



# ON THE ROAD

CONDENSED VERSION  
OF THE 2015  
SUSTAINABILITY REPORT

SPECIAL ON  
FUTURE MOBILITY  
BY CONTINENTAL

# Foreword.

## Dear Readers,

Our planet and the people on it are facing major challenges. Together with our industry, we have an enormous responsibility. Our aim is to develop highly efficient, sustainable individual mobility. Mobility that causes zero accidents, is clean and intelligent, and that everybody can afford. In this way, we create the highest value for our customers, investors, employees, business partners, and society.

Sustainability is therefore closely entwined with our core business. Our values give us essential guidance. They stand for careful use of resources, taking on social responsibility, and a culture of cooperation. In this way, we will successfully tackle the digital transformation. This transformation will radically change our working world. We see huge opportunities here for our business, for climate protection, and for road safety.

A few statistics indicate the **problems that need to be solved**: Each year, more than 1.2 million people die and over 51 million are injured worldwide as a result of road accidents. Our advanced driver assistance systems are already helping to reduce these figures. They detect the surrounding environment, monitor the blind spot, and brake autonomously in emergencies. There is a similar situation with regard to the constantly rising CO<sub>2</sub> emissions: Our current technologies reduce fuel consumption in modern combustion engines

by more than 20 percent. And far more can be achieved with automation and electric drive. We are investing heavily in both of these areas.

Digitalization presents us with both challenges and opportunities. Challenges with regard to how our work will be organized in the future, as well as opportunities with regard to tapping new markets and development and training for our employees. We are dealing with these areas responsibly. We therefore specifically promote the following aspects within our organization:

1. **Diversity** and therefore a variety of creative ideas and approaches.
2. **Lifelong learning and seamless transfer of knowledge** for the best solutions for our customers.
3. **An inspiring management culture** in which it is fun to show full commitment and achieve top performance.
4. **Flexible working conditions** that make it easy for our employees to focus on what is most important and to maintain a good work-life balance.

As one of the world's leading technology companies and automotive suppliers, we underpin **our commitment to sustainable development worldwide** by actively promoting the principles of the United Nations Global

Compact. These include employee rights, human rights, environmental protection and anticorruption. With our products and actions, we aim to protect people's lives and health and contribute to a better quality of life.

**Our roadmap** and the main coordinates and milestones are shown in this overview. The facts are supplemented with extensive information in line with the guidelines of the Global Reporting Initiative (GRI) on the Internet ([continental-corporation.com/gri-report](http://continental-corporation.com/gri-report)). Our stakeholders and interested members of the public receive an extensive and comparable report that shows them that we are managing our company with a 360-degree perspective.

We hope you find the report an interesting read and look forward to receiving your suggestions.

Hanover, August 2016

Yours,



Dr. Elmar Degenhart  
Chairman of the  
Executive Board

Yours,



Dr. Ariane Reinhart  
Executive Board member  
for Human Relations,  
Director of Labor  
Relations, Sustainability



**Dr. Elmar Degenhart and Dr. Ariane Reinhart:**

*"Sustainability is closely entwined with our core business."*



## Contents.

### Profile and Strategy.

Continental on the Move	2
Our Navigation System	3
Roadmap 2020	4

### Special on Future Mobility by Continental.

Our Digital Roadmap	6
Giving Priority to Climate Protection	7
Green Light for Dandelion	8

### Our Coordinates in 2015.

More Environmental Protection, Lower CO <sub>2</sub> Emissions	10
Suppliers as Partners in Environmental Protection	12
Boosting Qualifications, Diversity and Success	13
Wide-ranging Commitment that Brings Benefits Locally	15
About this Report and Further Information	17
Publication Details	17

# Highlights



"Rubber From Dandelion" project: Scientists were awarded the **2015 Joseph von Fraunhofer Prize.**



Solution for water and energy supply: **Special vinyl sheets with solar cells** protect water and generate energy.



Climate-friendly energy: Environmentally friendly power plants save **1,000 tons of CO<sub>2</sub>** a year at the Pisa location.



Taking action for children: Employees in Northeim win the **2015 Albert Schweitzer Award** for their commitment.



Environmental awareness: **Continental locations in Guadalajara were certified** by the Mexican Ministry of the Environment.



Constructive: Employees at the Uitenhage location in South Africa build a **daycare center** as part of "Madiba Day 2015."

# 2015.

Support for refugees: Continental donates **€100,000** to Welthungerhilfe to help Syrian refugees.

# Continental on the Move.

Continental helps people to turn their dreams of mobility into reality. This ranges from personal transportation to the movement of goods and transmission of their data.

**Mobility and transport are essential elements of our lives. We want to help to meet the high expectations in this regard. We invent, develop, produce, and sell technological solutions that are essential for this. With our technologies, systems and service solutions, we make mobility and transport more sustainable, safer, more comfortable, more individual and more affordable.**

## Efficient structure creates value

Continental operates at 430 locations in 55 countries. Our team comprises some 208,000 employees worldwide. Our corporate culture and values establish and promote a common understanding of cooperation that spans organizational and geographical boundaries.

## Globally interconnected value creation

Research & Development	Purchasing	Manufacturing	Sales
innovative	diverse	worldwide	local
€2.4 billion in expenses	€17.4 billion volume	208 sites	€39.2 billion in sales

The company is made up of two areas: the Automotive Group and the Rubber Group. These are in turn divided into five divisions and 28 business units depending on the product, product group, or region.

The Automotive Group is made up of three divisions: Chassis and Safety, Powertrain, and Interior. They generate around 60 percent of consolidated sales.

- › **Chassis and Safety** develops, produces, and markets intelligent systems to improve driving safety and vehicle dynamics.
- › **Powertrain** integrates innovative and efficient system solutions for the powertrains in vehicles of all classes.

- › **Interior** develops and produces information, communication, and network solutions.

The Rubber Group comprises two divisions: Tires and ContiTech. They generate around 40 percent of consolidated sales.

- › **Tires** is known for maximizing safety through short braking distances and excellent grip as well as reducing fuel consumption by minimizing rolling resistance.
- › **ContiTech** develops, manufactures, and markets products for machine and plant engineering, mining, the automotive industry, and other important industries.

Our organization ensures that central management areas and operating activities are closely coordinated with one another, which makes it possible to respond quickly and flexibly to market conditions and customer requirements. In this way, we ensure that the company's success creates value on a sustainable basis.

With a share of 72 percent of our consolidated sales (2015), the automotive industry (original equipment) is our largest customer segment. And the importance of this industry to the growth of the Automotive Group is equally high. The Tire division is dominated by tire business with end customers. At ContiTech, other key industries besides the automotive industry also play an important role.

## Our vision

Highly developed, intelligent technologies for mobility, transport and processing make up our world.

We provide the best solutions for each of our customers in each of our markets.

All of our stakeholders will thus come to recognize us as their most value-creating, highly reliable, and respected partner.

# Our Navigation System.

Sustainable management and corporate social responsibility are among Continental’s fundamental values. Acting with a focus on sustainability strengthens our future viability.

Our corporate culture is based on our four values: Trust, Passion To Win, Freedom To Act, and For One Another. These values form a basis that helps guide us in the way we interact with customers and business partners, work with one another, and resolve conflicts of interest.

- › **Trust:** We earn the trust we give. Trust is the basis for everything we do and the prerequisite for our success. We justify the trust that has been placed in us.
- › **Passion To Win:** We have the passion to win. Competition is our world, top performance is our goal. We want to create value continuously. For this, we give our best.
- › **Freedom To Act:** We grow with freedom and its responsibility. We motivate people to self-organize their work and assume responsibility for the results.
- › **For One Another:** We attain top value with our team spirit as one Continental. We combine our forces and put aside individual interests. In this way, we achieve the greatest possible success for Continental.

**Continental provides answers to global challenges**  
Road traffic presents major challenges for people all around the world. Carbon dioxide (CO<sub>2</sub>) emissions – including emissions from traffic – are largely responsible for global warming. In view of the rapidly growing world population, clean air is an important issue for us. Our goal is to improve the efficiency of conventional combustion engines and to develop affordable electric mobility solutions that are tailored to the needs of end customers.

The large number of vehicles also represents a safety issue. Despite progress in developed countries, there are still more than 1.2 million traffic fatalities worldwide each year – and this is what drives us to significantly improve road safety with our products and systems.

In the Internet of Things, 50 billion devices and machines and over 250 million vehicles could be connected in just a few years’ time. New digital services and features will make the mobility of people and the transportation of goods safer, more convenient, and more environmentally friendly. We are working full steam on this.

**The 18 key topics**

very relevant    less relevant

Road safety/vehicle safety	Raw materials	Wastewater and waste materials
Attractiveness as an employer	Supply chain	Regional commitment
Sustainable products	Data protection	Lobbying
Compliance	Human rights	Water
Training	Occupational health and safety	Logistics
Diversity and equal opportunities	Climate protection and air	Biodiversity

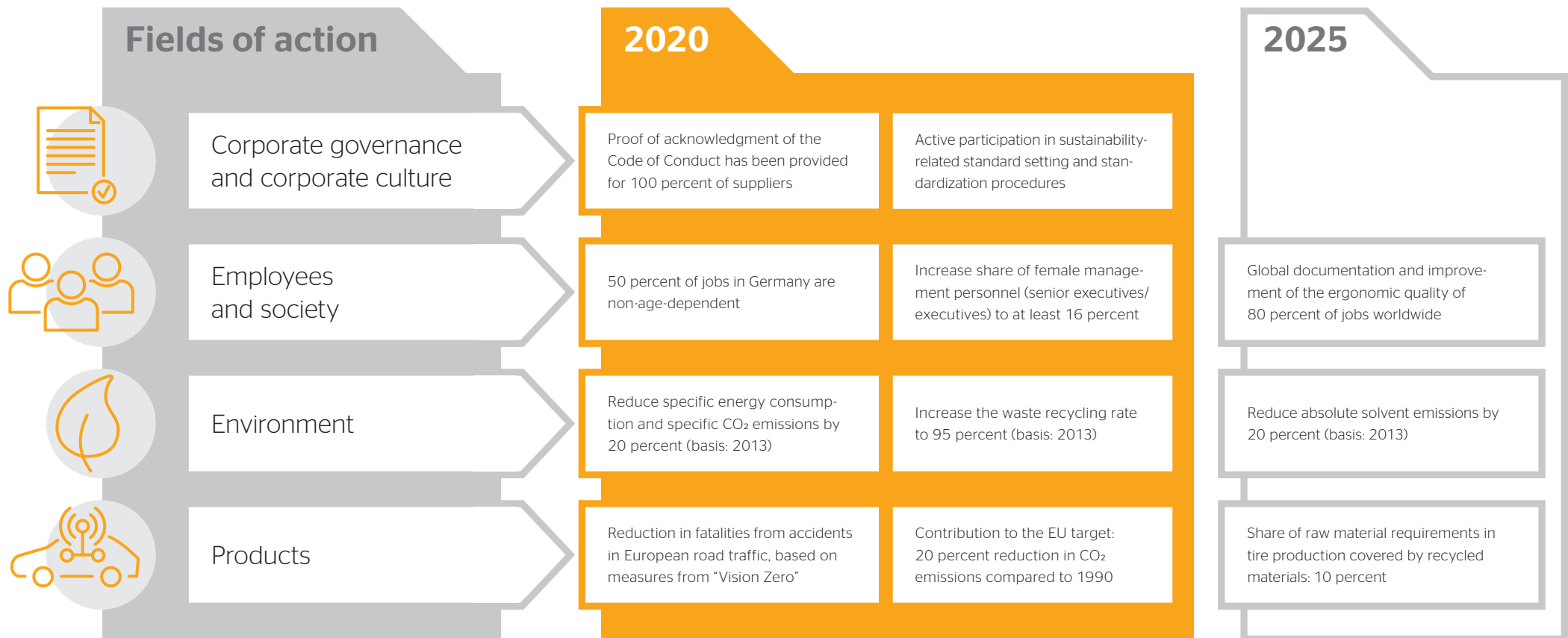
**We are involved in shaping the change**  
The automotive industry is facing significant challenges. Probably the most immediate of these is digitalization. Advanced driver assistance systems and other digital technologies such as electronics, sensor systems and software are increasingly supporting the analog world of physics and mechanics. The electrification of the powertrain will increasingly support the combustion engine and eventually replace it. When it comes to the question of how we as individuals want to experience mobility in the future, particularly in view of increasing urbanization, automated driving also plays an important role. Already, half of the world’s population now lives in cities. Issues such as infrastruc-

ture, safety requirements, and environmental protection represent major challenges for society. Continental is actively involved in shaping this change.

**Preparing for the future with key topics**  
To ensure that we have the right strategic position now and in the future, we regularly discuss our challenges both within the company and also with our external stakeholders. In 2015, we worked together to develop a multi-stage analysis of the key topics. In doing so, we identified and prioritized 18 sustainability topics that are described in more detail in the current Continental sustainability report in accordance with the Global Reporting Initiative (GRI) guidelines.

# Roadmap 2020.

We have set ourselves goals for 2020 in order to achieve measurable improvement in our four fields of action. Some of these extend until 2025. These goals form our Roadmap 2020, which is presented in detail in our sustainability report in accordance with GRI.





# Future Mobility by Continental.

Digitalization is changing products and companies. The car of the future will be part of the Internet. As a result, Continental is evolving from a supplier into a designer. Our technologies form the basis for automated driving and more sustainable mobility. They result in safer roads, more environmentally friendly traffic, and more resource-efficient production of vehicles.



SAFETY



CLIMATE  
PROTECTION



RESOURCES

# Our Digital Roadmap.

Continental is making mobility safer, more convenient, and more environmentally friendly. To do so, we are connecting vehicles, people, and infrastructure.

**What once was science fiction is now becoming reality: Traffic flows guided by the Internet and vehicles that drive themselves – on an environmentally friendly basis and without accidents. The core principle of automated driving is intelligent connection of vehicles with their environment. Each car sends and receives information over the Internet and collects data on traffic situations, route topography, the weather, and other road users.**

## Three development centers, 1,300 experts

Since 2007, Continental has been involved in research projects for automated driving. Over 1,300 specialists at the company are working on advanced driver assistance systems and the foundations of automated driving. We carried out successful test drives in the U.S. state of Nevada back in 2012 and have carried out

such tests in Japan since 2014. We pool our expertise at international development centers such as Frankfurt, Germany; Auburn Hills, U.S.A.; and Yokohama, Japan. Together with our partners from the automotive industry, we build and perform tests on test vehicles with technologies that are almost ready for production.



## Mr. Lauxmann, how can automated driving contribute to sustainability?

We understand sustainability as meaning that we have a responsibility to make driving even safer and more environmentally friendly. We ensure that the right technical conditions are in place to continuously lower fuel consumption and therefore emissions and to significantly reduce the risk of an accident.

**How does that work?** One key component of automated driving is sensor technology – from 360-degree cameras to radars and sensors in tires. The additional exchange of data between different vehicles and from traffic mainframes makes it possible to react to changes in the traffic situation at an early stage. This makes for greater safety.

**That sounds like a big work program for traffic infrastructure.** Yes, but we will have solutions for the main components in the vehicle. These include swarm connectivity for exchanging data, dialog processes between humans and machines, the system architecture of the IT systems, reliability, and finally also acceptance on the part of consumers, as there will be no getting by without this.

*Ralph Lauxmann is the head of Systems and Technology in Continental's Chassis and Safety division and head of the Automated Driving project center.*



## Six challenges

- › **Sensor technology:** Advanced driver assistance systems with sensors monitor the vehicle's surroundings, increase safety, and reduce CO<sub>2</sub> emissions.
- › **Swarm connectivity:** The Internet ensures the exchange of sensor data between road users and traffic mainframes.
- › **Human-machine dialog:** Interactive communication systems facilitate dialog between the driver and the vehicle.
- › **System architecture:** Automated driving will result in huge data streams that need to be processed in real time.
- › **Reliability:** In the event of a technical fault, a safety system must ensure that the vehicle can either continue on its way or come to a controlled stop.
- › **Acceptance:** Public acceptance and drivers' trust in dialog with vehicles form the basis for automated driving.



# Giving Priority to Climate Protection.

The mobility of the future is electric. Forward-looking technology will reduce accidents and contribute to climate protection.

A large part of the accident rate, as well as the consumption and emissions of a vehicle, is attributable to people. The driver's attentiveness and driving style determines whether a car becomes a safety risk and how much exhaust gas it emits. Traffic jams and accidents caused by carelessness or stress impede the traffic flow and the resulting stop-and-go traffic inevitably leads to avoidable emissions.

## Roadmap for automated driving

**2025 Fully automated:** Monitoring not necessary. Drivers do not have to be able to take over the task of driving.

**2020 Highly automated:** Monitoring not necessary. Drivers must be able to take over the task of driving with advance notice.

**2016 Partially automated:** System monitoring required. Drivers must be able to take over the task of driving at all times.

2025 AD  
THE YEAR OF AUTOMATED DRIVING

By contrast, a vehicle that is controlled by computer adapts optimally to the traffic situation. Pressure on the gas pedal no longer reflects the driver's personal stress. There is no longer any sudden braking due to inattentiveness. After all, vehicles do not get tired. This also reduces energy consumption. In addition, automated driving allows entire traffic flows to be synchronized and guided, resulting in fewer energy-wasting traffic jams. And finding a parking spot – a source of unnecessary fuel consumption and great annoyance in cities – will be a thing of the past as well with automated driving.

### Reduced fuel consumption with automated driving

Experts estimate that ten percent of fuel consumption could be saved by minimizing the "human factor" through automated driving. In view of the fact that around 30 percent of CO<sub>2</sub> emissions are attributable to the traffic sector, this represents enormous potential.

### Our contribution to social acceptance

Of course, an innovation as revolutionary as automated driving raises many questions that go beyond just the technology – from insurance and liability questions to data security and individual data protection and even ethical issues: Is it acceptable to analyze personal data that is important for the general public, for example for avoiding accidents? How do automated vehicles make decisions when they have to choose between two accident scenarios in an emergency? Who is responsible if the automated car causes an accident? In these areas, the industry and politicians are called upon to determine suitable conditions.

Continental facilitates and encourages debate about automated driving in society – because when it comes to such a socially relevant topic, everybody should have the chance to be heard: At [www.2025ad.com](http://www.2025ad.com), we have created an online platform for public dialog on automated driving, where experts and consumers can form and discuss opinions on the technical, legal, and social aspects of the mobility of the future.

30%



of the greenhouse gas emissions that contribute to climate change are caused by traffic.

-10%



in fuel consumption (and emissions) could be achieved with automated driving, as people tend to brake too often and accelerate too fast.

-50%



in car weight – resulting in significantly lower consumption and emissions – if it were possible to do without the complex safety technology that has so far been necessary for protection from accidents.

# Green Light for Dandelion.

In seeking alternative material sources, one of Continental's focuses is natural rubber from Russian dandelion.

**Renewable raw materials are intended to replace finite resources such as crude oil. But what if these resources come from regions where they are available only in unreliable quantities due to climatic or geopolitical factors?**

The natural rubber traditionally extracted from rubber trees comes from the "rubber belt" around the equator. It is subject to significant fluctuations in price and is not always reliably available. On top of this, it requires long transportation routes that are not particularly favorable for the environmental footprint and cause additional costs. But even for state-of-the-art high-performance tires, natural rubber is still needed: between 10 and 30 percent for passenger and light truck tires, and 40 percent or more for truck tires. This comes to between 1 and 3 kilograms of natural rubber per tire for passenger cars and between 20 and 25 kilograms per tire for trucks.

## Partnerships for sustainability

So it pays off to look for alternatives: "In the 'Taraxagum' dandelion rubber project, we are working to find an ecologically, economically, and socially viable solution to meet the growing demand for natural rubber," explains Dr. Andreas Topp, head of Material and Pro-

cess Development and Industrialization for Tires. For several years, Continental has been testing the suitability of the Russian dandelion in cooperation with external research partners. The roots of this plant produce natural rubber of almost the same quality as that of the rubber tree.

## Seeking alternatives

Together with the Fraunhofer Institute for Molecular Biology and Applied Ecology, the Julius Kühn-Institute, and the plant cultivation company ESKUSA, we are testing new varieties with optimized performance properties and higher yields for industrial use. Newly cultivated dandelion plants can produce around twice as much natural rubber as conventional ones. Cultivation and transportation aspects definitively make it a sustainable raw material: It grows in temperate climate regions, so the distances to our European tire plants are much shorter. Other key aspects of sustainability, such as conservation of resources (water, herbicides, pesticides), invasion potential, total utilization of the biomass, and a socioeconomic assessment, are also being covered in our research work.

Dr. Carla Recker, Taraxagum project manager, Continental AG, is confident: "Using natural rubber from dandelion will make tire produc-

tion even more environmentally friendly, without us having to compromise our high quality standards or lose out on performance."



## From testing to mass production

In 2014, Continental produced the first small-scale series of test tires with a tread made entirely of dandelion rubber. Tests show that the performance properties match those of rubber from rubber trees. However, it will take another five to ten years of focused research and development work by Continental and its project partners before the first mass-produced "Taraxagum" tires go into action on our roads.

*"In Continental, we have a strategic partner with whom we are continuously improving the extraction of rubber from dandelion roots. This rubber will be of the same quality as rubber extracted in the conventional way."*

*Prof. Dirk Prüfer,  
Fraunhofer Institute for Molecular Biology and Applied Ecology*

# Our Coordinates in 2015.

We pursue responsible corporate governance. In the areas of the environment, employees, and society, we use specific key figures to measure our progress. At the same time, we develop pioneering projects.



## HEALTHY ENVIRONMENT

4.3% REDUCTION IN CO<sub>2</sub> EMISSIONS  
IN PRODUCTION  
€11.6 BILLION OF SALES WITH  
ENERGY-EFFICIENT PRODUCTS



## ATTRACTIVE EMPLOYER

~95,000 APPLICATIONS IN GERMANY (+32%)  
10.5% OF MANAGEMENT POSITIONS  
HELD BY WOMEN



## FAIR SOCIETY

SUPPORT FOR REFUGEES



# More Environmental Protection, Lower CO<sub>2</sub> Emissions.

Climate protection and energy efficiency are at the heart of Continental's environmental strategy. We come up with some bright ideas to achieve our goals.

**We want to make a contribution to tackling climate change by operating on an energy-efficient basis and developing products that help reduce CO<sub>2</sub> emissions. We aim to use increasingly scarce raw materials as efficiently as possible and, wherever possible, to develop more sustainable alternatives.**

## Our goals are set

Our environmental strategy covers the entire value chain in production as well as the lifecycles of our products. At all stages of the value chain, we are striving to optimize our use of raw materials and ensure that our business activities are as efficient as possible. We have set ourselves ambitious targets here. By 2020, we aim to reduce CO<sub>2</sub> emissions, energy and water consumption, and the quantity of waste in relation to the business volume by 20 percent at all Continental plants as compared to the base year 2013. In addition, we aim to improve the waste recycling rate by two percent per year and ensure that our strategic

suppliers are certified in accordance with the environmental management standard ISO 14001.

But our environmental strategy does more besides. It also helps boost our business activities, as we can turn ecological risks such as climate change and the increasing scarcity of certain raw materials into opportunities for the company, for example when our product innovations result in competitive advantages. Examples include the wide range of products for reducing CO<sub>2</sub> emissions, our development initiatives for lightweight design, and use of recycled materials.

Megatrends such as global urbanization, along with the associated challenges for mobility, drive our research and development activities in the field of automated driving (pages 6-7). And research into dandelion rubber is our response to environmental and supply risks in the rubber supply chain (page 8).

## A beacon for climate protection

We contribute to climate protection with a wide range of products. With many solutions, we reduce both the CO<sub>2</sub> emissions of our automotive and industrial customers and also those of end users. In 2015, Continental already generated around €11.6 billion with highly energy-efficient products or with products that help to reduce CO<sub>2</sub> emissions.

One example is the flagship project "Highly Efficient CO<sub>2</sub>" (HECO2), which is advancing the development of lightweight components for vehicles. In this project, we are working to reduce raw material consumption in production and to lower fuel requirements in the use

phase. This is because the less our products weigh, the less energy will be required to move a vehicle. The HECO2 development initiative generates further savings through energy-efficient components. This enables CO<sub>2</sub> emissions to be reduced to 85 grams per kilometer for gasoline-driven cars and 75 grams per kilometer for diesel vehicles while maintaining the same vehicle performance.

We continuously work to improve the rolling resistance of our tires – without restricting any of the tires' safety features. Innovations such as our piezo injection valves for gasoline and diesel engines reduce CO<sub>2</sub> emissions by up to 20 percent.

*"Our environmental strategy supports sustainable growth in all areas. It provides our employees with tools for acting in an environmentally friendly way and reflects our social responsibility."*

*Thomas Sewald, Head of Corporate Environmental Management*



### How tire production conserves resources

We are increasingly drawing on recycled materials in our tire manufacturing in order to conserve natural rubber resources while also reducing globe-spanning transportation routes. Retreading tires is a tried-and-tested process, particularly for truck tires. At the ContiLifeCycle plant in Hanover, we reprocess worn-out truck tires in a retreading process that conserves resources.

This uses around 50 percent less energy and as much as 80 percent less water compared to the production of new tires. The rubber powder that is produced during retreading is further processed into recyclate, which is used

in the production of new and retreaded tires. Thanks to the globally unique recycling process developed by Continental, the volume of recycled materials in new tires can be doubled.

Used tires can also be useful in various other areas, for example in the construction industry. The steel and textile components of shredded old tires are removed and recycled separately. Rubber granulate is used to manufacture panels for building protection (insulation, sealing) or is put to use in the form of fine granulate on artificial turf sports fields. Even finer material such as rubber dust can be used in road construction, for instance in a noise-absorbing asphalt layer.

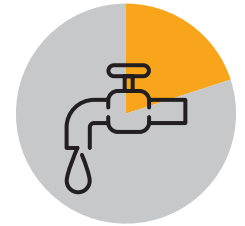
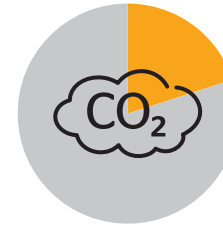
*“Retreading truck tires reduces our environmental impact in several ways: For each retreaded tire, only half as much energy is used compared to manufacturing a completely new tire. Water consumption and waste are reduced by as much as 80 percent.”*

*Nikolai Setzer, Executive Board member, Tire division*

By 2020 in production

-20%

in CO<sub>2</sub> emissions,  
waste, and  
water

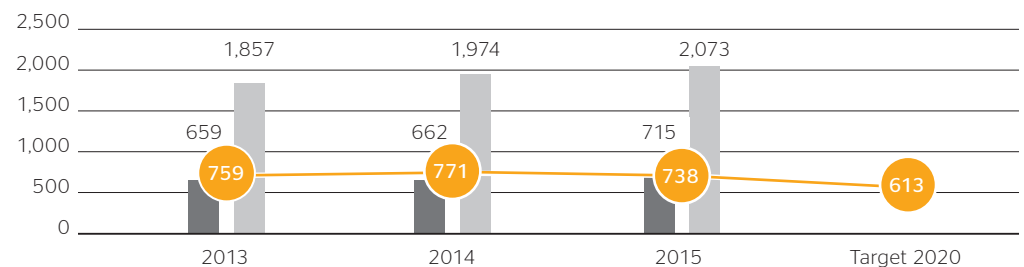


### Targeted projects reduce energy requirements

Energy consumption at Continental's locations has a direct bearing on climate protection. The extensive catalog of measures under the "Be Energy-Efficient" (BEE) project are aimed particularly at reducing specific energy consumption, with a 20 percent decrease to

669 gigajoules per million euros of adjusted consolidated sales targeted by 2020. To this end, large investments in efficient power supply facilities (such as decentralized combined heat and power plants) have already been made. We are currently working on improving heat management in production and optimizing insulation in the vulcanization process.

### CO<sub>2</sub> emissions



CO<sub>2</sub> scope 1 (1,000 t)

CO<sub>2</sub> scope 2 (1,000 t)

Specific CO<sub>2</sub> emissions (100 kg/€ million of adjusted sales)

# Suppliers as Partners in Environmental Protection.

As part of a government-subsidized development partnership, Continental is raising awareness of environmental and energy management topics among selected suppliers in Mexico.

**One important factor for the implementation of the environmental strategy 2020 is the sustainability of the supply chain. Continental aims to raise awareness of environmental and energy management among its suppliers, particularly through improved networking and closer collaboration.**

This was Continental's aim when, for example, it launched a development partnership in Mexico, where we have more than 120 local suppliers of electronic and mechanical com-

ponents and providers of surface finishing and pre-assembly services. Selected suppliers in the Mexican states of Jalisco and Guanajuato are now being given training in the areas of environmental and energy management over a two-year period. Although many environmental measures have already been implemented successfully as a result of this collaboration in the past few years, the systematic networking and collaboration is still in its early stages and is to be developed on the basis of specific projects.

*“Closer networking and a more intensive exchange of experiences between our suppliers in Mexico are aimed at improving the environmental performance of all project partners, including Continental itself. In the end, it is primarily about making a joint contribution to sustainable development.”*

*Jim Egner, Environmental Manager for NAFTA*

## Sponsored project ensures transfer of expertise

In this project, we want to promote environmentally friendly and resource-efficient business processes at our suppliers and thus make a contribution to sustainable economic growth in Mexico that goes beyond just a business relationship. For this reason, the project is supported by KfW-DEG, a development project company belonging to the state-owned KfW banking group, as part of its “develoPPP.de” support program. The resulting transfer of expertise not only benefits Continental, but can also be used by the suppliers to improve their own performance in environmental and energy management – and thus also their operating cost structures, productivity, employee retention, and competitiveness.

In six to eight full-day seminars, the suppliers' energy and environmental managers are given practical training in basic knowledge, proven methods, and technological and organizational solutions for more efficient operational use of resources and energy. In addition, possibilities for improving the collaboration with Continental in the field of environmental and energy management are also developed. The topics and proposed measures developed



Training on efficient operational use of resources and energy for environmental managers of Continental's Mexican suppliers

together in the seminars are then implemented at the respective production sites in three-day consulting modules for each supplier.

## Findings to be applied internationally

In addition to the project's development policy plans, which are particularly important to our project partners, we also aim to apply effective solutions and best practices to other company locations and other regions as part of our corporation-wide environmental and climate protection strategy. In this way, we want to improve our joint environmental performance and operational efficiency in the Continental Corporation while also making an effective contribution to reducing the environmental impact.

# Boosting Qualifications, Diversity and Success.

Trust, Passion To Win, Freedom To Act, For One Another – these are Continental's core company values. By putting them into practice every day, our employees turn these values into a living culture.

**In the past ten years, the number of Continental employees has grown by over 100,000. More than 200,000 people now work at Continental. But that's not all: A total of approximately 315,000 people worldwide applied for salaried positions at Continental in 2015. In Germany alone, the number of applications was up by more than 32 percent compared to 2014. This represents convincing proof of our attractiveness as an employer.**

## Finding the right jobs for applicants

The considerable recruitment requirements and the high number of applicants necessitate a selection process that is fair for the applicants and suitable for the company. What counts for us is the "best fit" between a person and the vacant positions within the corporation. This means that instead of the applicant looking for a suitable position, we look for the right job for the applicant – depending on his or her skills and the job specification. As the first step toward this, we began imple-

menting a test-based selection process at the beginning of 2016. This also gives practically-minded people and lateral thinkers the opportunity to develop from career changers to career climbers.

At Continental, we do not see our employees as resources. What is important to us is the relationship that we have with one another when working together and the values that we put into practice together. Respecting people, valuing their achievements, and enabling them to develop their skills – these are the foundations of our HR work. By supporting people with their development and fostering their talents, we create added value not only for our employees but also for customers, the company, and other stakeholders.

## The right offer for every employee

In order to achieve our growth targets, we rely on highly trained and motivated employees. We made further improvements to our global employee development in 2015, adding a new system for talent management. In order to encourage foreign assignments, we also take account of the career plans of our employees' life partners. In addition, a new manager development program that establishes our company values as the basis for management is being implemented throughout the corporation.

In Germany, we lay the foundations for starting a professional career at Continental with 30 training courses for skilled occupations and 16 dual courses of study. In 2015, more

*"In our personnel selection, we also incorporate people who have come to our country as refugees. Together with the German Federal Employment Agency, we have developed a program that makes it easier for asylum seekers to enter the job market after their status has been legally recognized and that offers them long-term career prospects."*

Steffen Brinkmann, Head of HR in Germany

## Employees by region



### Age structure of the workforce

> 60	2%
50-59	16%
40-49	24%
30-39	32%
20-29	24%
< 20	1%

than 650 young people started work at Continental in Germany. We are training around 2,100 talented young employees – more than ever before – at 30 locations.

We continuously develop our training programs in line with the changing conditions. In our production areas, we add learning content that takes account of the increasing digitalization of industrial production. We have launched a specialist staff initiative to estab-

lish additional focus areas for employee development in the pay-scale area.

#### How we understand diversity and put it into practice

Continental is a diverse company whose employees have a wide range of different ethnic, cultural, religious, and other backgrounds. We value and promote the diverse ideas and experiences that come from our employees, as these make Continental more

successful. We are an international team that allows for a global perspective with strong local roots. This is why we want to offer equal opportunities for everybody. Our employees at the locations have many different nationalities. Around 70 percent of the employees work at locations outside Germany, and 40 percent are based outside Europe. We aim to achieve a balanced ratio of local to international managers at our locations.

Equal opportunities also particularly apply to women and we intend to continuously increase the proportion of female employees at the company. In 2015, we once again increased the proportion of women in management positions – from 9.7 percent to 10.5 percent. Our goal is for 16 percent of all management positions to be staffed with women by 2020. Older employees are also specifically promoted, as we recognize how valuable their experience is.

Promoting diversity within the company also means appreciating the differences between employees. This was the aim of a series of seminars on the topic of “unconscious bias” that was held over several months in 2014/15. These seminars promoted awareness of unconscious perception bias when making decision and in management behavior.

### Women in men’s jobs? Yes, please!



At Continental, women can often be found in traditionally male occupations. This is partly down to trainees like Marie-Louis Neuhoff. The 19-year-old is completing training as an automotive software developer at the Babenhausen location. “Everything to do with math and software fascinates me,” says the young woman. Continental played a significant role in designing the training course. Its aim is to enable young people who are interested in digitalization to start a career without needing a degree, thereby countering the shortage of specialist staff. “It feels good to know that I am needed here,” says Neuhoff.



### Demographic change: It’s all in the mix

The population in Germany and other Western industrialized nations is growing older. This is the result of demographic change, as birth rates have been falling in many countries over the past few decades. Continental therefore attaches great importance to ensuring that it is attractive to highly trained young staff – and is successful here. On the other hand, we also want to keep older employees at the company as long as possible. We value their experience and are convinced that it is the right mix of experience and curiosity that makes the company successful.



# Wide-ranging Commitment that Brings Benefits Locally.

Continental sees itself as part of society at all of its locations and in all regions. We aim to get involved in charitable initiatives all around the world.

**Think globally, act locally: This is the guiding principle for our social commitment. Our activities in this area are planned at the locations and implemented with local employees. We focus on social welfare and road safety, education and science, and sports.**

## Protecting lives, building confidence

Road safety is an objective that we pursue with many different products. So what could be more fitting than to support this topic with accompanying charitable initiatives as well? Several locations have set themselves this task. In China, for example, Continental has been working together with "Safe Kids China" since 2012 to raise awareness of road safety among young people. Practical training and a wide range of initiatives promote safe driving. In October 2015, Continental launched the fourth program for the safety of young drivers in Shanghai. This campaign is also supported by volunteers from the University of Shanghai and by the local traffic police. Continental focuses on a different area in Brazil, where

employees at the plant in Camaçari help sick children in hospitals as part of the "Os Continentais" initiative. This project is based on the findings of the U.S. doctor and professional clown Patch Adams, who called for laughter to be recognized as a form of therapy back in the 1960s. Three times a month, the Continental employees visit four major hospitals in the federal state of Bahia, complete with colorful hats, red clown noses, and musical instruments. With sketches, slapstick performances, and plays, they cheer up the children and build their confidence.

## Education opens many doors

Education is more than the key to a career at the company. It is also the basis prerequisite for participating in society. For this reason, we support several educational projects in the neighborhoods around our locations. Together with 18 other companies and the German Society for International Cooperation (GIZ), Continental is one of the founding members of the "Afrika kommt!" ("Africa is Coming!") initiative. Under this initiative, young managers

from Sub-Saharan Africa come to Germany for a year, where their development is supported and they are familiarized with the country. At the same time, the program paves the way for lasting economic cooperation. Participants in the project find out about operational structures at German companies, enhance their specialist and management expertise, and acquire cultural knowledge and language skills. This allows them to use their knowledge to establish important contacts between Germany and Africa and take on management

responsibilities in their home country after completing the program. In May 2015, the Continental location in Manila in the Philippines invited employees from World Vision for a visit. The experienced development workers reported on their work and made it clear that education is the only key to escape from the vicious cycle of hunger and poverty in which many of the country's children are trapped. Several employees then chose to offer school sponsorships to enable socially disadvantaged children and young people to go to school.

## Taking action for children of Syrian refugees



In December 2015, we supported the Welthungerhilfe aid agency in its work at refugee camps in Turkey. With our donation of €100,000, we made a contribution to improving school education for the children there, which is currently not possible to an adequate extent. Many thousands of Syrian children who have been living at the camps in Turkey with their families for more than four years urgently need support. To make sure they have opportunities for vocational training or higher education, above all school education needs to be provided. There is often a lack of buses to the nearest school or insufficient money for the fares. Attending school lessons will allow these children, some of whom are severely traumatized, to experience a bit of ordinary daily life again and gain hope for the future.

In Germany, we use the “Integration into Working Life” model to support young people who have not been able to find a way into working life so far due to a lack of the necessary qualifications or poor school education. Similar objectives are pursued by “Prime Time,” a weekly tutoring program for young people in Deer Park, Illinois, U.S.A. Employees at the Continental location there help school pupils with their homework on a regular basis.

### Inspiring and helping others with sports

At many of its locations, Continental combines the promotion of popular sports with social concerns. For example, in June 2015 employees took part in the Hanover Marathon and donated the prize money to a special-needs school. As a long-standing partner of the well-known Barum Czech Auto Rally in Otrkovice in the Czech Republic, we promoted the “Drive on Marrow” campaign and gained more than 570 new donors for the Czech bone marrow donor register.

### Support in emergencies

In emergency situations such as natural disasters, Continental also supports supra-regional projects on a centralized basis. For example, in April 2015 Nepal was hit by the most severe earthquake for several decades. Continental provided support to the German Federal Agency for Technical Relief (THW), which was working in the disaster area. Our donation was used for a drinking water treatment plant. Time and again, Continental locations or their employees encounter social hardship that provides the impetus for a charitable project. For example, at the U.S. location in Auburn Hills our employees support the Gleaners Community Food Bank, a charitable organization in the U.S. state of Michigan that has been helping people in need for 37 years with food donations of more than 18,000 tons a year. Every day, the organization needs volunteers to arrange and distribute the food received. In 2015, Continental employees arranged around 8,000 meals for families in need.



### Brazil: Soccer as a pathway to school education

Soccer is not just a national sport in Brazil. It can also play an important educational or therapeutic role. Continental supports a project in Brazil that is specifically intended for children and young people from disadvantaged social backgrounds. Dr. Yvonne Bezera de Mello founded the UERÊ project in Rio de Janeiro in 1993. Each year, she and her team at a school in the favelas support over 400 children and young people who are growing up in an environment of poverty, violence, and marginalization. Almost all of the pupils suffer from post-traumatic symptoms and associated learning difficulties. The project has proven extremely effective, with a success rate of more than 90 percent. As a second step, Dr. de Mello has therefore developed a training program for teachers at other schools on the basis of her findings.

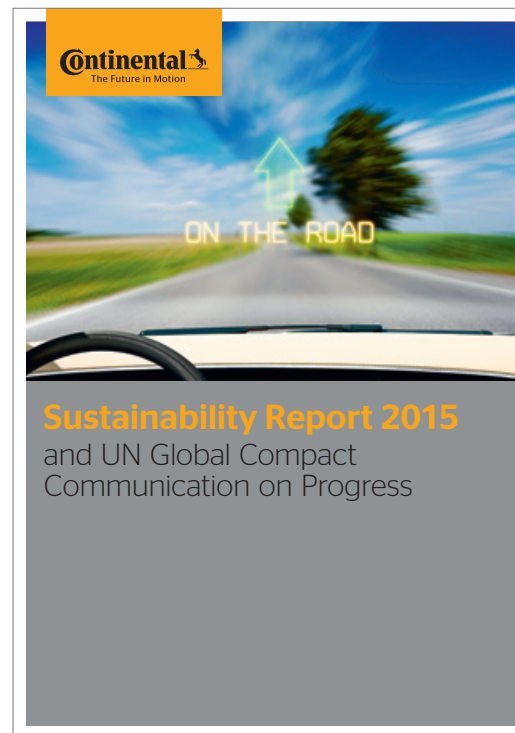
The UERÊ-Mello educational method uses soccer as a pathway to a program that combines passion for this sport with school education. The learning modules are deliberately kept short so that the children, many of whom suffer from obstacles to learning, can really absorb the content. Thanks to its success, the UERÊ-Mello approach has been officially recognized as an educational method in Rio de Janeiro. Continental supports the project financially and offers internships for those leaving school. The funding priority in 2015 was further training for the teachers.

# About this Report and Further Information.

Based on the 2015 sustainability report, in this brochure Continental AG sums up how it assumes responsibility for the environment, its employees, and society. It provides information on key figures and targets, significant advances, and examples of projects.

The detailed report was prepared in accordance with the guidelines of the Global Reporting Initiative (GRI), the international standard for sustainability reporting. It is available as a PDF at [continental-corporation.com/gri-report](http://continental-corporation.com/gri-report).

The statements in the sustainability report and in this brochure relate to the entire corporation; data and key figures on the workforce cover 93 percent of the employees.



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