as part of our Climate Strategy 2030.

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain (including target coverage)**

Start and base year is 2018 with a target year of 2030. The target aims for a 2% annual reduction, or approximately a 20% reduction over the full target period.

---

**Target reference number**

Oth 2

**Year target was set**

2019

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Intensity

**Target type: category & Metric (target numerator if reporting an intensity target)**

Waste management	metric tons of waste generated
------------------	--------------------------------

**Target denominator (intensity targets only)**

unit revenue

**Base year**

2018

**Figure or percentage in base year**

100

**Target year**

2030

**Figure or percentage in target year**

80

**Figure or percentage in reporting year**

100

**% of target achieved [auto-calculated]**

0

**Target status in reporting year**

New

**Is this target part of an emissions target?**

Yes, this is included as part of our Environmental Strategy 2030.

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain (including target coverage)**

Start and base year is 2018 with a target year of 2030. The target aims for a 2% annual reduction, or approximately a 20% reduction over the full target period.

---

**Target reference number**

Oth 3

**Year target was set**

2019

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Absolute

**Target type: category & Metric (target numerator if reporting an intensity target)**

Energy consumption or efficiency	Other, please specify (TWh)
----------------------------------	-----------------------------

**Target denominator (intensity targets only)**

<Not Applicable>

**Base year**

2018

**Figure or percentage in base year**

0

**Target year**

2030

**Figure or percentage in target year**

1

**Figure or percentage in reporting year**

0

**% of target achieved [auto-calculated]**

0

**Target status in reporting year**

New

**Is this target part of an emissions target?**

Yes, this is included as part of our Climate Strategy 2030.

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain (including target coverage)**

1 TWh reduction of external energy demand by energy efficiency projects in 2020 until 2030.

---

C4.3

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

**C4.3a**

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	45	0
To be implemented*	184	28608
Implementation commenced*	34	1873
Implemented*	240	38748
Not to be implemented	0	0

**C4.3b**

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Initiative category & Initiative type**

Energy efficiency in buildings	Other, please specify (Various technical solutions with highly efficient equipment)
--------------------------------	-------------------------------------------------------------------------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

14611

**Scope(s)**

Scope 1

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

170000

**Investment required (unit currency – as specified in C0.4)**

633000

**Payback period**

4-10 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

**Initiative category & Initiative type**

Energy efficiency in production processes	Other, please specify (Various technical solutions with highly efficient equipment)
-------------------------------------------	-------------------------------------------------------------------------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

17563

**Scope(s)**

Scope 1

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

105500

**Investment required (unit currency – as specified in C0.4)**

850000

**Payback period**

4-10 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

**Initiative category & Initiative type**

Other, please specify	Other, please specify (Process Emission Reductions (changes in operations))
-----------------------	-----------------------------------------------------------------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

2459

**Scope(s)**

Scope 1

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

160

**Investment required (unit currency – as specified in C0.4)**

230

**Payback period**

4-10 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

**Initiative category & Initiative type**

Low-carbon energy generation	Other, please specify (Various technical solution with low carbon energy installation)
------------------------------	----------------------------------------------------------------------------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

2500

**Scope(s)**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

315

**Investment required (unit currency – as specified in C0.4)**

2400

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

**C4.3c**

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Compliance with regulatory requirements/standards	In case of regulatory requirements the measures will be implemented immediately
Financial optimization calculations	All voluntary measures are calculated according to our internal investment rules
Dedicated budget for energy efficiency	Energy departments have a special budget for energy efficiency measures carried out in production plants. Implementation of the Energy Management System is in line with ISO 50001
Employee engagement	Continental runs an effective system where ideas for improvement can be indicated by employees. Ideas regarding energy saving and reducing CO2 emissions when implemented in our processes are financially rewarded.
Dedicated budget for other emissions reduction activities	Implementation of the "Green Plant Label Award" in "Gold", "Silver" and "Bronze" strengthens our environmental strategy and provides solutions for best available technique. All plants are requested to reach "Bronze" status by 2020.
Dedicated budget for low-carbon product R&D	Continental has several co-operations with federal governments where R&D departments from the various business units are located. Examples include the use of recycled materials (saving natural resources and energy for production of virgin raw materials) which leads to a decrease in CO2 emissions.

**C4.5**

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.****Level of aggregation**

Group of products

**Description of product/Group of products**

Zero-emission driving is vital to the current transformation in the mobility industry and is directly related to sustainability. At the same time, this transformation presents opportunities and risks for Continental. Continental develops and produces pioneering technological solutions that pave the way for zero emission driving. These include, for example, electrified drive systems, lightweight design solutions, solutions for automated driving, new transport concepts and rolling-resistance-optimized tires, as well as bridging technologies in the form of solutions for clean gasoline and diesel vehicles. In doing so, we rely both on new product developments and on the further development of the existing product portfolio. In 2019, products that demonstrably contribute to energy efficiency or to the reduction of pollutant or carbon dioxide emissions already accounted for 42% of consolidated sales, according to our own modelling.

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (Greenhouse Gas Protocol, ISO 14040)

**% revenue from low carbon product(s) in the reporting year**

42

**% of total portfolio value**

&lt;Not Applicable&gt;

**Asset classes/ product types**

&lt;Not Applicable&gt;

**Comment**

42% of our sales is related to products that avoid CO2 emission (categories: Green Tires, Powertrain product and Lightweight products)

**Level of aggregation**

Group of products

**Description of product/Group of products**

Continental Tires: Every Continental tire combines safety with individual requirements, for example minimized rolling resistance (less fuel consumption and CO2 emissions) and maximized driving comfort. Continental's Commercial Vehicle Tires customers benefit many times over from using Continental tires. Firstly, the tires demonstrate a high mileage performance and help to substantially improve fuel economy thanks to their low rolling resistance. Secondly, they can be retreaded as part of the ContiLifeCycle concept saving resources. ContiTechs Conveyor Belt Group provides solutions for reducing energy consumption and CO2 emissions. Its smooth-running ContiTech conveyor belts, for example, have an ultra-energy-optimized design.

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (Greenhouse Gas Protocol, ISO 14040)

**% revenue from low carbon product(s) in the reporting year**

42

**% of total portfolio value**

&lt;Not Applicable&gt;

**Asset classes/ product types**

&lt;Not Applicable&gt;

**Comment**

42% of our sales is related to products that avoid CO2 emission (categories: Green Tires, Powertrain product and Lightweight products)

**Level of aggregation**

Group of products

**Description of product/Group of products**

ContiTechs Elastomer Coatings is the world leader for diaphragms for fuel management systems, life raft materials and climate-neutral printing blankets. Further examples:

- SCR technology for truck exhaust gas treatment (catalytic reduction of NOx)
- The first drive belt made of renewable raw materials
- Solar hoses and tanks help convert solar energy
- Air bellows make it possible to generate energy from wave power
- Bearing elements enhance the efficiency of wind power plants

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (Greenhouse Gas Protocol, ISO 14040)

**% revenue from low carbon product(s) in the reporting year**

42

**% of total portfolio value**

&lt;Not Applicable&gt;

**Asset classes/ product types**

&lt;Not Applicable&gt;

**Comment**

42% of our sales is related to products that avoid CO2 emission (categories: Green Tires, Powertrain product and Lightweight products)

**Level of aggregation**

Group of products

**Description of product/Group of products**

Continental recently started to network existing solutions such as Chassis & Safety components and Interior components that enable drivers to use partly or fully automated driving solutions. These solutions will enable vehicle drivers to drive even safer while reducing the use of resources. In addition, intelligent traffic solutions (ITS) will use existing telematics and infotainment solutions in order to avoid traffic jams or find "green routes" in order to optimize fuel consumption.

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (Greenhouse Gas Protocol, ISO 14040)

**% revenue from low carbon product(s) in the reporting year**

42

**% of total portfolio value**

&lt;Not Applicable&gt;

**Asset classes/ product types**

&lt;Not Applicable&gt;

**Comment**

42% of our sales is related to products that avoid CO2 emission (categories: Green Tires, Powertrain product and Lightweight products)

**Level of aggregation**

Product

**Description of product/Group of products**

Mild hybrid system for reduced fuel consumption that improve efficiency is another focus of our development work. In order to comply with the increasingly strict emissions standards, Continental has developed a mild hybrid system with a 48-volt on-board power supply. A small electric motor reduces the burden on the gasoline or diesel engine in various different driving situations. The mild hybrid system with a 48-volt on-board power supply that reduces fuel consumption by one-fifth is relatively cost-effective and can be used in all vehicle classes. Production began in Europe, Asia and the U.S.A. in 2016.

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (Greenhouse Gas Protocol, ISO 14040)

**% revenue from low carbon product(s) in the reporting year**

42

**% of total portfolio value**

&lt;Not Applicable&gt;

**Asset classes/ product types**

&lt;Not Applicable&gt;

**Comment**

42% of our sales is related to products that avoid CO2 emission (categories: Green Tires, Powertrain product and Lightweight products)

**Level of aggregation**

Group of products

**Description of product/Group of products**

With respect to lightweight components to reduce fuel consumption, our aim is to visibly reduce both our consumption of natural raw materials and the energy demand of our products. This is why we initiated the flagship project Highly Efficient CO2, which systematically drives the development of lightweight vehicle components, thus significantly reducing the consumption of raw materials during the production and the consumption of fuel when driving. This development initiative generates further savings through energy-efficient components. A combination of energy recovery and efficiency management helps to dramatically reduce a vehicle's fuel consumption even further. Continental's Chassis Components business unit specializes in integrated systems in chassis management, active safety and driving efficiency. It develops and produces solutions for electronic-based active chassis technology, which assists the driver in keeping the vehicle under control in all driving situations. Electric steering generates significant fuel savings for all vehicle categories. The intelligent gas pedal AFFP® makes CO2 reduction more tangible for the driver.

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (Greenhouse Gas Protocol, ISO 14040)

**% revenue from low carbon product(s) in the reporting year**

42

**% of total portfolio value**

&lt;Not Applicable&gt;

**Asset classes/ product types**

&lt;Not Applicable&gt;

**Comment**

42% of our sales is related to products that avoid CO2 emission (categories: Green Tires, Powertrain product and Lightweight products)

## C5.1

---

**(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

### Scope 1

**Base year start**

January 1 2019

**Base year end**

December 31 2019

**Base year emissions (metric tons CO2e)**

840000

**Comment**

### Scope 2 (location-based)

**Base year start**

January 1 2019

**Base year end**

December 31 2019

**Base year emissions (metric tons CO2e)**

2380000

**Comment**

### Scope 2 (market-based)

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

## C5.2

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**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

## C6. Emissions data

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### C6.1

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**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**

840000

**Start date**

January 1 2019

**End date**

December 31 2019

**Comment**

### C6.2

---

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

**Comment**

Currently, market-based emission reporting is in the validation process, with the development phase not yet finished. After verification of data quality by a third-party, Continental will disclose these figures as well. Where the GHG protocol has data gaps with regard to our plants worldwide, we use DEFRA emission factors (GOV.UK DEFRA Department for Environment, Food & Rural Affairs) for company reporting. Emission factors used are stored in the software tool SoFi TS of Think Step, which we are using globally across all facilities (mapping of emission factors attached).

**C6.3**

---

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

**Scope 2, location-based**

2380000

**Scope 2, market-based (if applicable)**

<Not Applicable>

**Start date**

January 1 2019

**End date**

December 31 2019

**Comment**

**C6.4**

---

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

**C6.5**

---

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

16000000

**Emissions calculation methodology**

Calculation has been performed in line with the Corporate Value Chain (Scope 3) Accounting and Reporting Standard of GHG Protocol. Purchased goods and services have been based on the vast variety of components and materials used in our products in combination with supplier and industry data (e.g. volume of procured natural rubber multiplied by average tCO2 per t natural rubber).

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

The data input is from our IT system and reflects the exact amount of the purchased material.

**Capital goods****Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

Significant capital goods have not been purchased or acquired by the reporting company in the reporting year. In the process of calculating a total carbon footprint this category was excluded from deeper calculation as it was estimated to contribute to less than 1% to total Scope 3 emissions.

**Fuel-and-energy-related activities (not included in Scope 1 or 2)****Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

500000

**Emissions calculation methodology**

Amount of MWh was multiplied by the conversion factors according to the Greenhouse Gas Protocol. Data Source is our global reporting tool. Input data is verified by KPMG.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain****Upstream transportation and distribution****Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

600000

**Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain****Waste generated in operations****Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

20000

**Emissions calculation methodology**

The weight of generated waste was multiplied by the appropriate conversion factors according the Greenhouse Gas Protocol. Data was obtained from our global reporting system and verified by KPMG.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain****Business travel****Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

100000

**Emissions calculation methodology**

Emissions were modelled based on upscaling representative business travel data to the full workforce.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

## Employee commuting

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Scope 3 from employee commuting was not considered relevant from a management perspective. Nevertheless, the CO2-intensity of commuting is reduced by providing transport capacities (mainly busses). Furthermore, public transport for commuting is supported by several programs (e.g. with job tickets). Though the category is not considered relevant, it remains a matter of focus within our business. The category was estimated to contribute to less than 1% to total Scope 3 emissions.

## Upstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Upstream leased assets are not relevant as Continental does not lease facilities which are not included in scope 1 and 2.

## Downstream transportation and distribution

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

600000

### Emissions calculation methodology

Emissions are calculated based on internal logistic data and emission factors for relevant modes of transport based on DEFRA emission factors.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

## Processing of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Continental delivers its manufactured components in a state at which they are no longer processed further. The components are simply assembled whole into vehicles and therefore processing was not calculated.

## Use of sold products

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

100000000

### Emissions calculation methodology

Emissions calculated for products used in motor vehicles (cars, trucks) which account for 90+% of sales. Data base is effective proportion of vehicle emissions (tires) as well as weight component (remainder), based on average vehicles.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

#### End of life treatment of sold products

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

4000000

**Emissions calculation methodology**

Emissions were calculated with a simplified model based on product weights, different types of disposal and standard disposals factors.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Please explain**

#### Downstream leased assets

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

Continental has no downstream leased assets which are not already included in Scope 1 and Scope 2. Therefore these emissions are considered to be 0.

#### Franchises

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

Continental does not license relevant franchise operations. The category was estimated to contribute to less than 1% to total Scope 3 emissions.

#### Investments

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

Continental did not have any significant investments in the reporting year relevant to Scope 3. This category is estimated to contribute to far less than 1% to total Scope 3 emissions.

#### Other (upstream)

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

There are no further relevant upstream categories.

**Other (downstream)**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

There are no further relevant downstream categories.

C6.7

---

**(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

No

C6.10

---

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Intensity figure**

72.36

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

3220000

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

44500000000

**Scope 2 figure used**

Location-based

**% change from previous year**

0.2

**Direction of change**

Increased

**Reason for change**

Organic growth of the company through acquisitions and greenfields.

---

C7. Emissions breakdowns

---

C7.1

---

**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

No

C7.2

---

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

Country/Region	Scope 1 emissions (metric tons CO2e)
China	48003
Germany	193268
United States of America	192056
Other, please specify (Rest of the world)	406673

### C7.3

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By business division

#### C7.3a

**(C7.3a) Break down your total gross global Scope 1 emissions by business division.**

Business division	Scope 1 emissions (metric ton CO2e)
Division Tire	427000
Division ContiTech	320000
Automotive Technologies	63000
Vitesco Technologies	30000

### C7.5

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
China <i>currently no market-based reporting available</i>	472043	0	628581	0
Germany <i>currently no market-based reporting available</i>	380280	0	1026506	0
United States of America <i>currently no market-based reporting available</i>	482247	0	847891	0
Other, please specify (Rest of the World) <i>currently no market-based reporting available</i>	1045430	0	2889391	0

### C7.6

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By business division

#### C7.6a

**(C7.6a) Break down your total gross global Scope 2 emissions by business division.**

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Division Tire	1160000	
Division ContiTech	492000	
Automotive Group	436000	
Vitesco Technologies	292000	

### C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

#### C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	
Other emissions reduction activities	38748	Decreased	1.2	CO2 reduction projects were summed up and percentage was calculated based on the total CO2 emissions
Divestment	0	No change	0	
Acquisitions	0	No change	0	
Mergers	0	No change	0	
Change in output	0	No change	0	
Change in methodology	0	No change	0	
Change in boundary	0	No change	0	
Change in physical operating conditions	0	No change	0	
Unidentified	0	No change	0	
Other	0	No change	0	

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

## C8. Energy

### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

### C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

### C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	3934011	3934011
Consumption of purchased or acquired electricity	<Not Applicable>	248877	4471945	4720822
Consumption of purchased or acquired heat	<Not Applicable>	0	24053	24053
Consumption of purchased or acquired steam	<Not Applicable>	0	912677	912677
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	7889	<Not Applicable>	7889
Total energy consumption	<Not Applicable>	256766	9342687	9599453

### C8.2b

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

**C8.2c**

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

**Fuels (excluding feedstocks)**

Natural Gas

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

3462413

**MWh fuel consumed for self-generation of electricity**

**MWh fuel consumed for self-generation of heat**

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

**Emission factor**

56.25

**Unit**

kg CO2e per GJ

**Emissions factor source**

GHG Protocol/IEA (05/2018)

**Comment**

**Fuels (excluding feedstocks)**

Coal

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

197513

**MWh fuel consumed for self-generation of electricity**

**MWh fuel consumed for self-generation of heat**

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

**Emission factor**

93.84

**Unit**

kg CO2e per GJ

**Emissions factor source**

Defra 2018

**Comment**

**Fuels (excluding feedstocks)**

Liquefied Petroleum Gas (LPG)

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

80497

**MWh fuel consumed for self-generation of electricity**

**MWh fuel consumed for self-generation of heat**

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

**Emission factor**

63.1

**Unit**

kg CO2e per GJ

**Emissions factor source**

GHG Protocol/IEA (05/2018)

**Comment**

---

**Fuels (excluding feedstocks)**

Diesel

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

81534

**MWh fuel consumed for self-generation of electricity**

**MWh fuel consumed for self-generation of heat**

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

**Emission factor**

69.3

**Unit**

kg CO2e per GJ

**Emissions factor source**

GHG Protocol/IEA (05/2018)

**Comment**

---

**Fuels (excluding feedstocks)**

Motor Gasoline

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

8228

**MWh fuel consumed for self-generation of electricity**

**MWh fuel consumed for self-generation of heat**

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

**Emission factor**

69.3

**Unit**

kg CO2e per GJ

**Emissions factor source**

GHG Protocol/IEA (05/2018)

**Comment**

---

**Fuels (excluding feedstocks)**

Fuel Oil Number 1

**Heating value**

---

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

103826

**MWh fuel consumed for self-generation of electricity**

**MWh fuel consumed for self-generation of heat**

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

**Emission factor**

78.8

**Unit**

kg CO2e per GJ

**Emissions factor source**

GHG Protocol/IEA (05/2018)

**Comment**

---

**C8.2d**

---

**(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	133476	133476	7889	7889
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

**C9. Additional metrics**

---

**C9.1**

---

**(C9.1) Provide any additional climate-related metrics relevant to your business.**

**Description**

Waste

**Metric value**

409280

**Metric numerator**

Tons

**Metric denominator (intensity metric only)**

**% change from previous year**

2

**Direction of change**

Decreased

**Please explain**

Started first initiatives to reduce the amount of waste in our facilities

---

**Description**

Waste

**Metric value**

9.2

**Metric numerator**

Tons

**Metric denominator (intensity metric only)**

Million € revenue

**% change from previous year**

3

**Direction of change**

Decreased

**Please explain**

Started first initiatives to reduce the amount of waste in our facilities.

---

**Description**

Energy usage

**Metric value**

9600000

**Metric numerator**

MWh

**Metric denominator (intensity metric only)**

**% change from previous year**

3

**Direction of change**

Decreased

**Please explain**

Energy Efficiency projects started

---

**Description**

Energy usage

**Metric value**

215

**Metric numerator**

MWh

**Metric denominator (intensity metric only)**

Million € revenue

**% change from previous year**

3

**Direction of change**

Decreased

**Please explain**

Energy efficiency measures combined with positive developments in sales resulted in a decrease for the relative metric.

---

**C10. Verification**

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## C10.1

---

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

## C10.1a

---

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Conti19\_CDP Letter\_24062020\_vf.pdf

**Page/ section reference**

page 2

**Relevant standard**

ASAE3000

**Proportion of reported emissions verified (%)**

100

---

## C10.1b

---

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

**Scope 2 approach**

Scope 2 location-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Conti19\_CDP Letter\_24062020\_vf.pdf

**Page/ section reference**

page 2

**Relevant standard**

ASAE3000

**Proportion of reported emissions verified (%)**

100

---

## C10.1c

---

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

**Scope 3 category**

Scope 3: Use of sold products

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

---

Reasonable assurance

**Attach the statement**

Conti19\_CDP Letter\_24062020\_vf.pdf

**Page/section reference**

page 2

**Relevant standard**

ASAE3000

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Purchased goods and services

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Conti19\_CDP Letter\_24062020\_vf.pdf

**Page/section reference**

page 2

**Relevant standard**

ASAE3000

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: End-of-life treatment of sold products

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Conti19\_CDP Letter\_24062020\_vf.pdf

**Page/section reference**

page 2

**Relevant standard**

ASAE3000

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Upstream transportation and distribution

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Conti19\_CDP Letter\_24062020\_vf.pdf

**Page/section reference**

page 2

**Relevant standard**

ASAE3000

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Downstream transportation and distribution

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Conti19\_CDP Letter\_24062020\_vf.pdf

**Page/section reference**

page 2

**Relevant standard**

ASAE3000

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Conti19\_CDP Letter\_24062020\_vf.pdf

**Page/section reference**

page 2

**Relevant standard**

ASAE3000

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Business travel

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Conti19\_CDP Letter\_24062020\_vf.pdf

**Page/section reference**

page 2

**Relevant standard**

ASAE3000

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Waste generated in operations

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

Conti19\_CDP Letter\_24062020\_vf.pdf

**Page/section reference**

page 2

**Relevant standard**

ASAE3000

---

Proportion of reported emissions verified (%)

100

---

## C10.2

---

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, we do not verify any other climate-related information reported in our CDP disclosure

## C11. Carbon pricing

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### C11.1

---

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Yes

### C11.1a

---

**(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.**

EU ETS

### C11.1b

---

**(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.**

#### EU ETS

**% of Scope 1 emissions covered by the ETS**

19.3

**% of Scope 2 emissions covered by the ETS**

0

**Period start date**

January 1 2019

**Period end date**

December 31 2019

**Allowances allocated**

117715

**Allowances purchased**

26897

**Verified Scope 1 emissions in metric tons CO2e**

162707

**Verified Scope 2 emissions in metric tons CO2e**

0

**Details of ownership**

Facilities we own and operate

**Comment**

### C11.1d

---

**(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

Our strategy is (in order of listing):

1. Avoiding CO2-emissions by using improved (efficient) equipment
2. Installation of cogeneration equipment (combined heat and power)
3. Purchasing of allowances (if necessary)

In our plants we implemented our energy efficiency strategy (BEE = Be Energy Efficient) including many technical improvement projects. In addition to our activities we started the implementation of cogeneration equipment and as the last measure we started purchasing allowances.

**C11.2**

---

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

**C11.3**

---

**(C11.3) Does your organization use an internal price on carbon?**

No, and we do not currently anticipate doing so in the next two years

**C12. Engagement**

---

**C12.1**

---

**(C12.1) Do you engage with your value chain on climate-related issues?**

- Yes, our suppliers
- Yes, our customers
- Yes, other partners in the value chain

**C12.1a**

---

**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

**Type of engagement**

Compliance & onboarding

**Details of engagement**

Included climate change in supplier selection / management mechanism

**% of suppliers by number**

51

**% total procurement spend (direct and indirect)**

51

**% of supplier-related Scope 3 emissions as reported in C6.5**

74

**Rationale for the coverage of your engagement**

Climate-related metrics are part of the supplier evaluation process and it is part of the decision making process. In our Business Partner Code of Conduct, we define the fundamental sustainability requirements for our supply chains, including with regard to human rights, working conditions, environmental protection (incl. climate protection) and anti-corruption. We expect an optimization of environmental performance from all of our strategic supplier engagements at a minimum. We assess compliance with the sustainability requirements of the Business Partner Code of Conduct in particular with the help of self-assessment questionnaires via sustainability platforms EcoVadis and NQC, which represent a generally accepted standard for sustainability assessments of suppliers in our industries.

**Impact of engagement, including measures of success**

The self-assessments incentivise suppliers to comply with our requirements.

**Comment**

---

**Type of engagement**

Engagement & incentivization (changing supplier behavior)

**Details of engagement**

**% of suppliers by number**

51

**% total procurement spend (direct and indirect)**

51

**% of supplier-related Scope 3 emissions as reported in C6.5**

74

**Rationale for the coverage of your engagement**

We need to understand the situation within our supply chain in order to initiate a program focusing on climate-related issues. In our Business Partner Code of Conduct, we define the fundamental sustainability requirements for our supply chains, including with regard to human rights, working conditions, environmental protection (incl. climate protection) and anti-corruption. We expect an optimization of environmental performance from all of our strategic supplier engagements at a minimum. We assess compliance with the sustainability requirements of the Business Partner Code of Conduct in particular with the help of self-assessment questionnaires via sustainability platforms EcoVadis and NQC, which represent a generally accepted standard for sustainability assessments of suppliers in our industries.

**Impact of engagement, including measures of success**

The self-assessments incentivise our suppliers to improve their sustainability and climate protection performance.

**Comment**

---

**Type of engagement**

Innovation & collaboration (changing markets)

**Details of engagement**

Run a campaign to encourage innovation to reduce climate impacts on products and services

**% of suppliers by number**

0.1

**% total procurement spend (direct and indirect)**

0.1

**% of supplier-related Scope 3 emissions as reported in C6.5**

0.1

**Rationale for the coverage of your engagement**

Through intense direct cooperation we are able to convince our suppliers to engage with sustainability issues.

**Impact of engagement, including measures of success**

Through this engagement we have seen a reduction of CO2 emissions from the targeted partners and an increase in resource efficiency in general. At this stage we do not make use of specific emission reduction or efficiency targets, but instead assess the direction of change of these two indicators.

**Comment**

---

**C12.1b**

---

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

**Type of engagement**

Collaboration & innovation

**Details of engagement**

Run a campaign to encourage innovation to reduce climate change impacts

**% of customers by number**

100

**% of customer - related Scope 3 emissions as reported in C6.5**

100

**Portfolio coverage (total or outstanding)**

<Not Applicable>

**Please explain the rationale for selecting this group of customers and scope of engagement**

In the end 100% of our Scope 1,2,3 are related to our business with customers. Most of our customers are the big automotive OEMs as well as consumers for our replacement business. OEMs are selected one by one summing up to close to 100%. The use of sold products is around 80% of our total carbon footprint – and it is completely related to our customers ambitions for carbon neutrality.

**Impact of engagement, including measures of success**

With several OEM customers we initiated close dialogues on how to achieve carbon neutrality. The success of these measures is documented in different ways, e.g. with contractual agreements on concrete emission reductions. Also our RE 100 project is partially based and aligned on these dialogues.

**C12.1d**

**(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.**

We initiated and oversee two projects with governmental organisations including one with the GIZ to reduce deforestation within our supply chain among natural rubber producers and farmers and another with the DEG to encourage other sustainable practices within our supply chain such as manufacturing efficiency and renewable energy procurement.

Since August 2019 we have a collaboration contract with climate start-up "right. - based on science" to develop software tools to improve and steer our climate impact on our business model.

**C12.3**

**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

Direct engagement with policy makers

Trade associations

Funding research organizations

**C12.3a**

**(C12.3a) On what issues have you been engaging directly with policy makers?**

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Energy efficiency	Support with major exceptions	Development of less fuel-consuming systems for the automotive industry is a never ending improvement and often limited by materials, production techniques and economic restrictions. Improvement of auto components is a step by step process and normally needs more time than politicians are accepting in legislative drafts. Involvement of associations can attenuate policy actions providing improved boundary conditions for the industry concerned.	Reduction CO2 Emissions

**C12.3b**

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

**C12.3c**

**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

**Trade association**

ETRMA

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

Continental supports the EU climate change policy, but points out that improvements of products towards those that consume less fuel often involves some trade offs that have to be recognized. For example, improving the rolling resistance of tires leads to longer breaking distances. This classical trade off can only be solved by intensive R&D efforts, which consumes a great deal of time and money.

**How have you influenced, or are you attempting to influence their position?**

Rolling resistance as well as by using an energy label.

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**Trade association**

VDA

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

Climate protection has top priority, and the automotive industry supports the ambitious Paris climate targets. The VDA therefore welcomes an ambitious EU climate action policy. A holistic view will be needed if we are to achieve the objective of a CO2 reduction in the mobility sector together. This should take into account not only new vehicle technology but also driving styles and mileages, the vehicle fleet and the CO2 impact of fuels and electricity. Promoting alternative fuels such as hydrogen and e-fuels in particular represents a major lever for reducing CO2 output from vehicles already on the roads

**How have you influenced, or are you attempting to influence their position?**

Emission standards in transport.

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**C12.3d**

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**(C12.3d) Do you publicly disclose a list of all research organizations that you fund?**

No

**C12.3f**

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**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

Control is carried out by Continental corporate organisations and their continuous control processes, the organisation for standards and regulations and the environmental organisation and its management system control process (according to ISO 14001). Continental is a member of the World Business Council for Sustainable Development WBCSD. Continental is part of the Tire Platform in the WBCSD Work Program and actively supports tire and tire material-related sustainability topics (e.g. ecological and climate benefits of nanomaterials in products as well as safe use of nanomaterials in production and during product use). Continental's climate strategy is in line with the WBCSD strategy for more sustainable products and production (e.g. Corporate Environmental Targets regarding energy and water consumption, CO2-emissions, waste generation and recovery).

**C12.4**

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**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**

In mainstream reports, in line with the CDSB framework (as amended to incorporate the TCFD recommendations)

**Status**

Complete

**Attach the document**

annual-report-2019-data.pdf

**Page/Section reference**

page 50

**Content elements**

Governance  
Strategy  
Risks & opportunities  
Emissions figures  
Emission targets  
Other metrics

**Comment**

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**Publication**

In other regulatory filings

**Status**

Complete

**Attach the document**

annual-report-2019-data.pdf

**Page/Section reference**

starting at page 48

**Content elements**

Governance  
Strategy  
Emissions figures  
Emission targets  
Other metrics

**Comment**

Non-financial statement, included in annual report

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**Publication**

In voluntary sustainability report

**Status**

Please select

**Attach the document**

Sustainability Report 2019.pdf

**Page/Section reference**

page 20

**Content elements**

Governance  
Strategy  
Risks & opportunities  
Emissions figures  
Emission targets  
Other metrics

**Comment**

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**C15. Signoff**

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**C-FI**

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**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

**C15.1**

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(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Dr. Elmar Degenhart, Chief Executive Officer	Chief Executive Officer (CEO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company’s annual revenue for the stated reporting period?

	Annual Revenue
Row 1	44500000000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	DE	00054390

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Doing so would require we disclose business sensitive/proprietary information	Each customer knows the amount of sales they have with our company. Each customer can allocate the emissions we publish in detail on CDP
Customer base is too large and diverse to accurately track emissions to the customer level	Each customer knows the amount of sales they have with our company. Each customer can allocate the emissions we publish in detail on CDP

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

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(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

Each customer knows the amount of sales that they have with our company. Each customer can allocate the emissions we publish in detail on CDP. The effort and the complexity within Continental's Organisation is to high to do so.

SC2.1

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(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

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(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC3.1

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(SC3.1) Do you want to enroll in the 2020-2021 CDP Action Exchange initiative?

No

SC3.2

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(SC3.2) Is your company a participating supplier in CDP's 2019-2020 Action Exchange initiative?

No

SC4.1

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(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

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In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain Questions?
I am submitting my response	Investors Customers	Public	Yes, submit Supply Chain Questions now

Please confirm below

I have read and accept the applicable Terms