Welcome to your CDP Climate Change Questionnaire 2021

C0. Introduction

C0.1

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

Continental AG is the parent company of the Continental Group. In addition to Continental AG, the Continental Group comprises 563 companies, including non-controlled companies. The Continental team is made up of 236,386 employees at a total of 561 locations in the areas of production, research and development, and administration, in 58 countries and markets. Added to this are the distribution locations, with 955 company-owned tire outlets and a total of around 5,000 franchises and operations with a Continental brand presence.

The Continental Group is divided into the group sectors Automotive Technologies, Rubber Technologies and Powertrain Technologies. These sectors comprise five business areas with a total of 21 business units (as of January 1, 2021). A business area or business unit is classified according to product requirements, market trends, customer groups and distribution channels. The business areas and business units have overall responsibility for their business, including their results. The legally independent Powertrain business area operates under the name Vitesco Technologies. This has no effect on the financial reporting of the Powertrain business area within the Continental Group.

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. To ensure a unified business strategy, an Automotive Board was established in the Automotive Technologies group sector, with the CEO of Continental AG serving as chairman. With the exception of Group 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 Continental Group across business areas. These include, in particular, finance, controlling, compliance, law, IT, human relations, sustainability, as well as quality and environment.

C0.2

(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, 2020	December 31, 2020	Yes	3 years

C0.3

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

Australia
Belgium
Brazil
Canada
Chile
China
Czechia
Ecuador
Finland
France
Germany
Greece
Hungary
India
Italy
Japan
Malaysia
Mexico
Morocco
Philippines
Poland
Portugal
Republic of Korea
Romania
Russian Federation
Serbia
Singapore
Slovakia
Slovenia
South Africa
Spain
Thailand
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 Environmental & Climate Protection, which includes climate change as a major issue. The climate change management 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 Steering Committee. All relevant business units and central functions are represented on the Sustainability Committee alongside the board member for HR and Sustainability, the CEO 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	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	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 Group 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)	Responsibility	Frequency of reporting to the board on climate-related issues
Sustainability committee 💬1	Both assessing and managing climate-related risks and opportunities	Quarterly
Energy manager	Managing climate-related risks and opportunities	Half-yearly
Environment/ Sustainability manager	Both assessing and managing climate-related risks and opportunities	Quarterly
Procurement manager	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly
Chief Procurement Officer (CPO)	Assessing climate-related risks and opportunities	As important matters arise
Other, please specify Executive Board	Both assessing and managing climate-related risks and opportunities	Quarterly

💬1The CEO, CFO and Board Member for HR and Sustainability lead the Sustainability Steering Committee.

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 3 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 Business Area-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 inventivized	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 environmental managers in the plants, BU's and Business Areas.
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 Business Area Heads of Environment	Monetary reward	Efficiency target	The focus on energy and emissions reduction targets are the responsibility of our Business Area Heads of 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 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 corporate 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 actions initiated. Group Audit regularly audits the risk management process, thereby continually monitoring its effectiveness and further development.

Transitional risk:
An example of a transitional risk are the requirements of customers and the society to achieve carbon neutrality. Therefore, we implemented a project and started in our locations to purchase only electricity from renewable sources from 2020 onwards and joined 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 of a transitional risk are the requirements of customers and the society to achieve carbon neutrality. Therefore, we implemented a project and started in our locations to purchase only electricity from renewable sources from 2020 onwards and joined the initiative RE100.
Reputation	Relevant, always included	This is assessed by the divisional markets and sales departments and is included in the Risk & Opportuniti Management described above. Transitional risk: An example of a transitional risk are the requirements of customers and the society to achieve carbon neutrality. Therefore, we implemented a project and started in our locations to purchase only electricity from renewable sources from 2020 onwards and joined 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

Primary potential financial impact

Decreased revenues due to reduced production capacity

Company-specific description

Continental operates at 561 locations in 58 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)

Potential financial impact figure – minimum (currency)

1

Potential financial impact figure – maximum (currency)

10,000,000

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

5,000,000

Description of response and explanation of cost calculation

Continental operates at 561 locations in 58 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

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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

Primary potential financial impact

Decreased revenues due to reduced production capacity

Company-specific description

In 2020 the Rubber Group of Continental Corporation achieved €15.6 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)

Potential financial impact figure – minimum (currency)

1

Potential financial impact figure – maximum (currency)

10,000,000

Explanation of financial impact figure

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Cost of response to risk

5,000,000

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

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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 round 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.

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

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

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)

Potential financial impact figure – minimum (currency)

1

Potential financial impact figure – maximum (currency)

10,000,000

Explanation of financial impact figure

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Cost of response to risk

5,000,000

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.

The new key performance indicator introduced in fiscal 2020 expresses the paradigm shift from more efficient mobility to emission-free mobility and comprised €0.83 billion of consolidated sales.

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Comment

In 2020, the technology company's net expenditure for research and development was €3.38 billion, which equates to 9.0 percent of sales. In the same period of the previous year, the ratio was 7.6 percent.

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)

Potential financial impact figure – minimum (currency)

1

Potential financial impact figure – maximum (currency)

10,000,000

Explanation of financial impact figure

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Cost to realize opportunity

5,000,000

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 (target achieved)
- Zero CO2 Emissions for Scope 1 & Scope 2 in 2040
- Zero CO2 Emissions along the whole value chain latest by 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
- Program Carbon Neutral for emission free vehicles: From 2022 onwards Conti products which are used in zero tailpipe vehicles will be provided net carbon neutral

Comment

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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)

Potential financial impact figure – minimum (currency)

1

Potential financial impact figure – maximum (currency)

10,000,000

Explanation of financial impact figure

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Cost to realize opportunity

5,000,000

Strategy to realize opportunity and explanation of cost calculation

Since June 2020 Continental is an official member of the initiative RE100, which is led by the Climate Group. Our target to purchase 100% renewable electricity by the end of 2020 was achieved successfully.

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))

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)

Potential financial impact figure – minimum (currency)

1

Potential financial impact figure – maximum (currency)

10,000,000

Explanation of financial impact figure

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Cost to realize opportunity

5,000,000

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.

The new key performance indicator introduced in fiscal 2020 expresses the paradigm shift from more efficient mobility to emission-free mobility and comprised €0.83 billion of consolidated sales.

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) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	Yes	Yes, Continental´s low-carbon transition plan is regularly part of the Annual General Meetings. The information about the progress is presented by Continental´s CEO

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.2a

(C3.2a) 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 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 adaption process (and the climate-target adaption process for the beyond 2020 target (SBT)). This approach considers quantitative indicators.

C3.3

(C3.3) 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 zero tailpipe emission vehicles. The technologies supporting emission-free mobility are developed and delivered by Continental, accounting for around €0.83 billion of consolidated sales. 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.

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 2020, the technology company's net expenditure for research and development was €3.38 billion, which equates to 9.0 percent of sales. In the same period of the previous year, the ratio was 7.6 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.

C3.4

(C3.4) 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	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)

	Acquisitions and divestments	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.

C3.4a

(C3.4a) 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 (market-based)

Base year

2018

Covered emissions in base year (metric tons CO2e)

2,400,000

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 (%)

90

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

240,000

Covered emissions in reporting year (metric tons CO2e)

210,000

% of target achieved [auto-calculated]

101.3888888889

Target status in reporting year

Achieved

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

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. In November 2020 our environmental targets (climate targets) have been assessed and approved (1.5°C) by the Science Based Targets initiative.

Target reference number

Abs 2

Year target was set

2019

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2018

Covered emissions in base year (metric tons CO2e)

3,300,000

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)

988,000

% of target achieved [auto-calculated]

70.0606060606

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

Since June 2020 we are part of the RE100 initiative to show our commitment to reduce CO2 emissions from our own operations. This target is equal to our committed target in RE100. In November 2020 our environmental targets (climate targets) have been assessed and approved (1.5°C) by the Science Based Targets initiative.

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)

122,000,000

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)

109,000,000

% of target achieved [auto-calculated]

10.6557377049

Target status in reporting year

Underway

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

Well-below 2°C aligned

Please explain (including target coverage)

Our target pathway for Scope 3 emissions is:
- Reduction of 30% by 2030 (target approved by the SBTi)
- Reduction of 75% by 2040
- Reduction of 100% latest by 2050

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

103

% of target achieved [auto-calculated]

-15

Target status in reporting year

Underway

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 ~2% annual reduction, or approximately a 20% reduction over the full target period.
In fiscal 2020, our total energy use was 8.7 TWh (PY: 9.6 TWh), primarily accounted for by purchased electricity and natural gas. Energy use fell by 9.2% year-on-year. This was due in particular to the decline in production due to the COVID-19 pandemic, as well as the energy efficiency projects introduced. In relation to group sales, however, energy use increased by 7% year-on-year. This is due to the basic requirements of the locations, which remained constant despite a sharp decrease in sales.

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

96

% of target achieved [auto-calculated]

20

Target status in reporting year

Underway

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 ~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)

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

0.218

% of target achieved [auto-calculated]

21.8

Target status in reporting year

Underway

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	0	0
To be implemented*	226	16,864
Implementation commenced*	147	6,386
Implemented*	491	63,153
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

Low-carbon energy consumption

Low-carbon electricity mix

Estimated annual CO2e savings (metric tonnes CO2e)

1,970,000

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

0

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

0

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

From 2020 onwards Continental purchases solely electricity from renewable sources. To underline our ambition we joined the RE100 initiative in June 2020.

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)

29,670

Scope(s)

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

6,826,000

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

23,539,000

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)

15,657

Scope(s)

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

3,331,000

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

2,689,000

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Low-carbon energy consumption
Other, please specify
Low carbon energy installation & low carbon energy purchase

Estimated annual CO2e savings (metric tonnes CO2e)
5,118

Scope(s)
Scope 1
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
229,000

Investment required (unit currency – as specified in C0.4)
2,290,000

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)
2,180

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
402,000

Investment required (unit currency – as specified in C0.4)
1,097,000

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

Initiative category & Initiative type

Other, please specify

Other, please specify

Other energy efficiency projects and behavioral changes

Estimated annual CO2e savings (metric tonnes CO2e)

8,020

Scope(s)

Scope 1

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

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

3,285,000

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

2,219,000

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 2025.
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

(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.

The new key performance indicator introduced in fiscal 2020 expresses the paradigm shift from more efficient mobility to emission-free mobility and comprised €0.83 billion of consolidated sales.

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

Greenhoue Gas Protocol, ISO 14040

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

2.2

Comment

€0.83 billion of our consolidated sales is related to products that avoid CO2 emission (categories: emission-free mobility). The indicator is aligned with the EU taxonomy on sustainability finance.

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 and maximized driving comfort. Continental's Commercial Vehicle Tires customers benefit many times over from using Continental tires. Firstly, the rolling resistance is especially important in electric vehicles, as it helps to maximize the range between charging cycles. Alongside lower weight and later torque timing, conventionally powered vehicles differ from electric cars in another important aspect: the engine and transmission make noise. Electric drives are silent, which means rolling noise is heard more clearly. This is why Continental tires are designed to produce low rolling noise, while the aerodynamic side wall design helps to keep the vehicle’s air resistance low. Secondly, they can be retreaded as part of the ContiLifeCycle concept saving resources.

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

Greenhoue Gas Protocol, ISO 14040

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

2.2

Comment

€0.83 billion of our consolidated sales is related to products that avoid CO2 emission (categories: emission-free mobility). The indicator is aligned with the EU taxonomy on sustainability finance.

Level of aggregation

Group of products

Description of product/Group of products

ContiTech: Unlike conventionally powered vehicles, electric vehicles require multiple cooling circuits. This is because batteries work most efficiently at temperatures of between 10 and 60 degrees Celsius. This temperature range allows for long ranges and extends battery life. It also calls for sophisticated thermal management. ContiTech supports battery temperature control by supplying flexible lines for the air conditioning system and heat pumps for cooling. The new generations of hose offer a number of advantages: in addition to weight reductions, smaller cable cross-sections on the high-pressure side and in the battery cooling phase help minimize the quantity of refrigerant needed.

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

Greenhoue Gas Protocol, ISO 14040

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

2.2

Comment

€0.83 billion of our consolidated sales is related to products that avoid CO2 emission (categories: emission-free mobility). The indicator is aligned with the EU taxonomy on sustainability finance.

Level of aggregation

Group of products

Description of product/Group of products

Continental´s VNI business area developed a solution for an InCar Application Server (ICAS1) in conjunction with Elektrobit. The key feature of this server-based architecture is that the hardware and software are consistently kept separate, allowing applications and operating systems from manufacturers, third-party companies or based on open

source technologies to be integrated and updated – just like with a smartphone. All of this is done wirelessly from the cloud. The ICAS1 is therefore a central component of Volkswagen's modular electric drive matrix, and as such will also be used in other vehicles in the ID family as well as the ID.3. In this way, Continental is paving the way for the technology to be used in other e-vehicles in the future. The "Plug and Charge" function will also be available from 2021. It will simplify the vehicle charging process: when the charging cable is connected, the ICAS1 software will authenticate the registered vehicle with supported charging stations and manage the charging process and its billing, based on the stored charging contract.

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

Greenhoue Gas Protocol, ISO 14040

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

2.2

Comment

€0.83 billion of our consolidated sales is related to products that avoid CO2 emission (categories: emission-free mobility). The indicator is aligned with the EU taxonomy on sustainability finance.

Level of aggregation

Group of products

Description of product/Group of products

Continental's AMS Business Area 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 long-range radar installed by AMS has a range of more than 200 meters and increases safety and comfort, thanks to the emergency brake assist and adaptive cruise control functions. Working in tandem with the drum brake, it automatically adapts the desired speed to the traffic conditions, right through to triggering emergency braking to prevent accidents in critical situations. Wheel speed sensors also provide information about the speed and direction of rotation of the individual wheels. This information forms the basis for numerous vehicle functions and systems, such as electronic stability control (ESC) and the anti-lock brake system (ABS).

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

Greenhoue Gas Protocol, ISO 14040

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

2.2

Comment

€0.83 billion of our consolidated sales is related to products that avoid CO2 emission (categories: emission-free mobility). The indicator is aligned with the EU taxonomy on sustainability finance.

C5. Emissions methodology

C5.1

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

Scope 1

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO2e)

780,000

Comment

Scope 2 (location-based)

Base year start

January 1, 2020

Base year end

December 31, 2020

Base year emissions (metric tons CO2e)

2,180,000

Comment

Scope 2 (market-based)

Base year start
January 1, 2020

Base year end
December 31, 2020

Base year emissions (metric tons CO2e)
210,000

Comment

C5.2

(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

C6.1

(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)
780,000

Start date
January 1, 2020

End date
December 31, 2020

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
840,000

Start date
January 1, 2019

End date

December 31, 2019

Comment

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)

882,752

Start date

January 1, 2018

End date

December 31, 2018

Comment

Past year 3

Gross global Scope 1 emissions (metric tons CO2e)

820,658

Start date

January 1, 2017

End date

December 31, 2017

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 are reporting a Scope 2, market-based figure

Comment

In 2020 market based emissions were calculated by using the market-based calculation method of the GHG Protocol for the first time. Where contract-specific emission factors were not available, the standard emission factors from Defra (November 2019) were used.

Emission factors used are stored in the software tool SoFi of Sphera, which we are using globally across all facilities.

C6.3

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

Reporting year

Scope 2, location-based

2,180,000

Scope 2, market-based (if applicable)

210,000

Start date

January 1, 2020

End date

December 31, 2020

Comment

Past year 1

Scope 2, location-based

2,380,000

Scope 2, market-based (if applicable)

Start date

January 1, 2019

End date

December 31, 2019

Comment

Past year 2

Scope 2, location-based

2,407,733

Scope 2, market-based (if applicable)

Start date

January 1, 2018

End date

December 31, 2018

Comment

Past year 3

Scope 2, location-based

2,347,381

Scope 2, market-based (if applicable)

Start date

January 1, 2017

End date

December 31, 2017

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

14,650,000

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

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

410,000

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

700,000

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

Waste generated in operations

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

40,000

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 sytem and verified by KPMG.

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

100

Please explain

Business travel

Evaluation status

Not relevant, calculated

Metric tonnes CO2e

20,000

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

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

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

500,000

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

Relevant, calculated

Metric tonnes CO2e

1,420,000

Emissions calculation methodology

Emissions were calculated based on customer data and the Greenhouse Gas Protocol (Used software= Gabi).

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

100

Please explain

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

86,880,000

Emissions calculation methodology

Emissions were calculated based on the Greenhouse Gas Protocol (Used software= Gabi).

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

100

Please explain

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.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

3,420,000

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

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

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

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

Please explain

There are no further relevant upstream categories

Other (downstream)

Evaluation status

Not relevant, explanation provided

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

0.00000262

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

990,000

Metric denominator

unit total revenue

Metric denominator: Unit total

37,722,000,000

Scope 2 figure used

Market-based

% change from previous year

64

Direction of change

Decreased

Reason for change

Scope 2 emissions decreased significantly by switching completely to purchased electricity from renewable sources (RE100). In parallel the revenue dropped also, caused by the global Covid-19 pandemic.

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	47,000
Germany	180,000
United States of America	175,000
Slovakia	61,000
India	51,000
Other, please specify Rest of the world	266,000

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)
Business Area Tires	390,000
Business Area ContiTech	290,000
Automotive Technologies	65,000
Vitesco Technologies	35,000

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	470,000	25,000	610,000	480,000
Germany	335,000	43,000	950,000	750,000
United States of America	440,000	0	780,000	780,000
Czechia	210,000	99,000	600,000	350,000
Other, please specify Rest of the world	725,000	43,000	2,130,000	1,880,000

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)
Business Area Tires	990,000	168,000
Business Area ContiTech	450,000	39,000
Automotive Group	460,000	500
Vitesco Technologies	280,000	2,500

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	1,970,000	Decreased	69	In 2020 Continental switched to 100% purchased electricity from renewable sources.
Other emissions reduction activities	63,153	Decreased	2	CO2 emission reduction projects implemented in 2020 were summed up. Percentage was calculated based on the total CO2 emissions of 2019
Divestment	0	No change	0	

Acquisitions	0		0	
Mergers	0	No change	0	
Change in output	0		0	
Change in methodology	0	No change	0	Since 2020 CO2 emissions are reported as market-based figures and location-based figures.
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?

Market-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	3,636,400	3,636,400
Consumption of purchased or acquired electricity		4,240,000	0	4,240,000
Consumption of purchased or acquired heat		0	15,500	15,500
Consumption of purchased or acquired steam		0	810,000	810,000
Consumption of self-generated non-fuel renewable energy		13,100		13,100
Total energy consumption		4,253,100	4,461,900	8,715,000

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

3,231,400

MWh fuel consumed for self-generation of electricity

1

MWh fuel consumed for self-generation of heat

1

MWh fuel consumed for self-cogeneration or self-trigeneration

1

Emission factor

56.25

Unit

kg CO2e per GJ

Emissions factor source

GHG Protocol/IEA (06/2020)

Comment

Detailed information about usage method will not be disclosed in this reporting period

Fuels (excluding feedstocks)

Coal

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

155,000

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

155,000

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

97.02

Unit

kg CO2e per GJ

Emissions factor source

Defra (11/2019)

Comment

Fuels (excluding feedstocks)

Lignite Coal

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

30,000

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

30,000

MWh fuel consumed for self-cogeneration or self-trigeneration

0

Emission factor

101.69

Unit
kg CO2e per GJ

Emissions factor source
GHG Protocol/IEA v13 (06/2020)

Comment

Fuels (excluding feedstocks)
Liquefied Petroleum Gas (LPG)

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
69,500

MWh fuel consumed for self-generation of electricity
1

MWh fuel consumed for self-generation of heat
1

MWh fuel consumed for self-cogeneration or self-trigeneration
1

Emission factor
63.25

Unit
kg CO2e per GJ

Emissions factor source
GHG Protocol/IEA v13 (06/2020)

Comment
Detailed information about usage method will not be disclosed in this reporting period

Fuels (excluding feedstocks)
Diesel

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
82,000

MWh fuel consumed for self-generation of electricity

1

MWh fuel consumed for self-generation of heat

1

MWh fuel consumed for self-cogeneration or self-trigeneration

1

Emission factor

74.53

Unit

kg CO2e per GJ

Emissions factor source

GHG Protocol/IEA v13 (06/2020)

Comment

Detailed information about usage method will not be disclosed in this reporting period

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

9,400

MWh fuel consumed for self-generation of electricity

1

MWh fuel consumed for self-generation of heat

1

MWh fuel consumed for self-cogeneration or self-trigeneration

1

Emission factor

69.73

Unit

kg CO2e per GJ

Emissions factor source

GHG Protocol/IEA v13 (06/2020)

Comment

Detailed information about usage method will not be disclosed in this reporting period

Fuels (excluding feedstocks)

Fuel Oil Number 1

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

59,100

MWh fuel consumed for self-generation of electricity

1

MWh fuel consumed for self-generation of heat

1

MWh fuel consumed for self-cogeneration or self-trigeneration

1

Emission factor

79.14

Unit

kg CO2e per GJ

Emissions factor source

Defra (11/2019)

Comment

Detailed information about usage method will not be disclosed in this reporting period

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	165,100	165,100	13,100	13,100
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Other, please specify

Wind, Solar and Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

MWh consumed accounted for at a zero emission factor

1,820,000

Comment

No disclosure of country specific consumption data. Guarantees of Origin have been purchased in the following countries: Austria, Belgium, Czech Republic, France, Germany, Greece, Hungary, Italy, Romania, Russia, Poland, Portugal, Serbia, Finland, Slovakia, Slovenia, Spain

Sourcing method

Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type

Other, please specify

Wind, Solar and Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

MWh consumed accounted for at a zero emission factor

800,000

Comment

No disclosure of country specific consumption data. RECs have been purchased in the following countries: USA & Canada

Sourcing method

Unbundled energy attribute certificates, International REC Standard (I-RECs)

Low-carbon technology type

Other, please specify

Wind, Solar and Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

MWh consumed accounted for at a zero emission factor

1,300,000

Comment

No disclosure of country specific consumption data. I-RECs have been purchased in the following countries: Australia (Australian RECs), Japan (J-Credits), Brazil, Chile, China, Ecuador, India, Malaysia, Morocco, Mexico, Philippines, Singapore, South Africa, South Korea, Thailand, Turkey, United Kingdom (UK-REGO)

Sourcing method

Other, please specify

Green electricity products (green tariffs) and Power Purchase Agreements (PPAs)

Low-carbon technology type

Other, please specify

Wind, Solar and Hydropower

Country/area of consumption of low-carbon electricity, heat, steam or cooling

MWh consumed accounted for at a zero emission factor

320,000

Comment

No disclosure of country specific consumption data. Green electricity products (green tariffs) and Power Purchase Agreements (PPAs) are used in several countries.

C9. Additional metrics

C9.1

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

Description

Waste

Metric value

341,513

Metric numerator

Tons

Metric denominator (intensity metric only)

% change from previous year

17

Direction of change

Decreased

Please explain

Waste generation amounted to 341,513 metric tons (PY: 409,280 metric tons). It has therefore fallen by almost 17% year-on-year. This was due in particular to the decline in production due to the COVID-19 pandemic, as well as the waste-prevention projects introduced.

Description

Waste

Metric value

9.05

Metric numerator

Tons

Metric denominator (intensity metric only)

Millon € revenue

% change from previous year

2

Direction of change

Decreased

Please explain

Waste generation amounted to 341,513 metric tons (PY: 409,280 metric tons). It has therefore fallen by almost 17% year-on-year. This was due in particular to the decline in production due to the COVID-19 pandemic, as well as the waste-prevention projects introduced. In relation to group sales, waste generation likewise fell by 2% year-on-year.

Description

Energy usage

Metric value

8,700,000

Metric numerator

MWh

Metric denominator (intensity metric only)

% change from previous year

9

Direction of change

Decreased

Please explain

In fiscal 2020, our total energy use was 8.7 TWh (PY: 9.6 TWh), primarily accounted for by purchased electricity and natural gas. Energy use fell by 9.2% year-on-year. This was due in particular to the decline in production due to the COVID-19 pandemic, as well as the energy efficiency projects introduced.

Description

Energy usage

Metric value

230.6

Metric numerator

MWh

Metric denominator (intensity metric only)

Millon € revenue

% change from previous year

7

Direction of change

Increased

Please explain

In fiscal 2020, our total energy use was 8.7 TWh (PY: 9.6 TWh), primarily accounted for by purchased electricity and natural gas. Energy use fell by 9.2% year-on-year. This was due in particular to the decline in production due to the COVID-19 pandemic, as well as the energy efficiency projects introduced. In relation to group sales, however, energy use increased by 7% year-on-year. This is due to the basic requirements of the locations, which remained constant despite a sharp decrease in sales.

C10. Verification

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

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Relevant standard

ISAE3000

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 market-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

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page 2

Relevant standard
ISAE3000

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: Purchased goods and services

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement

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Relevant standard

ISAE3000

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

Limited assurance

Attach the statement

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Relevant standard

ISAE3000

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

Limited assurance

Attach the statement

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Relevant standard

ISAE3000

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

Limited assurance

Attach the statement

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Relevant standard

ISAE3000

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

Limited assurance

Attach the statement

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Relevant standard

ISAE3000

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

Limited assurance

Attach the statement

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Relevant standard

ISAE3000

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

Limited assurance

Attach the statement

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Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

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

Limited assurance

Attach the statement

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Relevant standard

ISAE3000

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Processing of sold products

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

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Relevant standard

ISAE3000

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, but we are actively considering verifying within the next two years

C11. Carbon pricing

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

17.8

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1, 2020

Period end date

December 31, 2020

Allowances allocated

100,962

Allowances purchased

54,291

Verified Scope 1 emissions in metric tons CO2e

138,872

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, but we 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

Climated-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 incentivize 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 incentivize 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

5

% total procurement spend (direct and indirect)

5

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

5

Rationale for the coverage of your engagement

Through intense direct cooperation we are able to convince our suppliers to engage with sustainability issues. Together we identify potentials for materials with a significantly lower carbon footprint (e.g. recycled or bio-based materials).

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

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

In the end 100% of our Scope 1,2,3 emissions 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.

Type of engagement

Collaboration & innovation

Details of engagement

Other, please specify

Carbon Neutral for Emission Free Vehicles: From 2022 Continental sells products which end in zero tailpipe emission vehicles completely carbon neutral (incl. Scope 1, 2 & 3 emissions) to our customers

% of customers by number

100

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

2.2

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

Continental decided to offer with this program carbon neutral products to 100% of its customers, if the products are used in zero tailpipe emission vehicles. The program allows emission-free mobility to be carbon neutral at the same time.

Impact of engagement, including measures of success

Reduction of carbon footprint by 100% for the selected products, which are covered by the program. The program will cover a business with 0.83 billion € of consolidated sales in 2020.

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.

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.

C12.3d

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

No

C12.3f

(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

(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

continental-annual-report-2020-data.pdf

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Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication

In other regulatory filings

Status

Complete

Attach the document

continental-annual-report-2020-data.pdf

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Content elements

Governance
Strategy
Emissions figures
Emission targets
Other metrics

Comment

Non-financial statement, included in annual report

Publication

In voluntary sustainability report

Status

Complete

Attach the document

gri-report-2020-data.pdf

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Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C15. Signoff

C-FI

(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.