



ON THE ROAD

Sustainability Report 2015

and UN Global Compact
Communication on Progress

Overview of Key Figures for the Continental Corporation

in € millions	2015	2014	Δ in %
Sales	39,232.0	34,505.7	13.7
EBITDA	6,001.4	5,133.8	16.9
in % of sales	15.3	14.9	
EBIT	4,115.6	3,344.8	23.0
in % of sales	10.5	9.7	
Net income attributable to the shareholders of the parent	2,727.4	2,375.3	14.8
Earnings per share in €	13.64	11.88	14.8
EBIT before amortization of intangible assets from purchase price allocation (PPA) and special effects	4,369.0	3,862.1	13.1
in % of sales	11.1	11.2	
Adjusted sales ¹	37,774.7	34,495.8	9.5
Adjusted operating result (adjusted EBIT) ²	4,455.5	3,865.9	15.3
in % of adjusted sales	11.8	11.2	
Free cash flow	1,443.6	2,014.9	-28.4
Net indebtedness	3,541.9	2,823.5	25.4
Gearing ratio in %	26.8	25.6	
Total equity	13,213.9	11,024.6	19.9
Equity ratio in %	40.2	36.5	
Number of employees as at December 31 ³	207,899	189,168	9.9
Dividend per share in €	3.75 ⁴	3.25	15.4
Share price at year-end ⁵ in €	224.55	175.55	27.9
Share price at year-high ⁵ in €	234.25	183.25	
Share price at year-low ⁵ in €	166.60	136.85	

¹ Before changes in the scope of consolidation.

² Before amortization of intangible assets from purchase price allocation (PPA), changes in the scope of consolidation, and special effects.

³ Excluding trainees.

⁴ Subject to the approval of the Annual Shareholders' Meeting on April 29, 2016.

⁵ Price quotations of the Continental share in the XETRA system of Deutsche Börse AG.

Content

Introduction	4
---------------------------	----------

Report Profile.....	5
----------------------------	----------

Company Profile	6
------------------------------	----------

Structure of the corporation.....	6
Mission statement and corporate values	7
Memberships	7

Corporate Governance.....	9
----------------------------------	----------

Management Approach.....	9
Strategy and management.....	9
Sustainability program.....	11
Stakeholder dialogue.....	12
Corporate governance.....	14
Compliance	15

Economy.....	17
---------------------	-----------

Management Approach.....	17
Added value.....	17
Risk management.....	18
Supplier management.....	19
Employee pension scheme.....	20

Environment	21
--------------------------	-----------

Environmental Policy and Management Approach.....	21
Energy.....	21
Emissions.....	22
Water.....	23
Wastewater and waste.....	23

Products	24
-----------------------	-----------

Management Approach.....	24
Materials and recycling.....	24
Environmentally friendly products	24
Customer health and safety.....	25

Employees 26

Corporate Policy and Management Approach.....26

Workforce.....26

Remuneration and company benefits.....27

Job training and continuing education.....28

Diversity and equal opportunities.....28

Occupational safety and health management.....29

Society 30

Management Approach.....30

Worldwide commitment.....30

GRI Content Index and UN Global Compact Communication on Progress..... 31

Publication Details 38

Introduction

Dear Readers,

Sustainable management and social responsibility are part of Continental's fundamental values. They bolster the culture of solidarity while also contributing to forward-looking corporate governance. This includes doing our part in sustainable development worldwide by abiding by laws and regulations, making thrifty use of resources, supporting climate protection and addressing our responsibility toward employees and society at all of our locations. Acting in a sustainability-oriented and responsible manner increases our capacity for innovation and our future viability by opening our company to change and helping identify risks and opportunities at an early stage. We consider sustainable management to be a strategic corporate development task and involve all relevant corporate functions in mapping it out. In the year under review, we defined a comprehensive sustainability program for this purpose. The "Roadmap 2020" for our four fields of activity (corporate governance and culture, employees and society, environment, and products) contains concrete measures that are also consistent with our three key objectives. First: zero road traffic accidents. Second: cleaner air through lower fuel consumption and emissions. Third: enhanced comfort, convenience, information, entertainment, and driving enjoyment.

Each year, there are still more than 1.2 million road traffic fatalities and 51.1 million people injured worldwide. Our advanced driver assistance systems and our tires help to reduce these enormous numbers. Advanced driver assistance systems detect the surround-

ing environment, keep the vehicle in the lane and on the road, monitor the blind spot, brake autonomously, and call for help in emergencies.

The battle against carbon dioxide emissions has entered a decisive phase. Today, more than seven billion people require mobility. By 2060, this figure will have risen to ten billion. Our latest technologies help reduce fuel consumption in modern combustion engines by more than 20 percent. In addition, we are investing heavily in technologies for zero-emission mobility.

By 2050, more than two-thirds of the world's population will live in large cities, which is also where most of the anticipated two billion vehicles will be found. These vehicles will not only have to meet the specific needs of their users, requiring a high degree of interconnectivity, but will also have to be emission-free. Electric drive systems, in particular, present a solution to this challenge.

For people and society on the whole, our solutions mean the protection of life and health, a better quality of life, faster progress, greater respect for the environment, and more opportunities to personally shape the future.

Since 2012, we have been expressly committed to the 10 principles of the United Nations Global Compact for human and worker rights, environmental protection, and anti-corruption. This GRI report represents our progress report for the 2015 fiscal year.

Report Profile

In this report, Continental Aktiengesellschaft provides an overview of the key figures, targets, goals, strategies, and activities in the area of sustainability for the fifth time. It applies the G4 guidelines of the Global Reporting Initiative for the first time in conformance with the "Core" option. The report is published annually and relates to the 2015 fiscal year, which corresponds to the 2015 calendar year.

The Sustainability Report is aimed at investors, analysts, customers, employees, suppliers, politicians, and public authorities, as well as all other stakeholders that have relations with the company and want to know the values and principles that define our actions. It also serves as a Communication on Progress to the United Nations Global Compact.

To define and prioritize the contents of the report, Continental conducted a detailed materiality analysis in the year under review. Information about economic circumstances, as well as facts and figures associated with the "Environment" and "Employees" subject areas in this report, is primarily based on information in the Continental Annual Report 2015.

In addition to the parent company Continental AG, a stock corporation under German law, the Continental Corporation comprises 502 (2014: 458) companies, including non-controlled companies. The recording scope for key figures related to the workforce does not yet cover all employees worldwide. At the end of 2015, approximately 180,000 employees were included (2014: 172,000). This corresponds to coverage of 93%. The worldwide standardization of the HR systems is currently being pushed forward. Reformulations of earlier reports are noted in footnotes as needed.

All corporation-related environmental performance indicators are recorded corporation-wide in a central reporting tool. In this scope, 195 environmentally relevant locations over which Continental has operative control were included in the data acquisition. The recording methods and data quality are reviewed with limited assurance by an independent auditor.

This Sustainability Report was approved by Dr. Ariane Reinhart, Executive Board member (Human Relations, Director of Labor Relations, Sustainability) and chair of the Sustainability Board. The editorial deadline was September 5, 2016. The report is available in English and German.

Company Profile

Structure of the corporation

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

The Automotive Group comprises three divisions: Chassis & Safety, Powertrain, and Interior. They generate around 60 percent of consolidated sales. The Rubber Group, which includes the Tires and ContiTech divisions pools all business activities based on rubber and plastic. These two divisions generate around 40 percent of consolidated sales.

Our team comprises some 208,000 employees worldwide. The corporate culture and values of Continental establish and promote a common understanding of our cooperation, which spans organizational and geographical boundaries.

Continental develops intelligent technologies for transporting people and their goods. The international automotive supplier, tire manufacturer, and reliable industrial partner offers sustainable, safe, comfortable, individual, and affordable solutions.

Our product portfolio includes brake systems, systems and components for drives, chassis and instrumentation, infotainment solutions, vehicle electronics, tires, rubber and non-rubber products, and systems for interconnected automobile communications.

Below are the key brands for each area:

- › Technical products: ContiTech, Schwingmetall, Benecke-Kaliko, Phoenix, and Continental Elite

- › Automotive: Continental, ATE, VDO

- › Tires: Continental, General Tire, Uniroyal, Semperit, Barum, Gislaved, Mabor, Viking, Matador, Sime Tyres, and Euzkadi

Continental operates at 430 locations in 55 countries:

- › Europe: Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Ireland, Kazakhstan, the Netherlands, Norway, Poland, Portugal, Romania, Russia, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, the U.K., and Ukraine

- › North America: Canada, Mexico, and the U.S.

- › South America: Argentina, Brazil, Chile, Columbia, Ecuador, Peru, and Venezuela

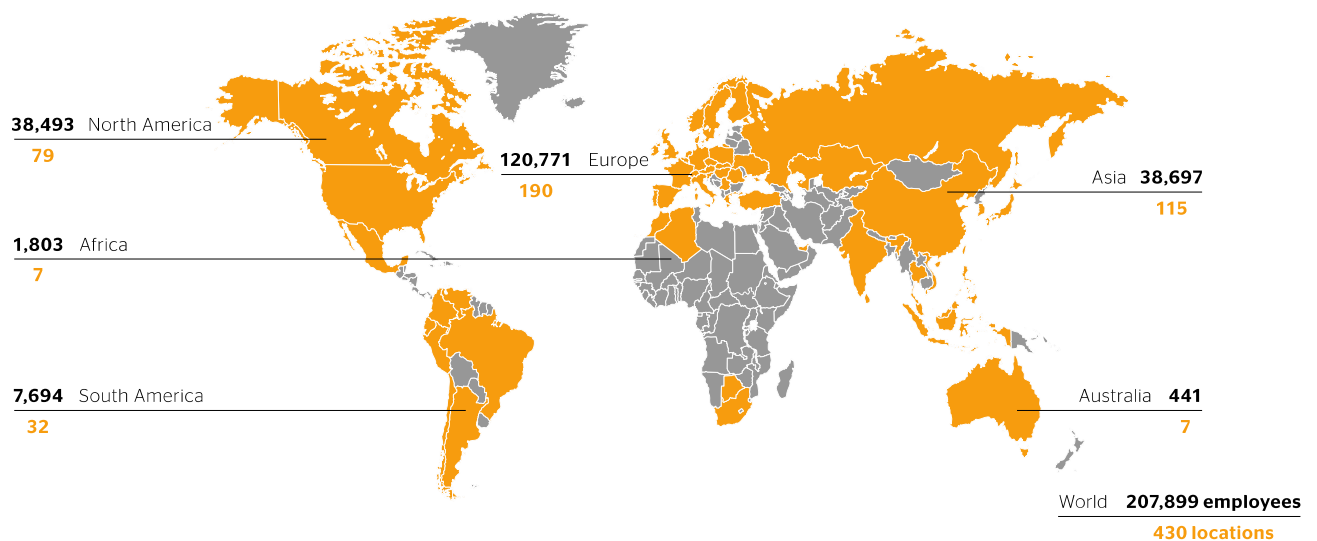
- › Africa: Algeria, Botswana, Morocco, and the Republic of South Africa

- › Asia: China, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, the United Arab Emirates, and Vietnam

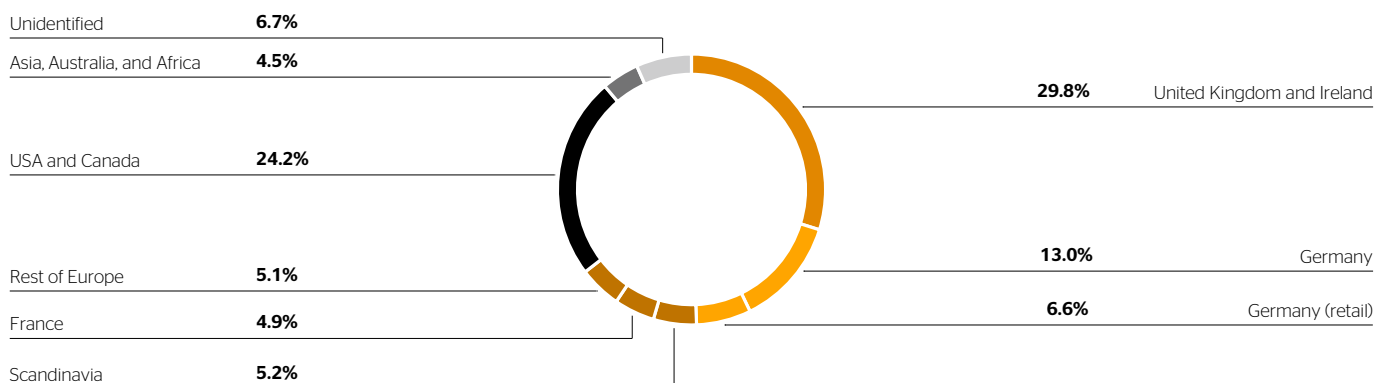
- › Australia

Continental is a stock corporation under German law. As of December 31, 2015, 46.0% of shares were owned by the Schaeffler Group, Herzogenaurach (Germany), and 54.0% were in free float. Continental AG is listed on the German stock index (DAX).

430 locations in 55 countries



Geographic distribution of free float in 2015



Mission statement and corporate values

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

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

The most important documents at corporation level are:

- › Corporate Guidelines: Since 1989, our BASICS have been conveying the corporation's vision, values, and self-image.
- › Code of Conduct: We published a new version of the "Continental Code of Conduct" in 17 languages in September 2012.
- › Principles of our Corporate Social Responsibility: These provide an overview of our CSR principles.
- › Corporate Governance Principles: Based on the applicable legal provisions, the German Corporate Governance Code, and the Corporate Guidelines, these principles provide a detailed description of the corporation's managerial and supervisory tasks and processes. These were last updated in December 2013.

Memberships

This section lists the majority of the corporation's memberships. Due to the scope of this document, memberships of individual subsidiaries and locations (for example, memberships in German chambers of industry and commerce or employers' associations) have not been included.

- › Association Connecting Electronics Industries (IPC)
- › Cyber-Sicherheitsrat Deutschland e.V. [Cyber Security Council Germany]
- › Deutsche Gesellschaft für Personalführung (DGFP) [German Association for Personnel Management]
- › Deutsche Kautschuk-Gesellschaft (DKG) [German Rubber Society]
- › Deutsche Vereinigung für Internationales Steuerrecht [German Association for Inter-national Tax Law]
- › Deutscher Verkehrssicherheitsrat (DVR) [German Road Safety Council]
- › Deutsches Institut für Kautschuktechnologie (DIK) [German Institute of Rubber Technology]
- › European Tyre & Rubber Manufacturers' Association (ETRMA)
- › Forschungsvereinigung Automobiltechnik (FAT) [Research Association of Automotive Technology]
- › Organisation Werbungtreibende im Markenverband (OWM) [German Advertisers' Association]
- › Schmalenbach-Gesellschaft für Betriebswirtschaft [Schmalenbach Society for Business Administration]
- › Stifterverband für die Deutsche Wissenschaft [Donors' Association for German Science]

- › Verband der Automobilindustrie (VDA) [German Association of the Automotive Industry]
- › Verband für Sicherheit, Gesundheit und Umweltschutz bei der Arbeit (VDSI) [German Association for Safety, Health, and Environmental Protection at Work]
- › Verein Deutscher Ingenieure (VDI) [Association of German Engineers]
- › Verein zur Förderung des Betrieblichen Brandschutzes Niedersachsen (vfb) [German Association to Promote Operational Fire Protection in Lower Saxony]
- › Wirtschaftsverband der deutschen Kautschukindustrie (wdk) [Trade Association of the German Rubber Industry]
- › Wissensfabrik - Unternehmen für Deutschland [Knowledge Factory - Companies for Germany]
- › Zentrale zur Bekämpfung unlauteren Wettbewerbs [German Center for Combating Unfair Competition].

In addition, the Continental Corporation is committed to and has signed the following initiatives and declarations of commitment:

- › Women's Empowerment Principles (since 2015): the seven principles offer companies a guideline for promoting a balanced gender ratio and the status of women in the workplace, in the economic process, and in society.
- › econsense (since 2015): econsense - the Forum for Sustainable Development of German Business e.V. - was established in 2000 on the initiative of the Federation of German Industries e.V. (BDI).

- › The United Nations Global Compact (since 2012): this demonstrates our clear commitment to the Global Compact's ten principles in the areas of human rights, labor standards, environmental protection, and the fight against corruption.
- › The Luxembourg Declaration on Workplace Health Promotion in the European Union (since 2010): the goal is to promote workplace health management.
- › "Charta der Vielfalt" (German Diversity Charter) (since 2008): the goal is to promote equal opportunities and diversity in the workforce.
- › The European Road Safety Charter (since 2007): The goal is to increase road safety.
- › Continental is a member of a work group of the "Sustainable Natural Rubber Initiative."
- › Since 2009, we have responded annually to the Carbon Disclosure Project's (CDP) extensive questionnaire about our commitment to climate protection.
- › World Business Council for Sustainable Development (since 2005): the aim of this alliance is to promote the role of ecological efficiency, innovation, and corporate social responsibility.

In addition, companies of the corporation have signed further (country)-specific codes or declarations of commitment. For example, Continental Reifen Deutschland GmbH has signed the "Gemeinsame Erklärung Erfolgsfaktor Familie" [Joint Declaration on the Family as a Success Factor].

Corporate Governance

Management Approach

One of our basic values is trust. Trust requires integrity, honesty, and incorruptibility. Management and employee compliance with all the legal requirements that apply to Continental and its subsidiaries as well as all internal regulations has therefore long been our goal and shapes our corporate culture.

Our BASICS are fundamental for Continental's lasting success. These corporate guidelines describe the vision, mission, and values that guide our corporate activities and how we interact with one another and with all other stakeholders. We are convinced that our values create value, as we have been supplying our customers for more than 140 years – not merely with high-performance products, but with forward-looking solutions as well.

Continental uses the Corporate Governance Principles, our BASICS, and the Code of Conduct as a basis for its continuous fight against corruption. Together, they form the basis of responsible corporate management and control that is founded on achieving a long-term increase in value. In accordance with the respective legal conditions of each country, all employees must agree to the Code of Conduct. Our anti-corruption guidelines are intended to increase awareness of compliance with the relevant regulations at all levels and provide guidance in dealing with the issue of gifts and benefits.

Continental employs a compliance management system (CMS) based on a comprehensive analysis of potential compliance risks that can arise from structures and processes, from a specific market situation, or in specific regions.

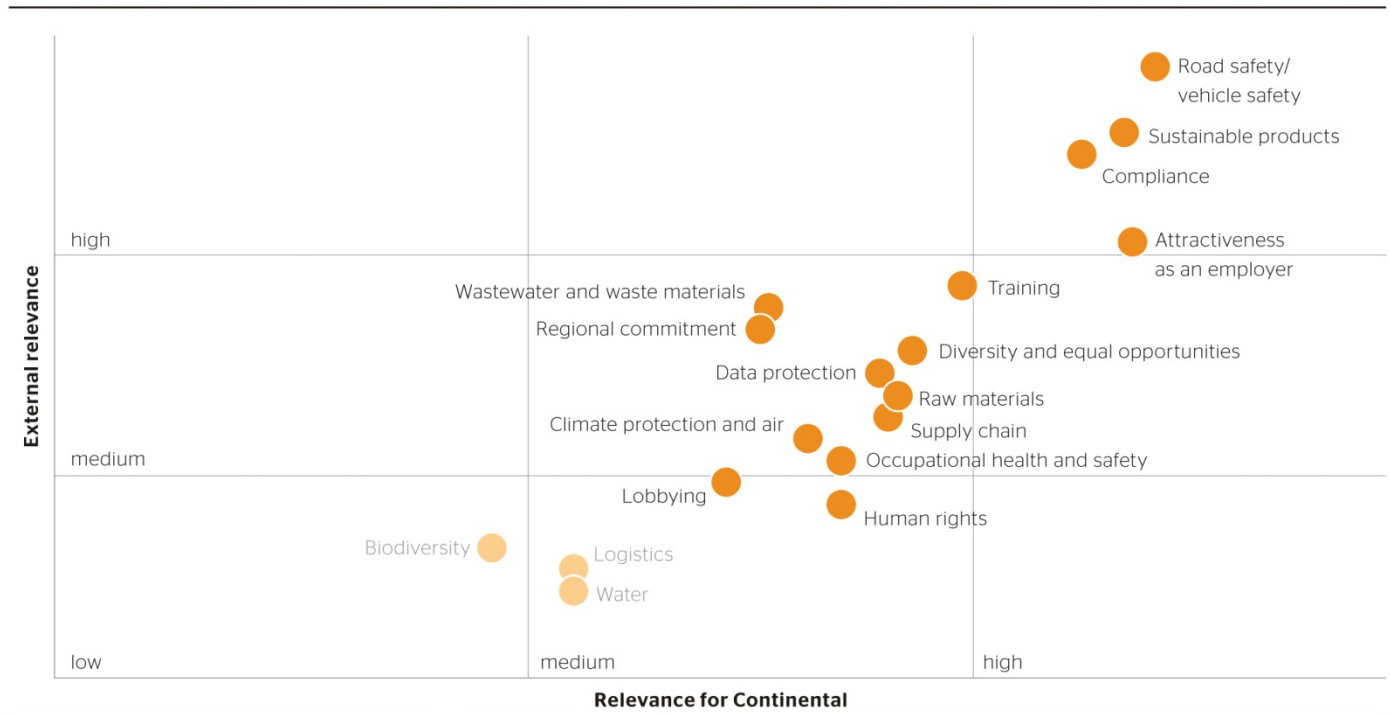
Continental does not grant any financial support in the form of donations to political parties, political organizations, or politicians. The option our employees in the U.S. have of personally making political donations through a "political action committee" does not contradict this policy.

Strategy and management

In the 2015 year under review, Continental worked out the issues that are important for the corporation both for the present and the future in the scope of a multistage analysis. For this purpose, 18 sustainability issues from our four key fields of activity were evaluated with respect to their contribution to long-term business success and sustainable development from both an external and an internal perspective. Specifically, Continental proceeded as follows:

1. An analysis based on studies, standards, and ratings yielded 18 sustainability issues that are important for companies in the sector because they harbor both opportunities and risks.
2. An Internet-based media analysis for the period of February 2014 to February 2015 was subsequently carried out to determine the relevance attached to these issues specifically for Continental. The result for the external perspective was a clear ranking.
3. The internal assessment was determined and discussed in a workshop with management personnel from the different corporate divisions. The discussion was guided by the questions of how great the effects or the potential influence of Continental are for the respective issues, and to what extent they contribute to long-term business success.
4. The result was the materiality matrix, which was adopted by the management personnel present under the chairmanship of the member responsible for CR as an adequate representation of the sustainability issues relevant for Continental.
5. On the basis of this materiality matrix, the decision was made not to account for issues that had proven to be less relevant. The respective GRI aspects were assigned to the issues classified as material in re-port preparation.

Materiality matrix



Material issues	Associated GRI aspects	Inside	Outside
Road and vehicle safety	Customer health and safety		X
Sustainable products	Products and services	X	X
	Energy; emissions	X	X
	Identification of products and services		X
Compliance	Compliance (ecological, society, product stewardship)	X	X
	Anti-corruption	X	X
	Anti-competitive behavior		X
	Complaints procedures regarding ecological aspects, work practices, and human rights violations		X
Attractiveness as an employer	Employment	X	X
	Market presence		X
	Employer-employee relationship	X	X
Job training and continuing education	Job training and continuing education	X	
Wastewater and waste	Wastewater and waste	X	
Regional commitment	Indirect economic performance		X
Diversity/equal opportunities	Diversity and equal opportunities	X	
	Equal pay for women and men	X	
	Market presence	X	
Data protection	Protection of customers' privacy		X
Raw materials	Materials	X	
Supply chain	Procurement: evaluation of suppliers with respect to ecological aspects, work practices, human rights, and social impacts		X
	Rights of indigenous people		X

Climate protection and air	Products and services	X	X
	Energy, emissions	X	X
Occupational safety	Occupational safety and health protection	X	
Human rights	Investments, equal treatment, freedom of association, right to collective bargaining, child labor, forced or compulsory labor, verification		X
Lobbying	Politics		X

The way we strategically embed sustainability in our fields of activity is apparent, for example, in human resources work and environmental management. In view of future growth and increasingly short innovation cycles, we need to act now to identify and secure our future personnel requirements. This is why the global Human Relations teams are involved in the product development process at an early stage and work in close collaboration with the business units. In 2015, we completed a pilot project that further increased the level of detail in our planning while also creating a uniform and reliable basis for the procedure for strategic, cross-divisional HR planning. In this project, we simulate firstly the expected development of our current workforce based on factors such as retirements, staff turnover, etc., and secondly the increasing personnel requirements that we will have in order to successfully achieve our business goals. An early comparison allows us to identify both quantitative and qualitative fields of activity for the future so that we can build up the required expertise in good time. Expertise management helps, for example, to identify how the challenges of digital transformation will affect the requirements for individual employees so that corresponding training measures can be initiated on a preparatory basis in the next step.

Our environmental strategy acts as a substantial booster for our business activities. For example, negative environmental impacts, such as climate change and the shortage of raw materials, turn into opportunities for our company, and the resulting product innovations give us a competitive advantage. Examples include our complete range of products for reducing CO₂ emissions as well as the development initiatives for systematic lightweight design and the use of recycled materials. In the reporting period, Continental generated around €11.6 billion of its consolidated sales with highly energy-efficient products or with products that reduce CO₂ emissions. This is testament to the fact that the clearly defined objectives of our environmental strategy pay off, not only ecologically,

but economically too. The conservation of raw materials and process optimizations reduce costs and strengthen our competitiveness, as product innovations focused on protecting the environment and conserving resources satisfy the ever more demanding requirements of our customers to an ever greater degree.

The Sustainability Board was established in 2010 to manage sustainability policy and corporate responsibility. It comprises two members of the Executive Board and representatives from various areas, including Environment, Human Relations, Legal and Compliance, Corporate Health and Safety, Investor Relations, Accounting, Corporate Audit, Corporate Accounting, and Corporate Communications. The council is chaired by the Executive Board member for Human Resources. The Sustainability Board meets four times a year and on relevant occasions. The Environment area is assigned directly to the chairman of the Executive Board.

Sustainability issues are treated in the regular reporting of the Executive Board to the Supervisory Board about ongoing business development and in the annually held strategy meeting of the Supervisory Board. The Audit Committee of the Supervisory Board is closely involved in compliance and risk management.

Sustainability program

We base our performance on both financial and non-financial indicators and criteria. It is crucial that sustainability objectives and measures create value. This is the only way to ensure their acceptance within the company and their credibility outside the company.

In the year under review, we developed a consolidated sustainability program and set ourselves goals for 2020 in order to achieve measurable improvement in our four fields of activity. These goals form our Roadmap 2020. Some of these extend until 2025.

Field of activity	Topic	Goal	Status	Deadline
Corporate governance and corporate culture	Compliance & Supply Chain	Proof of acknowledgment of the Code of Conduct has been provided for 100 percent of suppliers		2020
	Compliance & Supply Chain	Regular implementation of e-learning programs		Ongoing
	Compliance & Supply Chain	Regular implementation of classroom training		Ongoing
	Lobbying	Transparent communication with political positions		Ongoing
	Lobbying	Active participation in sustainability-related standard setting and standardization procedures		Ongoing

Employees and society	Diversity and equal opportunities	Increase the share of female management personnel (senior executives/executives) to at least 16 percent	2020
	Diversity and equal opportunities	50% of jobs in Germany are non-age-dependent by 2020	2020
	Diversity and equal opportunities	Global documentation and improvement of the ergonomic quality of 80 percent of jobs worldwide	2025
	Diversity and equal opportunities	Uniform minimum standards for flexible work models worldwide	2020
	Occupational safety and health	Absence rate continuously under 3.5%	2020
	Occupational safety and health	Reduction of accident rate to 2.5 (= number of occupational accidents per million contract work hours)	2020
	Attractiveness as an employer	Reduction of worldwide fluctuation to 5%	2020
	Attractiveness as an employer	Development of our corporate culture. Improvement in all categories of our internal cultural survey	Ongoing
	Job training and continuing education	All employees have had an individual employee development meeting with their manager	Ongoing
Environment	Climate protection/air	Reduction of the specific energy consumption and specific CO ₂ emissions by 20 percent (basis: 2013)	2020
	Climate protection/air	Reduction of the specific CO ₂ emissions by 20% (basis: 2013)	2020
	Climate protection/air	Gradual acquisition of Scope 3 emissions	2020
	Climate protection/air	Coverage of 5% of total energy consumption via renewable energy	2025
		Reduction of absolute solvent emissions by 20% by 2025 (basis: 2013)	2025
	Waste	Increase the waste recycling rate to 95 percent (basis: 2013)	2020
	Waste	Reduction of specific waste production by 20 percent (basis: 2013)	2020
	Water	Reduction of specific water consumption by 20 percent (basis: 2013)	2020
	Water	Creation of an atlas of water risk regions for Continental	2020
Products	Water	Acquisition of water consumption by use (production-specific/sanitary)	2020
	Road and vehicle safety	Reduction in fatalities from accidents in European road traffic, based on measures from "Vision Zero."	2020
	Road and vehicle safety	Increase in vehicle safety through advanced driver assistance systems	2020
	Road and vehicle safety	Contribution to the EU target of reducing the number of fatalities from accidents by 50% from 2010 to 2020	2020
	Road and vehicle safety	Provision of system functions for future EU NHTSA legislation and NCAP	2020
	Raw materials	Develop sustainable materials: use of natural rubber made from dandelions in production >= 2021	
	Sustainable products	LCAs are currently available for all defined core product segments	2020
	Sustainable products	Share of raw material requirements in tire production covered by recycled materials: 10 percent	2025
	Sustainable products	Contribution to the EU target of reducing CO ₂ emissions by 20 percent compared to 1990	2020
	Sustainable products	Provision of technologies for reaching the target of 85 g CO ₂ /km with gasoline vehicles (mild hybrid, "Best Car" as reference vehicle)	2020
	Sustainable products	Contribution to the improvement of air quality through the prevention of particles and nitrogen oxides in gasoline and diesel vehicles	2020

Stakeholder dialogue

In the scope of our business activities, we have many points of contact with a very wide variety of stakeholders over the entire value chain. Our stakeholders primarily include our customers, suppliers and partners, our shareholders, society, and our employees. With all stakeholders, we enter into a dialogue marked by fairness and honesty. In order to better understand and meet the requirements of our stakeholders for sustainable corporate governance, we carried out a detailed materiality analysis in 2015. The key concerns of our stakeholders are generally related to sustainable products and especially our contribution to road and vehicle safety. Likewise, our stakeholders have high expectations with

respect to legally compliant business practices. See also the materiality analysis on page 10.

The corporation's locations interact with society through a wide range of activities all around the world. A topic that will affect our future in many areas of society is auto-mated driving. For this purpose, Continental has created the www.2025ad.com platform in order to advance social discussion in this area. The platform gives experts and consumers the chance to form and convey their opinions on the technical, legal, and social aspects of the mobility of the future.

Continental maintains systematic and ongoing dialogue with existing and potential equity and bond investors, analysts, and other capital market participants. One point of focus is personal contact with our private shareholders as well as with schools and universities. The Executive Board and Supervisory Board answer questions from shareholders at the Annual Shareholders' Meeting.

Our employees are a key stakeholder group for us. We regularly communicate with them. To facilitate dialogue between the Executive Board and employees, we use worldwide video conferences (three to four times a year), the corporation's internal social network, letters from the Executive Board on the occasion of recent events, the quarterly comments on key financial figures, as well as town hall meetings at our locations.

Co-determination in the workplace is one element of employee involvement that has a long history at Continental. While employee co-determination is governed by law in Germany, it is guided by local circumstances in other countries. Continental's European locations appoint employee representatives to the European Works Council (EWC), which has existed since 1992 and convenes annually to share experiences with the Executive Board member for Human Resources and the employer representatives for each respective country.

The Executive Board communicates any approaching operational changes within the corporation to the Supervisory Board, thereby simultaneously informing the representatives of the workforce. The corporation ensures that Continental employees are instructed early on about important operational changes at all times. At the locations and in the Continental AG business units, employee representatives are elected on the basis of the respective legislation. These representatives likewise inform Continental about changes at an early stage. If changes are implemented within Europe that affect more than one country, the relevant information and consultation procedure is carried out with the European Works Council early on. We always comply with all legal regulations relating to notice periods as well as those governed separately by collective bargaining agreements.

In order to respond as effectively as possible to the needs of future junior employees in its role as an employer, Continental regularly surveys graduates – the annual surveys were introduced in Germany as early as 2004. But we perform regular surveys in countries such as Romania and China too. It is just as important to us that we get even better at listening to our own employees and seeking to initiate a dialogue with them. "OUR BASICS live" is the name of the global survey of all Continental employees. The participants assess their overall satisfaction and the management quality within the company, and express their opinion of Continental. Participation in the survey is voluntary. Confidentiality and anonymity are ensured throughout. Following a pilot project in 2004, the survey is conducted every two to three years. "OUR BASICS live" was conducted again in 2015: 55 questions, 31 languages, 523 locations, 47 countries, and a total of over 140,000 participants. The survey focused on the employees and the way they see Continental as well as their opinion about management quality and corporate culture and values. Even after such surveys, we of course continue

to maintain contact with our workforce, involving our employees in the analysis of the survey results and in planning measures in the scope of workshops.

In addition, Continental regularly conducts vehicle user surveys covering aspects such as driving behavior, hybrid technology, and road traffic safety. Car drivers in China, Germany, France, Japan, and the U.S. were surveyed for the "Continental Mobility Study 2015" in 2014. Scientific and automotive industry experts were also interviewed. The focus was on mobility topics that particularly concern people worldwide: urbanization, safety, automated driving, connectivity, limited energy resources, and costs.

Furthermore, a reputation analysis was carried out in Germany and the U.S. in the year under review. For this purpose, young talents, bloggers, and journalists were surveyed about the topics of management and leadership, vision and strategy, products and processes, competitiveness, work environment, sustainability, digitalization, and technology.

Stakeholder	Format
Customers	Reputation survey, open days, trade fairs
Suppliers	Workshops, open days
Stockholders and shareholders	Annual Shareholders' Meeting, annual financial press conference, roadshows, trade fairs
Employees	Employee surveys, webcasts, pulse checks, town hall meetings, work meetings, mentoring programs, breakfast meetings, open days, meetings of top executives, senior executive conferences
Society	Student surveys, open days, trade fairs
Customers	Reputation survey, open days, trade fairs

Furthermore, Continental maintains an active, open exchange with associations, labor unions, and policymakers. We contribute to relevant political issues as well as regulatory and legal processes via our liaison offices in Berlin, Brussels, Beijing, and Washington. Continental supports policymakers and legislators in the development of mobility for the future, especially in the areas of safety, the environment, information, and affordability. In 2015, the centrally adopted issues were associated with environmental questions and various issues to create an advantageous regulatory environment for automated driving.

We are active in various initiatives for issues related to sustainable development. As a participant in the "Global Compact of the United Nations" and through our cooperation in the Global Compact Network Germany, we support its ten principles for human rights, labor standards, environmental protection, and the fight against corruption. In the World Business Council for Sustainable Development (WBCSD), we work together with other tire manufacturers to jointly address the challenges associated with the production of tires, their use, and the recycling of used products. In this context, for example, we work with other tire manufacturers in the Tire Industry Project (TIP), which celebrated its tenth anniversary in 2015, to identify and minimize the health-related and environmental impacts of tires.

We are also an active member of econsense, the Forum for Sustainable Development of German Business, and the international Sustainable Natural Rubber Initiative (SNR-i).

Corporate governance

In line with the law and the Articles of Incorporation, the Executive Board, the Supervisory Board, and the Annual Shareholders' Meeting are the executive bodies of Continental AG. As a German stock corporation, the company has a dual management system characterized by a strict personnel division between the Executive Board (management) and the Supervisory Board (control).

The Executive Board has sole responsibility for managing the company free from instructions from third parties in accordance with the German Stock Corporation Act, the company's Articles of Incorporation, and its by-laws, while taking into account the resolutions of the Annual Shareholders' Meeting. Notwithstanding the principle of joint responsibility, whereby all members of the Executive Board share equal responsibility for managing the company, the members of Executive Board are all responsible for the areas entrusted to them. The chairman is responsible for the company's overall management and business policy. He ensures management coordination and uniformity on the Executive Board and represents the company to the public. The Executive Board had nine members (eight men, one woman) in the 2015 fiscal year.

The five divisions are represented by one member each on the Executive Board. The central units are represented by the chief executive officer, the chief financial officer, and the chief human resources officer. One member of the Executive Board is responsible for all business in China. The central units assume the cross-divisional functions necessary for corporate management, including, in particular, Finance and Controlling, Law and Compliance, Sustainability, Environment, and Quality Management.

Continental AG's Supervisory Board has 20 members. In accordance with the Mitbestimmungsgesetz (German Co-determination Act) and the company's Articles of Incorporation, it maintains equal representation of shareholders and employees. The Supervisory Board appoints the Executive Board and supervises and advises it in the management of the company. As specified by law, certain corporate management matters require its approval. It is directly involved in decisions of material importance to the company. The chairman of the Supervisory Board coordinates its work and represents its interests vis-à-vis third parties. He is in regular contact with the Executive Board, and in particular with its chairman, to discuss the company's strategy, development, and risk management.

The Supervisory Board set a target quota of women on the Executive Board, and the deadline for achieving it is December 31, 2016. This was in order to bring the reference period for target achievement in line with the company's fiscal year. Because the duration of the mandates of the current Executive Board members means that no changes are to be expected within the short legally stipulated time limit for setting the target for the first time, the target set by the Supervisory Board is limited to at least maintaining the quota of

women of 11% that was in place when the resolution was adopted. The target was met as of December 31, 2015. At the end of 2016, the Supervisory Board will decide on a new target for which the deadline is expected to be five years later.

Please refer to the "Compliance" chapter on page 21 of the Annual Report 2015 for additional information.

Remuneration for Executive Board members consists of fixed remuneration, variable remuneration elements, additional benefits, and retirement benefits. Each Executive Board member receives fixed annual remuneration paid in twelve monthly installments. After having been increased to usual market levels in 2013, the fixed remuneration will not be adjusted again until 2017 at the earliest.

The Executive Board members also receive variable remuneration in the form of a performance bonus and a share-based long term incentive (LTI). The performance bonus is based on a target bonus that the Supervisory Board determines for each Executive Board member for 100% target achievement, and is then calculated in line with the attainment of certain targets relating to the year-on-year change in the Continental Value Contribution (CVC) and the return on capital employed (ROCE). For 2015, the Supervisory Board had set the target of attaining a specific free cash flow for the corporation. If certain minimum values are not achieved, the performance bonus can also decrease to zero.

In order to take into account extraordinary factors that influence the degree to which targets are achieved, the Supervisory Board has the right – at its due discretion – to retroactively adjust the established attainment of goals on which the calculation of the performance bonus is based by up to 20% upward or downward. In any event, the performance bonus is capped at 150% of the target bonus.

In addition to the performance bonus, a special bonus can be agreed upon for special projects in individual cases or a recognition bonus can be granted. However, a recognition or special bonus of this kind together with the performance bonus must not exceed 150% of the target bonus, and it is included in the division into immediate payment and deferral.

The variable remuneration is supplemented by granting an LTI that again increases the share of long-term components to 60% or more of variable remuneration on the basis of the target values and thus further strengthens its focus on the sustainable development of the company.

For energy and environmental managers and operations managers, part of the variable remuneration is based on the extent to which the company's environmental targets have been attained. For a majority of human resources managers, part of the variable remuneration is calculated on the basis of diversity objectives or the sickness absence rate.

The Supervisory Board is responsible for defining the remuneration of the Executive Board. It is put to a vote for the members of the Executive Board at the Annual Shareholders' Meeting. The current remuneration structure is based on a decision of the Supervisory Board from 2013. At the end of 2012, the Supervisory Board tasked an independent compensation consultant with reviewing the Executive Board remuneration and its structure. The compensation consultant creates market analyses and recommendations independently of the management of the company. Business relations exist through commissioning for concrete remuneration projects or participation in remuneration comparisons.

Remuneration below the Executive Board is defined based on a global remuneration policy.

In 2015, the average personnel expenses per employee amounted to €45,000. The fixed salary of the chairman of the Executive Board was approximately 30 times the arithmetic average of the personnel expenses.

To prevent conflicts of interest, the Supervisory Board has established by-laws that include more detailed provisions on dealing with such conflicts. In addition, the Corporate Governance Principles of Continental AG also address this issue for the Supervisory Board and Executive Board. In its report to the Annual Shareholders' Meeting, the Supervisory Board reports about any conflicts of interest which have occurred and the actions taken with respect thereto. No conflicts of interest arose among the members of the Executive Board or the Supervisory Board in the year under review. In the opinion of the Supervisory Board, it always had a sufficient number of independent members during the reporting period. Furthermore, our Code of Conduct – which likewise addresses the issue of conflicts of interest – is binding for all employees, including the Executive Board.

The Annual Report and the financial reporting system in general report in detail about existing controlling shareholders and relations to associated companies and persons.

Compliance

Compliance management at Continental encompasses measures for complying with legal and official regulations as well as internal directives and codes that we regard as mandatory.

Continental respects the "Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy" of the International Labour Organization (ILO). The principles laid down in this declaration are considered guidelines for multinational enterprises, governments, and employers' and workers' organizations. The fundamental objective of the guidelines is to improve the working and living conditions of people worldwide. At Continental, 70% of employees work in countries that are members of the Organisation for Economic Co-operation and Development (OECD) and are expected to comply with the aforementioned principle. In Germany, collective bargaining agreements have been reached for almost 90% of the core workforce.

In addition, we are cosigners of the UN Global Compact, whose principles include the protection of the freedom of association, among other things. Moreover, our Code of Conduct points out that Continental adheres to existing laws and requirements. This also includes ensuring freedom of association and assembly. Our Law and Compliance departments pursue any reports of potential violations. They also conduct step-by-step inspections.

Our compliance management system (CMS) is based on a comprehensive analysis of potential compliance risks that can arise from structures and processes, from a specific market situation, or in specific regions. In this regard, the results of the regular corporation-wide risk inventory are used, as well as recognized external sources (e.g. Transparency International's Corruption Perception Index). We see significant corruption risks in the following areas: facilitation payments; advisors/business intermediaries and slush funds; gratuities in business transactions that do not accord with internal requirements, especially with high value hospitality; and kickback scenarios in purchasing and sales.

The highest management and control bodies of the organization are continuously informed about anti-corruption measures and procedures. The head of the Corporate Compliance department reports regularly about this to the Executive Board, as well as every quarter to the audit committee of the Supervisory Board and annually at the plenary meeting of the Supervisory Board. The top control body, the Supervisory Board, consists exclusively of non-executive members. For this reason, they are not separately trained by the company in anti-corruption issues.

Please refer to the "Employees" chapter on page 28 for more information about anti-corruption training.

The Executive Board is fully committed to a zero tolerance policy with regard to corruption and antitrust. We do not conduct any specific corruption-related audits, as the relevant issues are also reviewed in every general audit. For the fiscal year, the audit "universe" of Continental AG encompassed 384 audit objects and locations. For 45 locations, we reviewed compliance with principles related to upholding human rights in the scope of our audit program.

Compliance-relevant incidents can be reported both internally and externally by means of the Compliance & Anti-Corruption Hotline. This is possible 24 hours a day both by telephone and by e-mail, as well as anonymously and in the respective national language. The employees are informed about the function and purpose of the hotline in the scope of the onboarding process and via the intranet. Corporate Compliance works together with Corporate Audit to analyze the entries and make decisions about required measures. Moreover, employees can also turn to their superiors, directly to the Compliance department, or to local compliance coordinators. In addition, the Executive Board and Supervisory Board answer questions from shareholders at the Annual Shareholders' Meeting.

Corporate Audit and the Compliance department follow up on every report. In the year under review, there were a total of 252 such reports, 43 of which were related to the issue of discrimination and harassment and 94 of which concerned the issue of work practices. A total of 33 complaints were submitted under the heading of anti-corruption/bribery. Of these cases, five have been confirmed so far, which were punished in the form of disciplinary measures or extraordinary terminations. In the year under review, 103 complaints were successfully processed.

A total of 96 complaints related to ecological impacts were forwarded directly to the individual plants. The processing of all complaints follows a defined communication process involving the site manager and the local ESH specialists. An additional 23 complaints

were forwarded directly to authorities. Here, too, the processing follows the same process.

Moreover, there were 148 customer complaints in 2015 related, among other issues, to incorrect marketing measures – including, for example, the accidental dispatch of advertising materials to customers of our trading companies. In the year under review, no complaints were submitted by regulatory agencies, nor were there any known incidents related to data leaks, data theft, and data loss.

There were no public suits against the company in the reporting period. In addition, no violations were reported that resulted in monetary fines due to non-compliance with laws and regulations related to the provision and use of products and services.

Economy

Management Approach

Continental is an internationally active, leading technology company. The market environment is highly competitive, which means there is intense pressure to innovate and keep costs down. The needs and demands of our customers in the individual regions and market segments are changing at an increasing pace. A high level of flexibility and customer focus are therefore key to our success.

Our global business model is characterized by a high degree of localization. A large number of product applications are developed and produced locally. Our development and production teams worldwide enable us to offer solutions and products for high-quality vehicles, affordable cars, and customized industrial applications. Our goal is for at least eight out of ten application developments to be achieved locally, and for the share of local production to be just as high.

Over the long term, market development is being influenced by social trends in the major regions of the world. These trends include the rapid growth of the world's population, resulting in increasing urbanization; demographic change; and – in particular – globalization. In this context, people are striving to achieve a higher standard of living and the need for mobility is rising. Four megatrends can be derived from these global developments. They form the foundation of our strategy and our business activities:

- › Safety – for safe mobility
- › Information – for intelligent driving
- › Environment – for resource-efficient, emission-free driving
- › Affordable cars – for global mobility.

Careful corporate management and good corporate governance also require that the company deal with risks in a responsible manner.

Continental has a corporation-wide internal control and risk management system that is used to analyze and manage the risks to the company. We use this management system to identify and evaluate developments that could give rise to significant disadvantages and to avoid risks that would endanger the continued existence of the company.

As an international company, we at Continental are committed to actively promoting the observance of human rights where we can. The corporation's guiding principle here is that a company and its regional locations can only ensure compliance with human rights as a complement to politics, not as a replacement of it. The corporation ensures that it does not contribute toward any human rights infringements within its sphere of influence, particularly with regard to forced, compulsory, or child labor. This is firmly embedded in our principles of corporate social responsibility and our Supplier Code of Conduct and is reinforced by our participation in the Global Compact of the United Nations.

In addition, Continental participates in the Sustainable Natural Rubber Initiative (SNR-i). This establishes standards and best practices to make the entire value chain more sustainable overall. In this regard, upholding human rights and promoting of humane working conditions constitute one of the five key fields of activity.

Added value

Develop locally, purchase locally (where possible and logical from a global sourcing perspective), manufacture and market locally – this is our approach to business. Quality, material, and costs are our key purchase criteria. We use local suppliers if they satisfy these three requirements.

Structure of the Continental Corporation

Continental Corporation

Sales: €39.2 billion; Employees: 207,899

Automotive Group

Sales: €23.6 billion; Employees: 115,888

Rubber Group

Sales: €15.7 billion; Employees: 91,603

Chassis & Safety

Sales: €8.4 billion
Employees: 40,062

Powertrain

Sales: €7.1 billion
Employees: 35,364

Interior

Sales: €8.2 billion
Employees: 40,462

Tires

Sales: €10.4 billion
Employees: 48,955

ContiTech

Sales: €5.4 billion
Employees: 42,648

In the 2015 fiscal year, around 208,000 employees at 430 locations in 55 countries generated sales of €39.2 billion. This is equivalent to a 13.7% increase in sales compared to 2014. Earnings before interest and taxes (EBIT) increased to €4.1 billion (2014: €3.3 billion). Investments for research and development rose to €2.5 billion (2014: €2.1 billion). In 2015, approximately 72% of our sales were attributed to automotive manufacturers, and 28% to customers from other branches of industry and end-users.

Continental uses a wide range of raw materials and semifinished products. The purchasing volume comes to about €17.4 billion. Key raw materials for the Automotive Group are steel, aluminum, precious metals, copper, and plastics. One point of focus when it comes to purchasing materials and semifinished products is electronics and electromechanical components, which together make up around 43% of the corporation's total purchasing volume. Furthermore, mechanical components account for a quarter of this volume. Natural rubber and oil-based chemicals such as synthetic rubber and carbon black are key raw materials for the Rubber Group. The purchasing volume for these materials amounts to nearly a fifth of the total volume for production material.

At Continental Automotive, 65% of all active suppliers are based in the local surroundings of the respective production sites. This means that, in these cases, the production sites of the supplier and Continental are located in the same country.

In the Rubber Group, most suppliers are established globally due to the specific nature of the business. Local sourcing is therefore not always viable for various reasons. However, 89% of the deliveries are made within the same region (America, Europe, Asia, and the rest). The share of local deliveries to our 19 tire factories amounted to 25% in the year under review.

The Automotive Group is supplied directly by approximately 2,800 suppliers, which have the following share of purchasing volume:

- › Europe 45%
- › Asia 40%
- › North/Central America 13.5%
- › Other countries 1.5%

Together with natural rubber and other materials, the key raw materials for the Rubber Group include synthetic rubber (20%), chemicals (20%), and reinforcing agents (20%). The Rubber Group is supplied directly by approximately 1,800 suppliers, which are distributed as follows (share of purchasing volume):

- › Europe 53%
- › Asia 20%
- › North/Central America 25.5%
- › Other countries 1.5%

Risk management

The management of the Continental Corporation is geared toward creating added value and ensuring a well-balanced financing structure. For us, this means sustainably increasing the value of each individual 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 our goal of adding value.

The standardized corporation-wide risk management system regulates the recording, assessment, documentation, and reporting of risks and is integrated into the company's strategy, planning, and budgeting processes. A review is held four times per year as part of Supervisory Board meetings, four times per year during Executive Board meetings, and four times per year during the Compliance and Risk Committee meetings.

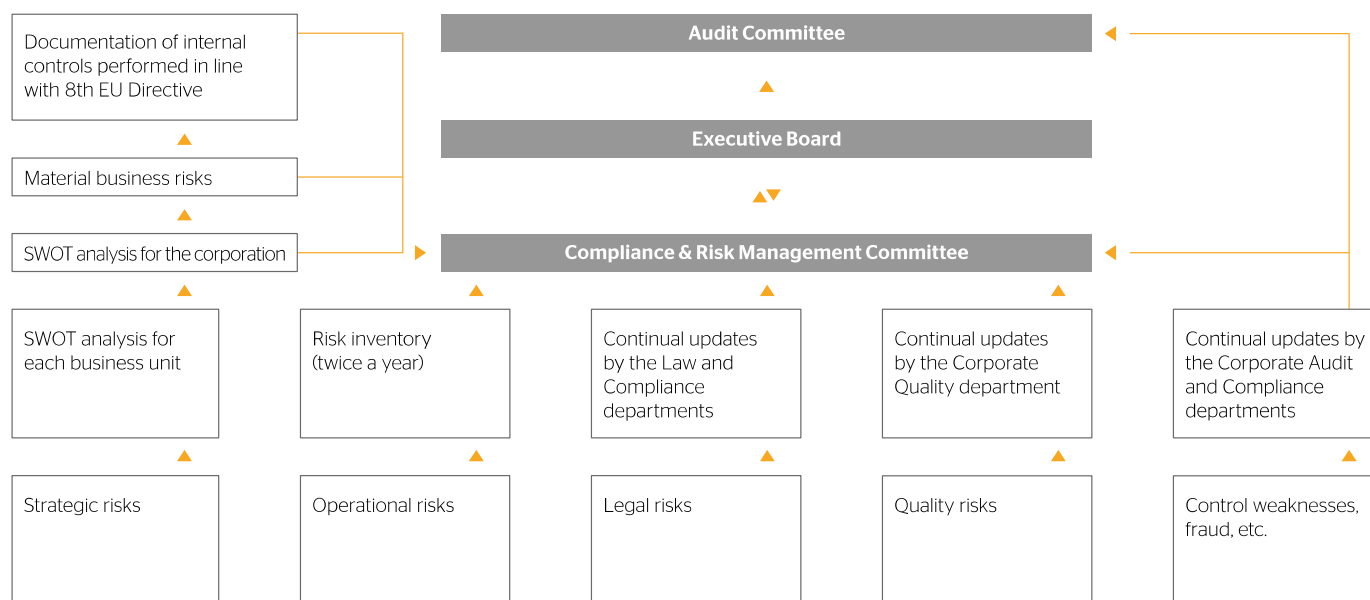
The Supervisory Board is closely involved in compliance and risk management. The Executive Board regularly reported to the Supervisory Board on the work of the Compliance department and the Corporate Audit department, and on significant events. The head of the Compliance department and the head of Corporate Audit were also available to provide information directly to the Audit Committee and its chairman in coordination with the Executive Board. The essential risks covered by the risk management system and the corresponding measures resolved by the Executive Board are presented in the Audit Committee. Corporate safety and security – i.e. the global protection of people, properties, and other tangible assets and information belonging to the company – was also a topic at one meeting. The Audit Committee is satisfied that the internal control system, the risk management system, and the internal audit system are effective.

The risk management system complies fully with the Corporate Governance Principles of the Continental Corporation and with statutory regulations, and is part and parcel of the annual financial statements audit. In terms of the system for early risk detection, which is part of the risk management system, the auditor of our 2015 Annual Report found that the Executive Board had taken the necessary measures under Section 91 (2) AktG and that the company's system for early risk detection is suitable for identifying developments that pose a risk to the continued existence of the company at an early stage.

The potential risks include:

- › Additional regulations that restrict or limit car traffic to combat global warming. This could lead to a significant decrease in car sales, and consequently adversely affect demand for Continental's products and services.
- › Production cutbacks at locations due to changing (regional) climatic conditions.
- › Bottlenecks in the availability of raw materials.
- › Extreme fluctuations in temperature and natural disasters could result in production downtimes or interruptions in the supply chain.

Risk reporting



- › Due to higher oil prices, for example, the behavior of consumers could change more rapidly than industrial development and production can respond.

The potential opportunities include:

- › Shortage of natural resources. Continental relies increasingly on the use of recycled material.
- › New legal regulations to reduce CO₂ emissions. We already generate around a third of our sales with products that are designed to reduce CO₂ emissions.
- › New legal regulations to reduce air pollution. For example, the Powertrain division develops and produces efficient injection systems and coolant pumps that reduce fuel consumption (and therefore emissions).

Rising energy taxes are increasing the demand for fuel-efficient products. Our Power-train, Tire, and ContiTech divisions orient their research and development activities toward this trend.

- › Introduction of eco-labels for products. With these labels, Continental could advertise its ecologically beneficial products more effectively, thereby setting itself apart from competitors.
- › Hybrid vehicle technology. If this technology gains ground in the market, the demand for the relevant components will rise – Continental is already well-positioned in this future market.

Supplier management

Continental maintains a network of around 4,600 suppliers for production materials (2,800 for the Automotive Group, 1,800 for the Rubber Group). In 2015, we procured 65% of all production materials from companies headquartered in states belonging to the Organisation for Economic Co-operation and Development (OECD), where problems with respect to human rights and work practices are not expected to occur.

Since 2011, we have required all of our suppliers and service providers to uphold our Supplier Code of Conduct. This encompasses ten points, including issues related to work practices, human rights, and environmental protection. Our suppliers promise to observe these principles

In addition to the commitment of suppliers to comply with the Code of Conduct, production materials suppliers are subject to review prior to initiating a supply relationship (100%). The goal is to review the suppliers on the basis of different criteria with respect to their sustainable “delivery capability.” Apart from technological and financial criteria, the suppliers are also evaluated with respect to general corporate issues.

Plant visits are also carried out as part of the review to obtain an impression of the prevailing working conditions. This is included in the review if apparent deficits are ascertained. A supply relationship can be suspended in extreme cases if defined countermeasures do not yield the desired results.

In the reviews we carried out, we did not determine any suspected cases of child labor, forced labor, or the violation of indigenous peoples' rights. Among one of our suppliers, however, considerable actual and potential negative effects with respect to work practices have emerged. These included the obstruction of the introduction of labor unions and a disproportionate share of temporary workers. To remedy these deficits, a package of measures was agreed upon with the supplier concerned. The implementation of these measures is reviewed on a regular basis.

For the Rubber Group, approximately 40 audits per year are held at our suppliers' production sites. These audits are carried out by experienced qualified employees and generally last two days. Apart from the satisfaction of quality requirements, the reviews also verify whether the manufacturer meets the requirements of the Supplier Code of Conduct with respect to occupational safety, environmental protection, and social responsibility. Apparent violations result in the definition of mandatory corrective actions that are subsequently tracked and documented by the auditor.

In the Environment area, we evaluate new suppliers prior to the placement of an order by means of a questionnaire. The questionnaire includes the following points: energy consumption, packaging, workplace hygiene, safety data sheets, environmental certification, and contingency management in the plant. We also encourage our suppliers to obtain similar data from their (upstream) suppliers.

In the scope of the 2020 environmental strategy, the supplier chain has been granted equal importance to that of strategic environmental projects for reducing environmental impacts through our direct action. In the supplier area, Continental has set the goal that 100% of strategic suppliers will meet the requirements of ISO 14001 by 2020. In cooperation with the Purchasing and Supplier Development departments, assessments have been developed, firstly to determine the status and then to achieve this objective in the scope of supplier development.

For the vast majority of suppliers it already has contracts with, Continental regularly assesses the level of certification according to ISO 14001 (environmental management). This information is incorporated in the internal assessment system. Among our suppliers, about 85% in the Automotive Group and 73% in the Rubber Group had an environmental management certified according to ISO 14001.

With a pilot project for "Sustainability in the Mexican Supplier Chain" sponsored by DEG/KfW, we started a cooperation network with local Mexican suppliers in 2015. The goal is to improve the environmental performance of our suppliers by means of the transfer of best practices, tailored consultation, and training. Moreover, an important project approach is to provide preparation and support for the certification of an environmental management system according to ISO 14001.

We monitor the environmentally friendly production of our suppliers worldwide as part of internal supplier audits. Relevant issues in the scope of these audits include legal compliance, organization, and the provision of resources for EH&S. However, a statistical key figure is not currently recorded for the frequency of the audits for these specific issues.

Employee pension scheme

In addition to the statutory pension scheme, the Continental Corporation offers the majority of its employees pension plans in the form of either general or individual benefit- and contribution-oriented plans. The provisions cover the obligations from defined benefit plans, in particular in Germany, the U.S., Canada, and the U.K., as well as Austria, France, Mexico, Italy, and Ireland.

Separate pension funds exist to fully or partially finance the company's pension obligations in conjunction with many of the plans. These pension fund assets can only be used to settle pension obligations. The principal funds are in the U.S., the U.K., Canada, and Germany in the form of contractual trust arrangements (CTAs). As of December 31, 2015, the defined benefit obligations of all Continental Corporation defined benefit plans amounted to €5,807.4 million. This was offset by separated pension fund assets amounting to €2,571.9 million.

Our international pension strategy focuses on switching from defined benefit to de-fined contribution plans in order to offer both employees and the company a sustainable and readily understandable pension system. Continental promotes private contributions made by employees by adding corporate subsidies to the money they invest. The company also encourages employees to pay into a deferred compensation scheme. Almost all employees in Germany have the opportunity of participating in an employer-funded pension plan. At the end of 2015, almost half of all employees were paying into a deferred compensation scheme.

Environment

Environmental Policy and Management Approach

Continental established an environmental management system throughout the corporation more than 30 years ago. From the very beginning, the aims have been to minimize the use of resources and to continue reducing environmental pollution. Initially, the environmental management system focused on production sites and on manufacturing.

Today, management – under consideration of environmental aspects – is focused on the identified global megatrends, which are also the foundation of the corporation's overall strategy. In addition, the environmental management system is now much more comprehensively defined and established, in that it involves all value chain levels and the complete life cycles of Continental products. Our environmental responsibility thus includes research and development, the purchasing of raw materials and components, logistics and production, and the use and recycling of our products.

Our service processes 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 recycled.

In manufacturing, we are aiming for a 20 percent reduction in relation to the business volume of energy and water consumption, CO₂ emissions, and waste generation by 2020 (base year: 2013). At the same time, we are striving to increase the recycling rate of industrial waste by 2 percent each year.

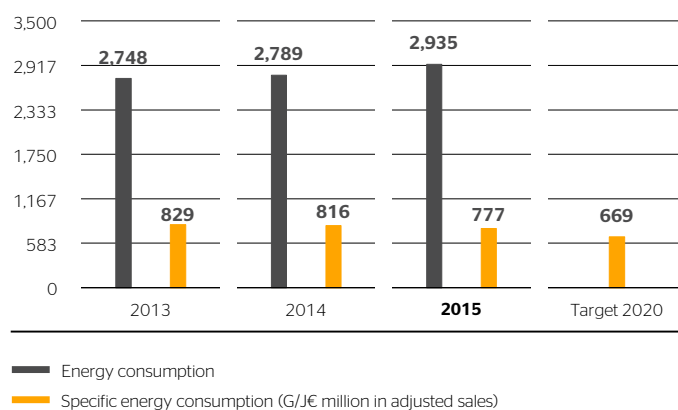
At the end of 2015, 208 production sites worldwide were in operation, of which about 80 percent were certified in accordance with the international environmental management standard ISO 14001. All environment-related locations are connected to a standardized global environmental reporting system. This ensures that we can monitor and control our environmental objectives world-wide.

At the same time, we are making sure that our suppliers also operate in line with key environmental principles. Before new suppliers are commissioned, for example, a supplier assessment is conducted using a questionnaire focusing on criteria such as energy consumption, product packaging, plant tidiness and cleanliness, product safety data sheets, environmental certification, and contingency management in the plant. The information is checked as part of the supplier audit. Continental regularly requests valid environment certificates from the vast majority of suppliers with which it already has contracts.

Energy

The total energy requirements in the year under review rose by 5 percent to 29.3 million GJ (2014: 27.9 million GJ). Electricity accounted for 14.9 million GJ and fossil fuels for 14.4 million GJ. The fossil fuel share includes 2.7 million GJ of purchased steam and 68,646 GJ of district heating. The quantity of self-generated renewable energy was 16,845 GJ. In the period under review, no energy was sold to third parties. The data acquisition comprises 195 environment-related locations, 170 of which are certified to ISO 14001.

Energy consumption*



The absolute energy consumption, which had risen by 5 percent in 2014 (due to higher demand, acquisitions, and the corresponding production), was considerably reduced in the specific values area. In total, the specific energy consumption* relative to sales was reduced by 5 percent to 777 GJ per € million of adjusted sales (2014: 816 GJ per € million of adjusted sales).

Among other factors, this reduction is due to energy-saving measures and an increase in energy efficiency. The consistent introduction of energy management systems and energy-saving campaigns contributed greatly to this result.

High potential savings were achieved thanks to systematic optimization projects in the areas of infrastructure and production. At the same time, purchase criteria for promoting energy efficiency were defined for machine procurement and for new building construction and equipment.

Stage of development	Number of projects	Total estimated annual CO ₂ e savings in metric tons CO ₂ e
To be implemented	113	16,394
Implementation commenced	149	23,251
Implemented	481	52,394

*The energy intensity quotient used at Continental is the adjusted sales total from the 2015 financial statement (€37.78 billion, with sales adjusted for changes in the group of consolidated companies). All scope 1 and 2 energies are included in the calculation of energy intensity. The total energy includes the following types: fossil fuels, purchased electricity, self-generated electricity, purchased steam, and district heat.

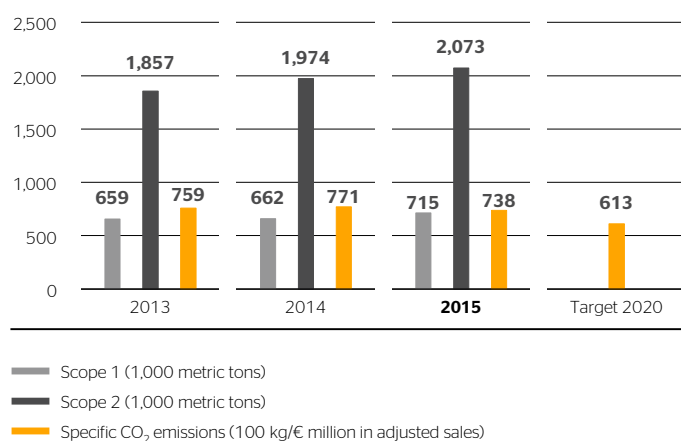
By 2020, we want to reduce specific energy consumption relative to sales to 669 GJ per € million. Moreover, a strategic environmental objective of the corporation is to reduce energy consumption by 20 percent between 2013 and 2020.

Emissions

In scope 1 emissions, only CO₂ emissions are currently recorded. No other potential gases play a significant role. As a standard for calculating emissions, we base our calculations on the GHG Protocol (Greenhouse Gas Protocol). Wherever there are gaps in the GHG Protocol, we use the DEFRA emission factors. We use a software solution from a CDP partner company to ensure that the factors are updated regularly.

The total scope 1 CO₂ emissions of the included locations amounted to 715,000 metric tons in 2015 (2014: 662,000 metric tons). This corresponds to an absolute increase of 8 percent, partly due to the 10.5 percent rise in sales, increased production, the corresponding start-up effects of producing new products, and virtual increases caused by adapting local/regional emission coefficients. This yields a lower specific figure of 18.9 metric tons of scope 1 CO₂ emissions per € million of adjusted sales in 2015 (2014: 19.3 metric tons). This represents a reduction in the specific value of 2.6 percent.

CO₂ - Emissions



The emissions contained in scope 2 are caused by the consumed electricity, consumed purchased district heat, and purchased steam.

The total scope 2 CO₂ emissions of the included locations amounted to 2,073 million metric tons in 2015 (2014: 1.97 million metric tons). This corresponds to an absolute increase of 5 percent, partly due to the 10.5 percent rise in sales, increased production, the corresponding start-up effects of producing new products, and virtual increases caused by adapting local/regional emission coefficients. This yields a lower specific figure of 54.89 metric tons of Scope 2 CO₂ emissions per € million of adjusted sales in 2015 (2014: 59.73 metric tons). This represents a reduction in the specific value of 8.8 percent. Overall in 2015, the company invested in CO₂ reduction projects within the scope of its environmental strategy in the amount of just under €45 million.

For 2015, the scope 3 emissions were calculated for different categories. The following table provides an overview of figures also reported to the Carbon Disclosure Project (CDP):

Scope 3 emissions in metric tons of CO₂

Inbound logistics	512,465
Outbound logistics	209,035
Materials	5,412,461
Waste	10,366
Fuels	93,984
Scope 2 electricity	313,267
Scope 2 heat and steam	21,026
Total	6,572,604

For the selected indirect CO₂ emissions (scope 3), we follow the Corporate Value Chain Accounting and Reporting Protocol of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

We have responded annually to the CDP's extensive questionnaire about our commitment to climate protection since 2009. The process is linked to a public ranking of our company. In the most recent assessment published in October 2015, Continental achieved a record high of 94 points in the automotive supplier group and was among the top three companies in the DACH region. For more information, see our response to the CDP (www.cdp.net/en).

Regarding our use of refrigerants, we at Continental pursue consistent management practices within the scope of our environmental strategy. Monitoring is carried out at the different locations using a local refrigerant register. Within the scope of our environmental strategy for 2020, a phase-out plan is in progress to reduce and to avoid the use of climate-damaging refrigerants. The planned substitution plan goes beyond the legal requirements of many countries and clarifies the global responsibility of our company with respect to climate protection.

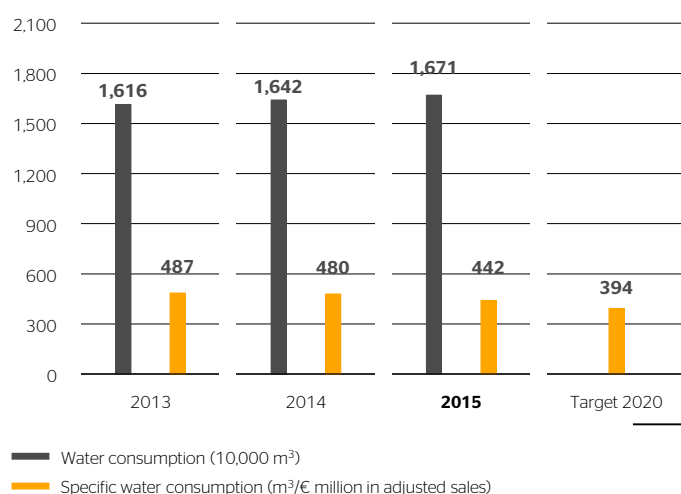
Locations with on-site boiler houses emit certain levels of nitrogen oxide, dust, and sulfur dioxide. These levels are within the legal limits and are regularly monitored. In various manufacturing processes, we use volatile organic solvents that can result in VOC emissions.

For 2015, all solvent consumption was recorded globally to develop reduction plans. These will be integrated into the local environmental programs of the different locations. Furthermore, we are working on a project concerning the development of solvent alternatives.

Water

Overall, water requirements rose slightly by 1.8 percent to 16.7 million cubic meters in 2015 (2014: 16.4 million cubic meters). Here, too, the reason for the rise was increased production. In contrast, the specific requirements fell compared with 2015 from 480 to 442 cubic meters per € million of adjusted sales - this represents a reduction in the specific value of 8 percent. By 2020, we want to reduce specific water consumption to 394 cubic meters per € million of adjusted sales.

Water Consumption



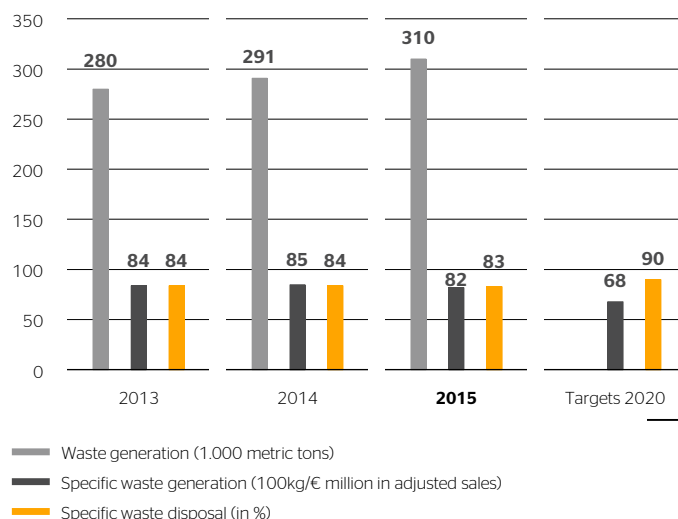
The water requirements are covered by public networks (approx. 39 percent), wells (approx. 43 percent), and river water (approx. 18 percent).

In order to achieve a more targeted response to water risks, a strategy for water risk areas is currently being prepared. The objective is to be able to respond better to the negative effects of water shortages and to align the local water targets and savings projects to the challenges of the specific regions.

Wastewater and waste

Continental practices consistent waste management that is an integral component of the corporation-wide environmental management system. In this management system, the principles of the five-step waste hierarchy are regulated in a binding manner for all locations (prevention, reuse, recycling, material/energetic recovery, and disposal). The disposal procedures are selected according to these principles. Only approved disposal companies that strictly comply with the application of all legal requirements are employed.

Waste generation and disposal



In 2015, the corporation produced 310,085 metric tons of waste in total (2014: 291,000 metric tons). This figure is made up of 53,119 metric tons of waste for disposal and 256,966 metric tons of waste for recycling. The recycling quota is 82.9 percent. The absolute increase of approximately 5.8 percent is a result of the increased production volume, acquisitions, and the consolidation of waste collection. In 2015, approximately 10 percent of the waste was hazardous.

Despite a 10.5 percent sales increase, the specific waste volume per € million of adjusted sales fell from 8.5 metric tons/€ million to 8.2 metric tons/€ million. This represents a reduction in the specific value of 3.6 percent. We are striving for a specific waste volume of 6.8 metric tons per € million of adjusted sales and a recycling rate of 90 percent by 2020.

Continental does not export any waste. We have contracts with certified and approved waste disposal companies who collect our waste and properly recycle or dispose of it. Since no uniform international definition of the term "hazardous waste" exists, it is not yet possible for us to report on this. However, the possibility of Continental importing or exporting hazardous waste can be ruled out.

At Continental, all wastewater is discharged into the public sewerage system either directly or with pre-treatment. In this regard, we meet all legal requirements for wastewater quality. At a small number of locations, we discharge rainwater directly into water bodies via storm sewers. Here, too, regular inspections are carried out to ensure compliance with the legal requirements.

Products

Management Approach

Our responsibility extends over the entire life cycle of our products – from the raw materials used, product development, and production, to their use and subsequent recycling. Continental conducts development and production according to the best possible standards to minimize the impact on health and the environment. It is up to customers to ensure that products are used for their intended purpose.

Our ISO 9001-certified quality management system, which is in place at all of our locations worldwide and is subject to regular recertification, contains detailed specifications regarding product safety and quality. After all, they form the basis on which we fulfill the diverse range of requirements placed on us, for example, by our customers (such as reducing the fuel consumption of vehicles). If complaints or concerns related to products manufactured or distributed by Continental arise, the appropriate processes are implemented according to the company directive on product integrity.

Thanks to our products and technologies, we not only enable this to happen, but also constantly seek new ways to bring about further optimization. As a result, we make a valuable contribution to sustainable mobility. We consider the creation of products that significantly improve road safety to be yet another major benefit of our work to society. In addition to environmental protection, safety represents a focus of our work in research and development.

The correct and responsible handling of personal data throughout the corporation is ensured by a corporation privacy policy. It covers the processing of all personal data by potential and current employees, customers, suppliers, other business partners, and other affected parties, and it sets uniform data protection and data security standards.

Materials and recycling

In the fields of development and production, we work to the highest standards in order to minimize the impact of our production activities and products on health and the environment to the greatest extent possible. When it comes to the use of raw materials, we aim to conserve natural resources. Our 14 product life cycle assessments (eleven in the Rubber Group, three in the Automotive Group) provide important information here.

Material use	
Ferrous metals/steel	335,135 t
Non-ferrous metals	80,059 t
Auxiliary/precious metals	6.5 t
Plastic	200,000 t
Rubber	982,750 t
Chemicals	980,000 t
Other additive raw materials	340,000 t

In the Rubber Group, the use of recycled materials is assuming an increasingly important role. Production waste generated in physical/chemical processes is used as reclaim and adhesive mixtures as recyclates. Particular importance is attached to the multi-award-winning research project RUBIN, which produces natural rubber from Russian dandelions. In cooperation with the Fraunhofer Institute and the University of Münster, a procedure was developed in which natural rubber generated from dandelions is expected to replace rubber from rubber trees in the future. On the one hand, this shortens the transport routes to production sites. On the other hand, the globally growing need for rubber can be met this way without the need to sacrifice more precious rainforest areas. Both of these factors have a sustainably positive effect on the world's carbon footprint and on biodiversity.

In the Automotive Group, the aluminum alloy materials and steels contain a high volume of recycled material. We also process recycled plastics. The share of reclaimed materials currently totals approximately 3 percent of rubber compounds. For steel and aluminum, the figure is at least 70 percent. As part of the "Design for Environment" development initiative, we are working with our partners to successively increase the share of reclaimed recycled plastic. Reclaim can now also be used for safety components – an essential factor for this was the "Zero Win" EU research project that Continental took part in.

We provide our customers with all of the relevant information to make it easier for them to recycle our products. In the Automotive Group, this is achieved by means of a "recycling passport" that includes component drawings and material data and explains dismantling steps.

Continental has no extended producer responsibility for original equipment components, as the law assigns responsibility for this to the vehicle manufacturers (e.g. the EU End of Life Vehicles Directive). In many European countries, we reclaim old tires in accordance with national laws. However, we are not able to specify quantities due to differing legal regulations. The average recycling rate for old tires (from all manufacturers) in Europe is currently approximately 96 percent. Continental was involved in achieving this notable success as a member company of the European Tyre & Rubber Manufacturers' Association (ETRMA).

The same applies to the Automotive Group: the extended producer responsibility lies with the manufacturers. In a few areas of the aftermarket business, products and packaging are taken back via the dealer networks.

Environmentally friendly products

In light of increasingly scarce resources, we believe that it is our duty to develop sustainable solutions for our products in order to reduce the demand for natural resources and therefore also lower the energy requirement of products. In 2015, a total of €11.6 billion of our sales were for products that are exceptionally energy-efficient or demonstrably lead to reduced emissions of pollutants or CO₂. In order to reduce the release of climate-damaging gases, for example, we rely on the reduction of the dead weight of products or the continuous improvement of tire rolling and friction

resistance, engines, and transmissions. In the past few years, for example, we have managed to substantially reduce the weight of our brake components, while at the same time enhancing brake performance.

In the year under review, operations at the new ContiLifeCycle plant in Hanover-Stöcken for retreaded truck and bus tires (including a recycling plant for rubber from used tires) have picked up speed. Over 100 new jobs have been created at this location. Unique in this combination throughout the sector worldwide, the plant concludes the tire production cycle and will leverage the synergies from retreading and rubber recycling. Thanks to the recycling process developed by Continental, the volume of recycled materials in new tires can be almost doubled (from the current 3 percent to 6 percent or more). In the European Union, 39 percent of old tires (either whole or shredded) are currently used in the cement industry. There they are used as an energy source (approximately 75 percent) and a source of secondary raw materials (approximately 25 percent). Another 37 percent of the annual volume of old tires is processed further to create technically high-quality secondary raw materials. They are used to produce materials for the construction of sports facilities and roads, for example.

The HECO2 (Highly Efficient CO₂) project initiated in the Automotive Group uses the light-weight design of our products to significantly reduce the amount of raw materials used and cut fuel consumption in vehicles. An additional aspect of this development initiative is the conservation of energy through more energy-efficient components. Together with energy recovery and efficiency management in vehicle operation, this leads to considerable savings. The goal is to apply innovative and integrated solutions to drive the technological development of the vehicle fleets of automotive manufacturers forward in such a way that the ambitious CO₂ reduction goals planned worldwide can be achieved. The scope of the project extends as far as 2025.

Today, Continental technology is already reducing the amount of CO₂ in car exhaust emissions by about a fifth. As a result, a commuter can cut down on about three kilograms of CO₂, or the equivalent of 1,500 liters, in one hour of driving. Our piezo injection valves for conventional gasoline and diesel engines, for example, reduce CO₂ emissions by up to 20 percent. What is more, our telematics systems and optimized hose lines reduce climate-relevant emissions. Our products for the automotive industry will continue to help reduce CO₂ emissions from cars and trucks. Hybrid drives for cars, for example, can lower CO₂ emissions by 10 percent to 25 percent, depending on the hybrid type and operating conditions.

Our products also contribute to climate protection in non-automotive applications. For example, our conveyor belts with optimized rolling resistance (energy-optimized conveyor belts) significantly reduce the drive energy required in mining. In addition, the new Conti Thermo-Protect insulation protects industrial plants from thermal loss even in inaccessible places, thereby reducing the amount of fossil raw materials required to produce heat energy.

Customer health and safety

As well as being environmentally friendly, we place particular emphasis on the safety of our products in the development process. With the "safety for all" strategy, the Chassis & Safety division is focusing not only on providing safety technologies in line with the various customer and market requirements, but also on enabling these technologies to be installed in all vehicle classes.

In the area of noise prevention, Continental is involved in initiatives for reducing tire and road noise, including the SILENCE research project of the European Union (EU) and the Quiet Traffic and Quiet Road Traffic projects in Germany.

An important factor for ensuring product safety and health for our customers is compliance with all requirements as per the product identification and information obligations. A standardized marking obligation for motor vehicle tires has been applied within the EU since November 2012. This is aimed at enhancing road safety while reducing fuel consumption: the EU tire label uses three criteria to indicate a tire's environmental and safety-relevant characteristics. Continental provides the relevant information, which can also be accessed online by our customers.

The EU's REACH directive (Registration, Evaluation, and Authorization of Chemicals) is relevant for both groups within the corporation. This directive stipulates detailed obligations to provide the European Chemicals Agency (ECHA) and customers with information relating to substances of very high concern (SVHC). A substantial portion of the substances delivered to Continental had to be registered by the manufacturers by the end of May 2013. To do this, comprehensive data on issues such as toxicity to humans, danger to the environment, and the safe use of the substance had to be gathered and collectively presented in reports for submission to the ECHA. The data for safe use was determined jointly by the industries that produce and use it, as well as by Continental.

Automotive industry customers connected to the International Material Data System (IMDS) only give us approval for products as a supplier if they are informed about their composition in the form of a suitable IMDS dataset. In the USA, we declare to the U.S. government that our products do not contain any "conflict minerals" and that they thereby meet the requirements of the Dodd-Frank Act.

In the year under review, Continental did not knowingly violate regulations and voluntary rules of conduct with respect to product stewardship, information about products, and product identification. The same applies to regulations regarding advertising. As a member of the German Advertisers' Association (OWM), we adhere to the OWM's Code of Conduct. This contains recommendations regarding conduct during collaboration between brand companies and the advertising industry.

Employees

Corporate Policy and Management Approach

Over the past ten years, the number of Continental employees has grown by approximately 130,000. The company has tapped new business areas and new international markets and integrated these into the corporation. On the global labor markets, the competition for specialist and management personnel is growing due to a reduction in the working population. We are continually developing our HR strategy to enable our company to take on the growing internal and external challenges involved in HR work. Our HR strategy is focused on the two dimensions "employees" and "corporate culture."

In a dialogue with our employees, we have implemented a large number of measures to strengthen our corporate culture - which is characterized by our four values: Trust, Passion To Win, Freedom To Act, and For One Another - and firmly anchored it in our corporation.

We see our employees not just as resources, but as individuals whose skills and abilities are recognized as our organization's most valuable asset. For this reason, we now see our HR work as "human relations," not "human resources." This emphasizes a holistic approach to HR work, with the focus firmly on people.

For us, the well-being of our employees is a central concern in our HR work. In addition to continuing education, development opportunities, and fair wages, we offer our employees attractive social benefits. Furthermore, the health of our employees and workplace safety take a high priority. For this purpose, we rely on a management system that meets the OHSAS 18001 Occupational Health and Safety Management System.

Continental is committed to equal opportunities for all employees, regardless of age, gender, nationality, religion, skin color, or sexual orientation. For us, it is the abilities and potential within people themselves that count. This attitude is also reflected in our corporate guidelines and in our signing of the German Diversity Charter.

As a matter of principle, we are also committed to good working conditions among our suppliers. In our Supplier Code of Conduct, we formulate requirements for working conditions, and we monitor compliance with these requirements on site in the form of audits.

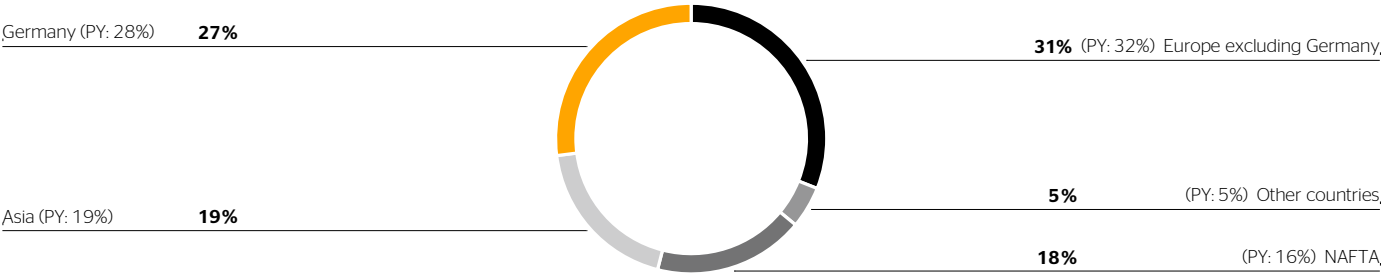
Workforce

At the end of 2015, Continental employed 207,899 women and men in over 50 countries, with approximately 120,000 of them in Europe (and just under half of these in Germany). The number of employees rose by 18,731 over the previous year. In 2015, Continental employed 14,205 temporary workers. The percentage of women as a proportion of the global workforce was 27.1% and 10.5% of women were in management positions.

Employees by contract type and employment relationship	Permanent	Temporary	Total
Employees total	172,629	35,270	207,899
Employees (variable)	92,050	25,683	117,733
Own employees	92,050	13,484	105,534
Leasing employees		12,199	12,199
Employees (fixed)	80,579	9,587	90,166
Own employees	80,579	7,581	88,160
Leasing employees		2,006	2,006

At the end of 2015, our training rate in Germany was 3.78%, with a total of 2,097 young people trained in the year under review. In 2012, we concluded an agreement specifying that, in the future, young trainees will receive employment contracts of indefinite duration following completion of their training with us.

Employees by region



Age structure of the workforce

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

Demographic trends in the Western industrial nations over the next few years will represent a major challenge for Continental too: the number of older employees will increase, especially in our factories. Our "Demography Program," launched in 2005, is a comprehensive concept aimed at dealing with this issue.

As at December 31, 2015, corporation-wide fluctuation was 4.9% (2014: 4.1%). The average job tenure worldwide was 9.3 years (Germany: 14.7 years). Around 95% of employees form the core workforce.

Fluctuation by age and gender in %	Male	Female	Total
20 or less	21.5	25.0	22.6
20 to 29 years	9.1	12.6	10.1
30 to 39 years	4.0	6.5	4.7
40 to 49 years	1.8	3.2	2.2
50 to 59 years	1.1	1.3	1.1
More than 60 years	1.8	3.2	2.1

Remuneration and company benefits

Continental applies collective agreements which do not consider gender characteristics in the assessment of job activities. Criteria such as knowledge and capability, responsibility associated with the position, difficulty of the particular job, and managerial responsibility are important for the assessment. In addition, only the particular position is fully assessed, not the person occupying it. This assessment logic also continues beyond the collective agreements. In this area, the compensation paid is oriented toward the usual market remuneration for a comparable position/function in the relevant market. This allows us to ensure remuneration for all employees that is in line with the market.

Variable remuneration components that are based on individual objectives agreed with certain employees are paid on the basis of the objectives achieved.

The annual profit participation distributed worldwide among the company employees represents a central component of the company benefits. A corresponding corporation-wide works agreement was concluded with the resident groups work council in Germany.

With this agreement, we directly involve our employees in the success of the company by awarding them with a bonus. The amount depends on the absolute value contribution of the Continental Corporation in the respective fiscal year. In the year under review, the total volume of this value-sharing bonus was just under €150 million (2014: €130 million).

The switch from defined benefit to defined contribution plans lies at the heart of the international pension strategy of Continental - it is an essential precondition for offering both employees and the company a sustainable and transparent pension system. With company subsidies for employee contributions, we promote the personal contribution of our employees. We also encourage our employees to pay into a deferred compensation scheme, whereby employees relinquish part of their earned income. Continental then invests this in the company pension scheme.

Period of employment	Male in %	Average age male	Female in %	Average age female
Asia				
5 or less	42.0	29.1	19.4	29.1
5 to 10 years	15.4	36.5	6.4	32.7
10 to 20 years	8.2	40.3	3.6	37.9
more than 20 years	4.0	49.7	0.9	46.7
Germany				
5 or less	20.1	34.1	5.5	33.4
5 to 10 years	9.0	36.2	2.2	36.7
10 to 20 years	25.4	44.2	6.2	44.5
more than 20 years	24.7	52.4	7.0	51.3
Europe excluding Germany				
5 or less	29.6	32.0	11.9	33.7
5 to 10 years	16.3	36.7	7.0	39.2
10 to 20 years	17.6	41.7	6.7	43.8
more than 20 years	8.4	51.0	2.6	50.7
NAFTA				
5 or less	37.4	32.3	22.3	33.6
5 to 10 years	10.5	38.2	5.6	39.5
10 to 20 years	11.0	43.0	5.3	43.3
more than 20 years	6.3	53.0	1.6	55.7
South America				
5 or less	41.1	32.1	7.5	30.7
5 to 10 years	26.7	35.0	5.7	34.4
10 to 20 years	12.9	41.3	1.6	39.2
more than 20 years	3.9	52.1	0.8	47.7
Other countries				
5 or less	23.6	33.9	5.0	33.5
5 to 10 years	20.6	36.7	7.6	35.6
10 to 20 years	13.0	42.9	4.5	4.9
more than 20 years	3.9	52.1	0.8	47.7

In addition, Continental offers a long-term account model to management personnel in all affiliated German companies, as well as to all employees who are covered by the collective agreement of the chemical industry. This model offers both the option of a flexible transition to a retirement pension and the possibility of leave for qualification measures, parental leave, and care periods.

Job training and continuing education

Lifelong learning is particularly challenging in times of demographic change. However, Continental sees lifelong learning as an opportunity and has firmly incorporated processes to promote it. In the words of our corporate guidelines: "We promote lifelong learning along with personal and professional development. We make knowledge available to everyone in our company as quickly as possible and offer mutual support for enabling swift adjustment to changes within our environment."

Continental has a comprehensive range of training opportunities. This includes a risk-based on-site training plan that contains general compliance training as well as issues related to cartel law and the prevention of corruption. Among the roughly 208,000 employees worldwide, around 23,830 employees at all levels received such on-site training between the beginning of 2011 and the end of 2015. In addition to management personnel from the various business units, the target group includes employees from Purchasing, Sales, and Business Development in particular. A further pillar of our training program is an electronic learning program on compliance and our code of conduct, which is currently available in ten languages.

Our e-learning training courses on antitrust and corruption laws also address our Code of Conduct. The training courses were rolled out in 2015 at our newly acquired companies Veyance Technologies and Emitec. Of the 2,000 employees invited, 90% participated. The e-learning training course was already completed in September 2014 with a worldwide participation rate of 98%. Since then, e-learning has become an established part of the onboarding of new employees.

The program is supplemented by a large number of training courses, qualifications, and development programs at our different locations. The focus here is placed on the technical area in particular. We perform regular checks to determine the effectiveness and sustainability of these measures.

In addition to the training program, Continental idea management (CIM) assumes particular importance in the continuing education of our employees. Introduced as early as 1930, idea management encourages and calls for the commitment and motivation of our employees and gives them a proactive role in improving their own working environment. Their commitment is rewarded with bonuses and special offers.

In the year under review, nearly 470,000 ideas were submitted worldwide by our employees in this way, of which around 406,000 were put into effect. This led to savings of more than €124 million for the company.

At Continental, idea management is proof of how the management and value culture is put into practice, and it shows that values really do create value. For this reason, Human Relations regards idea management as a cornerstone of a learning organization. To further increase the success of idea management, we are working on a new, efficient system that will be introduced globally in 2016.

In addition, Contivation was installed – a platform on which Continental employees post, discuss, and develop their innovative product ideas. For an idea to be finally ready for production, it needs to be methodically driven forward. That is the task of the innovation managers in the various business units. They accompany the ideas, as it were, on their path through Contivation. To do this, the innovation managers regularly assess the progress of the ideas, estimate their potential, give advice, and establish connections. Finally, they smooth the way into the line organization. From here, the ideas become development projects and ultimately production-ready products. The opportunity for fast feedback and input across divisions and countries means that many good ideas can quickly become real innovations.

To make the targeted continued education of our employees possible, regular performance assessments and development plans are carried out regularly at Continental. This is controlled by means of the talent management process, in which all company employees take part as a matter of principle. For the targeted development and support of employees, Continental offers international, systematic programs tailored to the different target groups. These include:

- › Corporate Entry Program: A tailored package for new employees with university degrees, offering them a profound insight into the corporation and helping them to hone their qualification profile.
- › Assessment and Development Center: For the identification and promotion of management personnel.
- › Management personnel and potential development programs: Since 2015, we have offered corporation-wide development programs for management personnel and high-potential employees at all levels – both for experienced managers and to support the acceptance of management positions at a higher level. Our programs are oriented toward our four company values and our management philosophy. They support managers with regard to managing in a holistic way, responding to their employees individually and according to the requirements of the situation, and acting as role models.
- › BIG SIX Radar: A 360-degree feedback process for management personnel to identify strengths and development potential – it is open for all managers in the corporation, as well as for project managers with a technical managerial responsibility and employees without managerial responsibility in the scope of HR development programs.

Diversity and equal opportunities

Continental is a diverse company whose employees have various ethnic, cultural, religious, and other backgrounds. We value and promote the diverse ideas and experiences that come from our employees because they make Continental more successful.

Around 70% of our employees work at locations outside of Germany, and 40% of them are based outside Europe. The highly international nature of the corporation is also reflected in the many nationalities of the employees working at the different locations. We principally aim to achieve a balanced ratio of local and international managers at all locations. This is in line with the market requirements and also the current global understanding. The proportion of local and international managers fluctuates according to the region in 2015, the percentage of foreign managers in the corporation was around 40 percent.

Since May 1, 2015, the "Law for the equal participation of men and women in management positions in public administration and the private sector" has been put into effect for the Supervisory Board of Continental AG. According to this law, the Supervisory Board of Continental AG is obligated to reach a target value of 30% for the minority gender, which is to be met in the scope of future appointments. In 2015, four women belonged to the 20-strong Supervisory Board of Continental AG (two share-holder representatives and two employee representatives).

Composition of the Supervisory Board by age	Total
30 or less	0
30 to 49 years	3
50 to 59 years	8
More than 60 years	9

The Supervisory Board is keen to ensure that women are afforded the appropriate consideration when it comes to appointments to the Executive Board. In 2015, one woman was on the Executive Board (responsible for the area of HR and also director of labor relations). Just under 10.5% of the 3,000 management positions worldwide (executive or senior executive positions) were held by female employees. We aim to increase this to 16% by 2020.

From September 2014 to March 2015, we held a diversity leadership training course to sharpen the awareness of the issue of diversity management among our 3,000 top management personnel. The focus of the training course was placed on the issue of "unconscious bias" and the effects of unconscious distortions of perception on decision-making and management behavior. The training was carried out exclusively by internal trainers worldwide and is planned to be rolled out for additional target groups in the future.

Occupational safety and health management

The overriding objective of occupational safety and health management at Continental is the prevention of accidents and workplace-related illness ("We go for zero incidents"). To achieve this, we rely on an ESH management system that meets the OHSAS 18001 Occupational Health and Safety Management System and that is certified according to the 29 locations worldwide.

In addition, company agreements on occupational health and safety exist at the company and/or location level in Germany. Moreover, occupational health and safety committees are in place at all locations in Germany in accordance with the German Occupational Safety Act. They are occupied by works council members, employer representatives, company doctors, occupational health and safety experts, and safety representatives. All legal structures for occupational safety are also complied with internationally.

Technical responsibility for matters related to the occupational health and safety of our employees is assumed at the corporate level by the Safety & Health (SH) department, which reports directly to the Executive Board member for HR.

An essential indicator for the success of our occupational health and safety program, which focuses on prevention, is the trend of absence and accidents. With respect to the number of industrial accidents per million working hours, the past few years have indicated a positive development from 4.6 in 2010 to 3.1 in 2015. The number of hours lost per million working hours decreased from 729 to 498 hours during the same period.

Unfortunately, three accidents occurred in 2015, in which one Continental employee and two employees of external service providers suffered fatal injuries. The accidents occurred in Germany, Mexico, and Hungary. Continental took all necessary steps to investigate the accidents thoroughly. All locations were informed of the accidents and their causes. Measures were developed in interdisciplinary and international teams and communicated within the corporation to prevent similar types of accidents in the future.

Sickness-related absence has increased slightly compared to 2014. On average, each employee in production was absent for 3.8% of the contractually agreed working time in 2015.

Accident statistics and absence	2015	2014	2013	2012	2011
Sickness absence ¹	3.8	3.6	3.5	3.5	3.5
Accident rate ²	3.1	3.0	3.3	3.6	4.2
Time lost ³	498	486	472	574	638

¹ Sickness absence: Paid and unpaid absence of employees in production.

² Number of industrial accidents worldwide resulting in the loss of one or more working-day equivalents per million hours worked.

³ Number of hours lost due to accidents per million hours worked.

Continental carries out risk assessments of workplaces worldwide and systematically implements the required safety measures at the respective locations. This is reviewed in the scope of corporation-wide audits. However, this data is not centrally compiled. Occupational diseases and work-related illnesses are treated according to the relevant national legislation, but are not centrally registered.

Society

Management Approach

One of our core values is trust. Trust requires integrity, honesty, and incorruptibility. Management and employee compliance with all the legal requirements that apply to Continental and its subsidiaries as well as all internal regulations have therefore long been our goal and shape our corporate culture.

In addition to our corporate guidelines, the BASICS, and the Corporate Governance Principles, this is also reflected in our Corporate Social Responsibility Principles and Code of Conduct. In accordance with the respective legal conditions of each country, all employees must agree to the Code of Conduct. Our anti-corruption guidelines are intended to increase awareness of compliance with the relevant regulations at all levels and provide guidance in dealing with the issue of gifts and benefits.

Continental embraces its social responsibilities and respects the laws and cultures of every country. Through our profitable performance, we create the foundations for providing secure jobs in many regions of the world. In addition, we want to create value for those who live and work near our locations as well. Our voluntary commitment focuses on three areas where we position ourselves on the basis of our business model, our challenges, or our image and where we aim to promote sustainable development: social well-being and road safety, education and science, and sports.

Worldwide commitment

Continental operates worldwide, but takes on social responsibility primarily on a de-centralized, local basis. This also applies to the social commitment of the corporation and its locations, as well as to initiatives founded by dedicated company employees and supported in part by the company. Non-profit projects, donations, and other charitable activities are therefore initiated and supervised at the discretion of the decentralized units to the greatest extent possible. Continental also makes a positive contribution to society through its business operations at the international locations.

Together with 18 other companies and the German Society for International Cooperation (GIZ), Continental is one of the founding members of the "Afrika kommt!" initiative. The aim of this initiative is to invite young managers from Sub-Saharan Africa to come to Germany for a year, support their development, and familiarize them with the country. At the same time, the program also lays the foundations for sustainable business cooperation in Africa with German companies. Participants in the project learn about operational structures at German companies, enhance their specialist and management expertise, and acquire cultural knowledge and language skills. This allows them to use their knowledge to establish important contacts between Germany and Africa and take on further management responsibilities in their home country after completing the program.

In particular emergency situations, Continental provides central support with national projects and challenges, or offers assistance in dealing with international catastrophes.

In mid-April 2015, Nepal was hit by the most severe earthquake in several decades. By donating funding in the amount of €50,000, Continental promptly provided support to the German Federal Agency for Technical Relief, which was working in the disaster area. Our donation was used for a drinking water treatment plant.

In October 2015, the U.S. state of South Carolina saw the heaviest rainfall in centuries. Continental supported the American Red Cross with disaster relief in the amount of \$100,000.

In December 2015, we provided €100,000 to the Welthungerhilfe aid agency for its work at refugee camps in Turkey. With our donation, we made a contribution to improving school education for the children there, since their education is severely lacking. Many thousands of Syrian children who have been living with their families in the camps in Turkey for more than four years urgently need support – with education being the topmost concern.

In October 2015, the Continental plant in Changchun, China, won the "3 Star Green Building Award". This makes Changchun the first plant in the automotive sector to receive this award in China. The award is given to industrial locations that have highly efficient solutions in the areas of energy, water, use of space, environmental management, and recycling, as well as for use of land and creation of compensation areas.

It is now the third time in a row that the Philippine Economic Zone Authority (PEZA) has distinguished the Continental plant in Calamba with the PEP (PEZA Environmental Performance) award. With this annual award, PEZA honors special achievements in the fields of sustainable environmental compatibility and innovative systems for the continuous improvement of environmental management systems. The award was presented by the President of the Republic of the Philippines.

GRI Content Index and UN Global Compact Communication on Progress

Continental AG reports its sustainability performance for 2015 for the first time in accordance with the G4 version of the Global Reporting Initiative (GRI) Guidelines, option: "In accordance: Core". The selection of information to be reported was made on the basis of a materiality analysis conducted in the year under review. This report also represents our annual Communication on Progress about the implementation status of the UN Global Compact's (UNGC) ten principles.

This Sustainability Report was provided to the GRI for the execution of the GRI Materiality Disclosure Service. In the process, the GRI confirmed the correct positioning of the "G4 Materiality Disclosures" (G4-17 to G4-27).



**Materiality
Disclosures**
Continental AG

Sept 2016
Service

GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Page	Omissions	External Assurance	UNGC CoP Principle
STRATEGY AND ANALYSIS				
G4-1 Statement from the most senior decision-maker	4			1-10
G4-2 Key impacts, risks, and opportunities concerning sustainability	18-19			
ORGANIZATIONAL PROFILE				
G4-3 Name of the organization	5			
G4-4 Primary brands, products, and services	6			
G4-5 Location of the organization's headquarters	6			
G4-6 Countries with significant operations	6			
G4-7 Nature of ownership and legal form	6-7			
G4-8 Markets served	17-18			
G4-9 Scale of the organization	1, 6, 18			
G4-10 Employees by employment type, gender and region	26-27	Differentiated disclosures, e.g. according to gender and contract type, are not currently possible		
G4-11 Percentage of employees covered by collective bargaining agreements	15			
G4-12 Description of the supply chain	17-18			
G4-13 Significant changes during the reporting period	5-6			
G4-14 Implementation of the precautionary principle	15, 18-19			
G4-15 External initiatives that the organization endorses	7-8			
G4-16 Significant memberships in industry and business associations	7-8			
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES				
G4-17 Entities included in the consolidated financial statements	5, Annual Report (AR) p.150 et seq.			
G4-18 Process for defining the report content	5, 9-10			
G4-19 Material Aspects identified	10-11			
G4-20 Aspect Boundaries within the organization	10-11			
G4-21 Aspect Boundaries outside the organization	10-11			
G4-22 Restatements of information provided in previous reports	5			
G4-23 Significant changes in the Scope and Aspect Boundaries	5			
STAKEHOLDER ENGAGEMENT				
G4-24 Stakeholder groups engaged	13			
G4-25 Identification and selection of stakeholders	9			
G4-26 Approach to stakeholder engagement and frequency	12-13			
G4-27 Key topics and concerns raised through stakeholder engagement and response	12-13			

GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Page	Omissions	External Assurance	UNGC CoP Principle
REPORT PROFILE				
G4-28 Reporting period	4			
G4-29 Date of most recent previous report	12-13	September 2015 (for 2014)		
G4-30 Reporting cycle	5			
G4-31 Contact point for questions regarding the report	39			
G4-32 "In accordance" option with GRI and Content Index chosen	31			
G4-33 External verification of the report		http://www.continental-corporation.com/www/download/csr_com_de/themen/umwelt/cn_umweltkennzahlen_de/kp_mg_bescheinigung_en.pdf		
CORPORATE GOVERNANCE				
G4-34 Governance structure, incl. committees of the highest governance body	11, 14			
G4-35 Process for delegating authority for economic, environmental and social topics	11, 14			
G4-36 Executive-level position with responsibility for economic, environmental and social topics	11, 14			
G4-37 Processes for consultation between stakeholders and the highest governance body	13			
G4-38 Composition of the highest governance body and its committees	AR p. 17 et seq., 215 et seq.			
G4-39 Independence of the Chair of the highest governance body	AR p. 17 et seq.			
G4-40 Nomination and selection processes for the highest governance body and its committees	AR p. 17 et seq.			
G4-41 Process for avoiding conflicts of interest	15			
G4-42 Highest governance body's role concerning strategy and goals	11			
G4-43 Measures taken concerning the highest governance body's knowledge in sustainability issues	11			
G4-44 Evaluation of the highest governance body's performance concerning sustainability	AR p. 22 et seq.			
G4-45 Highest governance body's role concerning sustainability impacts, risks, and opportunities	AR p. 107 et seq.			
G4-46 Highest governance body's role concerning the effectiveness of the risk management	AR p. 107 et seq.			
G4-47 Frequency of the highest governance body's review of sustainability impacts, risks, and opportunities	18-19			
G4-48 Highest committee that formally reviews and approves the sustainability report	AR p. 107 et seq.			
G4-49 Process for communicating critical concerns to the highest governance body	15			
G4-50 Critical concerns that were communicated to the highest governance body	AR p. 107 et seq., 203 et seq.			
G4-51 Remuneration policies for the highest governance body and senior executives	14			
G4-52 Process for determining remuneration	14			
G4-53 Stakeholders' views regarding remuneration	14			
G4-54 Ratio of the highest annual total compensation to the median annual total compensation	14			
G4-55 Ratio of percentage increase in the highest annual total compensation	14			
ETHICS AND INTEGRITY				
G4-56 Values, principles, standards and norms of behavior	7			10
G4-57 Mechanisms for seeking advice on ethical and lawful behavior	AR p. 21			10
G4-58 Mechanisms for reporting concerns about unethical or unlawful behavior	15-16			10

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page	Omissions	External Assurance	UNGC CoP Principle
CATEGORY: ECONOMIC				
MATERIAL ASPECT: ECONOMIC PERFORMANCE				
G4-DMA	17			1-6, 10
G4-EC1 Direct economic value created and distributed	1, 17			
G4-EC2 Financial implications and other risks and opportunities due to climate change	18-19			7
G4-EC3 Coverage of benefit plan obligations	20			
G4-EC4 Financial assistance received from government	AR pp. 156, 164			
MATERIAL ASPECT: MARKET PRESENCE				
G4-DMA	17, 26			6
G4-EC5 Ratios of standard entry level wage compared to local minimum wage	27			6
G4-EC6 Proportion of senior management hired from the local community	29			6
MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS				
G4-DMA	30			
G4-EC7 Infrastructure investments and services provided	30			
G4-EC8 Indirect economic impacts	30			
MATERIAL ASPECT: PROCUREMENT				
G4-DMA	17			
G4-EC9 Proportion of spending on local suppliers	17-18			
CATEGORY: ENVIRONMENTAL				
MATERIAL ASPECT: MATERIALS				
G4-DMA	24			7-9
G4-EN1 Materials used by weight or volume	24			7-9
G4-EN2 Percentage of materials used that are recycled input materials	24-25			7-9
MATERIAL ASPECT: ENERGY				
G4-DMA	21, 24			7-9
G4-EN3 Energy consumption within the organization	21, 22		X	7, 8
G4-EN4 Energy consumption outside of the organization	21, 22			8, 9
G4-EN5 Energy intensity	21, 22			8
G4-EN6 Reduction of energy consumption	21, 22			8, 9
G4-EN7 Reductions in energy requirements of products and services	24-25			7-9
MATERIAL ASPECT: WATER				
G4-DMA	21			7-8
G4-EN8 Total water withdrawal by source	23		X	7,8
MATERIAL ASPECT: EMISSIONS				
G4-DMA	21, 24			7-9
G4-EN15 Direct greenhouse gas (GHG) emissions (Scope 1)	22		X	7, 8
G4-EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2)	22		X	7, 8
G4-EN17 Other indirect greenhouse gas (GHG) emissions (Scope 3)	22		X	7, 8
G4-EN18 Greenhouse gas (GHG) emissions intensity	22			8
G4-EN19 Reduction of greenhouse gas (GHG) emissions	22			8, 9
G4-EN20 Emissions of ozone-depleting substances (ODS)	22			8
G4-EN21 NOx, SOx and other significant air emissions	22			8
MATERIAL ASPECT: EFFLUENTS AND WASTE				
G4-DMA	21			8
G4-EN22 Total water discharge by quality and destination	23	Disclosures about discharged wastewater are not currently possible.		8

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page	Omissions	External Assurance	UNGC CoP Principle
G4-EN23 Total weight of waste by type and disposal method	23		X	8
G4-EN24 Total number and volume of significant spills		No releases of hazardous substances were reported for the 2015 reporting period.		8
G4-EN25 Handling of hazardous waste	23			8
G4-EN26 Water bodies significantly affected by discharges of water and runoff		Continental is not aware of any water bodies affected by discharges of water and runoff.		8
MATERIAL ASPECT: PRODUCTS AND SERVICES				
G4-DMA	24			7-9
G4-EN27 Mitigation of environmental impacts of products and services	24-25			7-9
G4-EN28 Reclaimed products and packaging	25			
MATERIAL ASPECT: COMPLIANCE				
G4-DMA	9, 21			8
G4-EN29 Fines and sanctions for non-compliance with environmental regulations	AR p. 203			8
MATERIAL ASPECT: OVERALL				
G4-DMA	21			7-9
G4-EN31 Environmental protection expenditures and investments	22			7-9
MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT				
G4-DMA	17			7-9
G4-EN32 Percentage of new suppliers that were screened using environmental criteria	20			7-9
G4-EN33 Significant environmental impacts in the supply chain	20			7-9
MATERIAL ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS				
G4-DMA	29			
G4-EN34 Grievances about environmental impacts	15			
CATEGORY: SOCIAL				
SUBCATEGORY: LABOR PRACTICES AND DECENT WORK				
MATERIAL ASPECT: EMPLOYMENT				
G4-DMA	26			1, 6
G4-LA1 New employee hires and employee turnover	26-27	Disclosures according to age and gender are not currently possible.		6
G4-LA2 Benefits provided to full-time employees	27			
G4-LA3 Return to work and retention rates after parental leave		In 2015, about 5.8 percent of female employees and 2.7 percent of male employees in Germany utilized their right to parental leave.		
MATERIAL ASPECT: LABOR/MANAGEMENT RELATIONS				
G4-DMA	9, 26			3
G4-LA4 Minimum notice period(s) regarding operational changes	13			3
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY				
G4-DMA	26			
G4-LA5 Percentage of total workforce represented in health and safety committees	29			
G4-LA6 Injuries, occupational diseases, lost days, and work-related fatalities	29	Disclosures according to gender and by region are not currently possible.		
G4-LA7 Workers with high incidence or risk of diseases	29			
G4-LA8 Health and safety topics covered in formal agreements with trade unions	29			
MATERIAL ASPECT: TRAINING AND EDUCATION				
G4-DMA	26			6

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page	Omissions	External Assurance	UNGC CoP Principle
G4-LA9 Average hours of training	28	Statistics on continuing education have not yet been prepared. In 2015, we initiated a project for introducing an internationally implementable learning management system which we can use in the future to acquire relevant data. An international rollout is scheduled to start in 2018.		
G4-LA10 Programs that support the continued employability of employees	28			
G4-LA11 Percentage of employees receiving regular performance and career development reviews	28			6
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY				
G4-DMA	26			6
G4-LA12 Composition of governance bodies and breakdown of employees by aspects of diversity	28-28			6
MATERIAL ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN				
G4-DMA	26			6
G4-LA13 Ratio of basic salary and remuneration of women to men	27			6
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES				
G4-DMA	17			
G4-LA14 Percentage of new suppliers that were screened using labor practices criteria	19-20	Information about the percentage of assessed suppliers is not currently available.		
G4-LA15 Significant impacts for labor practices in the supply chain	19-20			
MATERIAL ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS				
G4-DMA	9			
G4-LA16 Grievances about labor practices	15			
SUBCATEGORY: HUMAN RIGHTS				
MATERIAL ASPECT: INVESTMENT				
G4-DMA	17			2
G4-HR1 Significant investment agreements and contracts that include human rights clauses or screening	19-20			2
G4-HR2 Employee training on human rights issues	28	Information about the total number of training hours is not currently available.		
MATERIAL ASPECT: NON-DISCRIMINATION				
G4-DMA	9, 26			6
G4-HR3 Incidents of discrimination and corrective actions taken	15-16			6
MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
G4-DMA	9, 17, 26			3
G4-HR4 Operations and suppliers identified in which the right to exercise freedom of association may be violated or at risk, and measures taken	15-16, 19-20			3
MATERIAL ASPECT: CHILD LABOR				
G4-DMA	17			5
G4-HR5 Operations and suppliers having significant risk for incidents of child labor, and measures taken	19-20			5
MATERIAL ASPECT: FORCED OR COMPULSORY LABOR				
G4-DMA	17			4
G4-HR6 Operations and suppliers having significant risk for incidents of forced or compulsory labor, and measures taken	19-20			4
MATERIAL ASPECT: INDIGENOUS RIGHTS				
G4-DMA	9, 17			1, 2
G4-HR8 Violations involving rights of indigenous peoples and actions taken	19-20			2

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page	Omissions	External Assurance	UNGC CoP Principle
MATERIAL ASPECT: ASSESSMENT				
G4-DMA	17			1, 2
G4-HR9 Operations that have been subject to human rights reviews	19-20			2
MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT				
G4-DMA	17			2
G4-HR10 Percentage of new suppliers that were screened using human rights criteria	19-20	Information about the percentage of assessed suppliers is not currently available.		2
G4-HR11 Significant human rights impacts in the supply chain	19-20	Information about the number of assessed suppliers is not currently available.		2
MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS				
G4-DMA	9, 17			
G4-HR12 Grievances about human rights impacts	15-16			
SUBCATEGORY: SOCIETY				
MATERIAL ASPECT: ANTI-CORRUPTION				
G4-DMA	9			10
G4-SO3 Percentage of operations assessed for risks related to corruption and risks identified	15			10
G4-SO4 Communication and training on anti-corruption	15, 28			10
G4-SO5 Confirmed incidents of corruption and actions taken	15-16			10
MATERIAL ASPECT: PUBLIC POLICY				
G4-DMA	9			10
G4-SO6 Total value of political contributions	9			10
MATERIAL ASPECT: ANTI-COMPETITIVE BEHAVIOR				
G4-DMA	9			
G4-SO7 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		See Annual Report 2015, p. 203 et seq.		
MATERIAL ASPECT: COMPLIANCE				
G4-DMA	9			
G4-SO8 Fines and sanctions for non-compliance with laws and regulations		See Annual Report 2015, p. 203 et seq.		
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY				
G4-SO9 Percentage of new suppliers that were screened using criteria for impacts on society	17	Information about the percentage of assessed suppliers is not currently available.		
G4-SO10 Negative impacts on society in the supply chain and actions taken	19-20			
SUBCATEGORY: PRODUCT RESPONSIBILITY				
MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY				
G4-DMA	24			
G4-PR1 Percentage of significant product and service categories for which health and safety impacts are assessed	24-25			
G4-PR2 Incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services		There were no relevant violations against product responsibility regulations during the year under review.		
MATERIAL ASPECT: PRODUCT AND SERVICE LABELING				
G4-DMA	24			7, 8
G4-PR3 Principles/ procedures for product and service information and labeling	25			
G4-PR4 Incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling		There were no known violations in the 2015 fiscal year.		

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page	Omissions	External Assurance	UNGC CoP Principle
G4-PR5 Results of surveys measuring customer satisfaction		In the 2015 fiscal year, Continental did not conduct any customer surveys.		
MATERIAL ASPECT: ADVERTISING				
G4-DMA	24			
G4-PR7 Incidents of non-compliance with regulations and voluntary codes concerning marketing communications	25			
MATERIAL ASPECT: CUSTOMER PRIVACY				
G4-DMA	9, 24			
G4-PR8 Substantiated complaints regarding breaches of customer privacy	16			
MATERIAL ASPECT: COMPLIANCE				
G4-DMA	9, 24			
PR9 Significant fines concerning the provision and use of products and services		In the year under review, no violations were reported which resulted in monetary fines due to non-compliance with laws and regulations.		

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Disclaimer

We have taken great care in collecting and processing the data contained in this report. Nevertheless, the possibility of errors cannot be entirely ruled out. Statements concerning future developments that are contained in this report are based on the information available today and on assumptions drawn from current forecasts. Even if these forecasts have been meticulously made, there is still a wide range of influencing factors that cannot be predicted now and that can lead to deviations. Therefore, any forecasts in this report are not to be taken as guaranteed.

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