

# Human Rights and Environmental Standards

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## OUR COMMITMENT

Magna is committed to conducting business in a way that balances productivity and profits with the interests of people and the planet. Magna's Fair Enterprise culture recognizes the importance of human rights and environmental protection in our business practices. This philosophy is reflected in our foundational policies, such as the Magna Employee's Charter and the Magna Code of Conduct and Ethics.

We have implemented policies and practices aimed at fostering a legal and ethical workplace, and we exceed applicable environmental and safety standards whenever possible. We expect our employees to act with integrity and disclose any conflicts of interest related to third parties that may engage in business with Magna. Our commitments with respect to human rights and environmental protection apply to our own employees, as well as to third-party workers, contractors, service providers and suppliers. In addition, we have identified other groups that we have determined may be affected by our operations/activities, as set out in Section 3.3 of this Global Company Statement. We monitor the impact of our activities on such groups and, where applicable, our commitments to protection of human rights and the environmental also extend to such groups.

All Magna employees are required to abide by our Global Labour Standards, which articulate our commitment to various internationally recognized frameworks that govern workers' rights, including the UN Universal Declaration of Human Rights, ILO Fundamental Conventions, and ILO Declaration on Fundamental Principles and Rights at Work.

Sustainability is a top priority for us, and we have set near-term and long-term emissions reduction targets grounded in climate science through the Science Based Targets Initiative, with the aim of achieving net-zero emissions by 2050. By utilizing low-carbon materials, focusing on sustainable sourcing, and continuing to execute on our electrification product strategy, we aspire to make a meaningful contribution to the collective action necessary to achieve a more sustainable future.

Our commitment to ethics, legal compliance and sustainability extends to all levels of our supply chain. We strictly prohibit conducting business with any sanctioned suppliers. Consistent with our Supplier Code of Conduct and Ethics, Global Purchasing Terms & Conditions, and Global Supply Chain Requirements, we expect all suppliers and other business partners throughout our supply chain to demonstrate a similar commitment to lawful employment practices, environmental standards, and ethical business conduct. The programs and practices in place to give effect to this commitment are described in further detail in this Global Company Statement.

At Magna, we are committed to making a difference through our focus on:

- **Product:** Delivering solutions that contribute to a better future.
- **Process:** Minimizing our environmental impact throughout our operations.
- **People:** Demonstrating care and concern for our employees and the communities in which they reside.

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## OUR ORGANIZATION

Magna is a mobility technology company and one of the world's largest suppliers in the automotive space. As of the publication of this Global Company Statement (the "Company Statement"), our global network includes 338 manufacturing and assembly locations and 106 product development, engineering and sales locations in 28 countries.<sup>1</sup> We have a global, entrepreneurial-minded team of over 164,000 employees and an organizational structure designed to innovate like a startup. We have complete vehicle engineering and contract manufacturing expertise, as well as product capabilities that include body, chassis, exteriors, seating, powertrain, active driver assistance, electronics, mechatronics, mirrors, lighting and roof systems. A more detailed description of the automotive supply industry, our company, products, activities and supply chain as well as the most recent statistics can be found in our Annual Information Form, as updated on an annual basis, which is available on Magna's website [www.magna.com](http://www.magna.com).

## 1 HUMAN RIGHTS AND WORKING CONDITIONS

Our key focus lies on those areas where we have identified the most significant risks related to human rights, whether related to activities in our own operations or activities in our global supply chains. To promote a proactive and preventative approach, we prioritize our human rights due diligence processes as set out below.

### *1.1 Working Conditions Generally*

We are committed to compliance with all local labour and employment laws, including working hours, time-off, overtime, and wage requirements, and we expect the same from our suppliers and third parties.

We maintain comprehensive local Human Resources policies and training programs for our employees to enforce compliance with all applicable labour and employment laws, reinforced with regular audit programs, whistle-blower complaint processes and regular employee opinion surveys.

### *1.2 Prohibition of Underage Employment and Child Labour*

Magna strictly prohibits the use of child labour. We are fully committed to eliminating child labour, wherever it may occur in our business or supply chain. Our Global Labour Standards and applicable Human Resources Policies on Minimum Working Age and Worker Identification align with the ILO Convention on Minimum Age and the ILO Convention on Prohibition of the Worst Forms of Child Labour.

While we recognize that specific country laws dictate the legal working age, we will not support any work that endangers the health, safety or morals of children, or interferes with their compulsory education.

Given the safety-sensitive nature of our manufacturing environments, we typically require individuals working in our production facilities to be at least 18 years old, whether they are employees or third-party contractors, temporary workers, or service providers.

Depending on local laws, and in accordance with ILO Conventions, certain work under the age of 18 may be permissible only if it is not hazardous or is part of an approved educational, apprenticeship, or vocational training program.

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<sup>1</sup> Including equity accounted JVs

### *1.3 Prohibition of all Forms of Forced Labour and Slavery*

Magna upholds the right of all workers to engage in voluntary and freely chosen employment. We strictly condemn and forbid all forms of forced labour, compulsory labour, indentured labour, serfdom, debt bondage, slavery, and human trafficking, in accordance with ILO Core Labour Standards. We also require our suppliers and other business partners, including recruitment agencies, staffing agencies, labour brokers, and other entities we work with, to implement measures to prevent these practices.

Magna explicitly prohibits its locations, suppliers, and service providers from engaging in employment practices that:

- restrict workers' freedom of movement or choice of employment;
- illegally withhold workers' wages or identity documents;
- use threats, coercion, or intimidation to force individuals to work against their will; or
- involve employment practices that create debt and repayment obligations for workers, such as recruiting and placement fees, transportation/accommodation fees, and immigration fees.

### *1.4 Fair Treatment*

Aligned with Magna's Global Labour Standards and related Harassment and Discrimination Policies, we maintain a zero-tolerance approach to harassment and discrimination in our workplaces. We do not tolerate discrimination based on race, national or social origin, colour, sex, religion, gender identity, disability, sexual orientation, or any other protected grounds recognized by applicable law. We have implemented policies that prohibit violence and bullying in the workplace. As per the guidelines outlined in our Employees' Charter, our organization is committed to fostering a work environment that upholds principles of equity and respect, devoid of any instances of favouritism or discrimination.

### *1.5 Competitive and Adequate Living Wage*

We provide our employees with competitive, performance-based compensation packages, supplemented by additional benefits. We meet or exceed applicable minimum wage and related compensation requirements in the regions in which we operate. Wages and reimbursable expenses are paid in a timely manner, in full, using recognized currencies. Deductions from wages can be made only in accordance with local legal requirements and employee consent. Any such deductions are fully disclosed using transparent and regularly issued pay statements, consistent with local laws.

### *1.6 Freedom of Association*

Consistent with our Global Labour Standards, we acknowledge and respect the right of our employees to freely associate and be represented, in accordance with local laws, regulations, and relevant industrial relations practices in the jurisdiction concerned. We also recognize that the right to be represented is an individual right, not an obligation, allowing employees to freely decide not to be represented if they so choose. We support open dialogue and collaboration with legally recognized representatives to safeguard the interests of our employees, staying aligned with the principles outlined in our Employees' Charter. We fully comply with applicable local laws and regulations concerning collective bargaining, and we make efforts to foster cooperation and mutual respect with employee representatives in order to maintain good faith relationships with worker representative organizations, where they exist.

### *1.7 Occupational Health and Safety*

We prioritize safe workplaces that emphasize the health and well-being of our employees. As part of our Global Health, Safety, and Environmental Policy, we have implemented a comprehensive global health and safety program through which we strive to meet or exceed national and international standards for occupational health and safety.

We regularly review our standards and commit to ongoing improvement in this area through comprehensive facility audits and inspections.

We also promote certification to the health and safety standard ISO 45001 or any successor standards.

### *1.8 Prohibition of Unlawful Eviction*

Magna respects the prohibition of unlawful eviction and the prohibition of unlawfully depriving individuals of land, forests, and waters in the acquisition, construction, or other use of such resources that secure livelihoods.

### *1.9 Use of Security Personnel*

We do not tolerate unlawful behaviour towards employees or third parties by our security personnel or any private or public security personnel contracted or utilized by us. Security personnel, like any other employees or contractors, are bound by our Magna Code of Conduct and Ethics or our Supplier Code, which obligate them to respect all internationally recognized human and environmental rights. Their actions must not violate rights, impede freedom of association, cause harm to life, wellbeing, and safety, involve torture, or result in inhumane treatment. These expectations also extend to any public security personnel engaged to protect our enterprise.

## 2 ENVIRONMENT-RELATED RISKS

### 2.1 *Environmental Impact*

We are committed to exceeding, where possible, all applicable environmental laws and regulations. Our internal standards are based on widely accepted environmental practices and established industry codes of conduct. These measures are in place to prevent harmful impacts to soil, water, air, forests, wildlife and biodiversity, and to minimize waste generation and emissions, and excessive water consumption that may impact human health and the environment.

Regular reviews, comprehensive facility audits, and inspections are conducted to assess conformance as well as demonstrate continuous progress in this area.

### 2.2 *Environmental Violations*

Concern for the environment is central to who we are and what we do at Magna. We expect the same from our suppliers. We require suppliers to meet or exceed applicable environmental laws and actively minimize the impact of their operations on the environment. Suppliers must also strive to:

- regularly evaluate and monitor the environmental impact of their business activities
- minimize waste and emissions;
- implement recycling practices at every stage of the product life cycle;
- safely and legally store hazardous and combustible materials; and
- reduce environmental impact through innovative design approaches.

We prioritize compliance with the principles underlying the Minamata Convention, which regulates the use and production of Mercury; the Basel Convention, which governs the transboundary movement of wastes; and the Stockholm Convention, which regulates the use of Persistent Organic Pollutants.

We support and encourage certification to ISO 14001 environmental management standard or EU EMAS eco-management system, ISO 50001 energy management standards, or any successor standards, and encourage our suppliers to develop plans to achieve such certification status.

### 2.3 *Climate Change Mitigation*

We are committed to making a positive impact on the planet and future generations by developing innovative products, embracing sustainable practices, shifting to renewable energy sources, and making our manufacturing processes more efficient. We have set near-term and long-term emission reduction targets grounded in climate science through the Science Based Targets Initiative, with the aim of achieving net-zero emissions by 2050. These targets include scope 3 emissions, with a significant focus on Category 1 (purchased goods and services). In this regard, we prioritize the use of low-carbon materials and sustainable sourcing and procurement practices. We firmly believe that sustainability can be achieved only through collective action, and we actively collaborate with our suppliers on sustainability topics. We expect our suppliers to implement robust decarbonization programs that measure, verify, and report their emissions, including their own supply chain scope 3 emissions.

## 3 SCOPE

### *3.1 Employees*

We are committed to upholding internationally recognized human rights and ensuring equal treatment for our employees, as well as those temporary staff and contractors working within our operations. Our policies emphasize the importance of providing fair employment opportunities and working conditions regardless of personal characteristics protected by law. We foster diverse and multicultural workplaces that create a respectful environment where all workers feel safe, valued, and have the chance to grow both personally and professionally.

### *3.2 Suppliers*

At Magna, we hold ourselves and our suppliers to high ethical standards. Our Supplier Code of Conduct and Ethics (the “Supplier Code”) serves as the foundation for successful business relationships with Magna, as well as any sub-suppliers involved in serving Magna. We require all our suppliers to adhere to the human rights, labour and environmental standards outlined in the Supplier Code. Magna communicates the standards expected of its suppliers through a variety of mechanisms, including: supplier conferences/roundtables; direct buyer interactions; correspondence with suppliers; our Corporate website and Supplier information portal; and corrective action plans generated from self-assessment questionnaires or audits we request suppliers to complete.

Pursuant to the Supplier Code and applicable Purchasing Terms and Conditions, suppliers are required to cooperate with audit and investigation activities to validate their adherence to these standards.

In accordance with the Supplier Code suppliers should require their own suppliers and sub-suppliers to establish similar sustainability policies to facilitate a consistent commitment.

### *3.3 Other Potentially Impacted Groups*

As a result of our Risk Management and Due Diligence processes for our global supply chains, various other groups of people may be affected by our business activities or their own business activities. These groups include:

- groups indirectly involved in the supply chain; and
- members of local communities, including indigenous peoples.

We continue to monitor any impacts on Magna may have on these groups through our Risk Management and Due Diligence processes.

## 4 RISK MANAGEMENT

Magna is fully committed to upholding human rights, including without limitation prohibitions against child/forced labour, as well as ensuring environmental compliance, while continuously improving our due diligence processes. In addition to setting the “tone from the top” regarding this commitment, Executive Management approves the implementation of the policies, procedures, systems, and tools described in this statement, including through the Magna Compliance Council, which provides regular and ad-hoc updates on measures implemented to comply with relevant laws and regulations covering the topics in this Statement. Several of Magna’s Corporate functions centrally manage policies and, in some cases, implement activities aimed at human rights and environmental risk.

- Magna's Human Resources function, including Magna's Health & Safety and Environmental departments, are responsible for ensuring respect for human rights and related environmental standards within our own business, as well as managing due diligence processes.
- The Purchasing and Supplier Risk Management departments are responsible for directing due diligence processes within the supplier base.
- Our Ethics and Compliance function oversees our ethics and compliance program, updates key policies

such as our Code of Conduct and Ethics and Supplier Code and is responsible for our Ethics and Compliance training.

- To support and oversee due diligence requirements and processes, the Executive Management Team has appointed the VP of Human Resources Europe as the Company's Human Rights Officer<sup>2</sup>.
- Other specialist functions provide regular and ad-hoc reports to their function leadership but also to the Human Rights Officer.
- Overall support for ESG policy, practices and initiatives is also provided by our global Sustainability team.

Day-to-day responsibility for effective implementation and execution of compliance activities relating to human rights and environment-related risks are managed by each of Magna's Operating Groups and their respective business divisions and partners within the overall framework of this Statement and with the support of the Magna Corporate functions referred to above.

#### *4.1 Risk Identification*

We follow a systematic approach using data intelligence to identify human rights and environment-related risks. External data sources and legally compliant AI tools support us in determining country-specific and commodity group risks for our purchasing activities and/or business purpose-specific risks for our own operations, business, and partners. Discoveries gained from implementing measures and through complaint mechanisms such as Magna's Hotline are continuously incorporated into our risk identification process to improve our processes.

#### *4.2 Risk Analysis and Assessment*

After the identification phase, we evaluate and weigh the data collected. We consider severity and probability of occurrence as moderating factors (e. g. based on legally prescribed adequacy criteria) to get an overall risk exposure. Any identified risks, in our own business as well as our supply chains, are further analyzed. To further clarify and verify risk exposures and identify actual negative impacts on people, human rights, and the environment, we use audits in our own business and utilize control measures such as industry standard questionnaires or on-site audits for our suppliers.

#### *4.3 Prioritization of Risks*

We identify, evaluate and prioritize risks based on the likelihood of the risk occurring, severity of the impact should a risk materialize, and the extent of our contribution to the risk, if any. Within our supply chain, prioritization of certain risks may also include considerations relating to our proximity to the risk and our ability to influence mitigation of the risk by a supplier. Ultimately, we integrate our learnings about human rights and environment-related risks and their impacts into our corporate decision-making processes, including supplier nomination and selection processes. Substantiated deviations from the requirements in this Statement are escalated to Magna Management.

### 5 CONTROL, PREVENTIVE, AND REMEDIAL MEASURES

#### *5.1 Control Measures*

Within our own operations, Magna will conduct unannounced periodic workforce audits to verify compliance with the key human rights requirements outlined in this Statement, including third party workers. All third-party recruiters, staffing agencies, and service providers who assign personnel to work within Magna facilities will be required to comply with these expectations and audit requirements as a condition of doing business with Magna. Relationships

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<sup>2</sup> in accordance with and limited to the scope of the German Supply Chain Act

with third-party suppliers and Labour Brokers are governed by Magna's Policy regarding use of Temporary Staffing and Employment Agencies, Recruiting Firms and Labour Brokers.

In addition, we have integrated a third-party software program for supply chain risk monitoring and management into our due diligence process. This solution provides a comprehensive view of the supply chain and helps identify early signs of human rights abuses, environmental degradation, and other sustainability issues.

Magna is a founding member of the Responsible Supply Chain Initiative (RSCI), an association of automotive OEMs, Tier 1 Suppliers and industry associations, which has established an assessment program for due diligence in the automotive supply chain relating to social compliance, occupational safety and environmental protection.

To promote adherence to our standards, Magna facilities will maintain access procedures that require all employees, third-party contingent workers, contractors, and service providers to verify their age and identity with satisfactory photo identification. Additionally, where local laws permit, employees and third-party workers are required to provide documentation verifying their legal right to work in the applicable country or jurisdiction, such as valid social security identification, work permits, or visa documentation.

## *5.2 Preventive Measures*

We also rely on training within our organization to promote compliance with the requirements set forth in this statement, including but not limited to:

- Magna's Code of Conduct and Ethics
- Forced/Involuntary and Child Labour
- Doing Business with Staffing and Recruiting Agencies

## *5.3 Remedial Measures*

When there are reasonable suspicions of violations, we aim to substantiate the matter through prompt investigation. In cases where employee or third-party worker behaviour has resulted in a violation of human rights and/or environmental standards, appropriate measures will be taken, including potential termination of employment of the employee(s) responsible.

If we determine that Magna or its suppliers have violated human rights and/or environmental standards, or if such a violation is imminent, we are committed to taking immediate corrective action to prevent, stop, or remediate the violation. Our suppliers and other business partners are contractually obligated to provide information and cooperate in a timely manner to allow Magna to prevent, mitigate, or remedy any potential violation. Depending on the extent of the violation, we reserve the right to require our business partners to rectify the situation immediately, initiate legal action, temporarily suspend the business relationship, or terminate it, if necessary.

Where harm is done, directly or indirectly, Magna is committed to taking action to identify and implement appropriate remedial action for the benefit of those who may have suffered loss.

## 6 REVIEW AND VERIFICATION OF EFFECTIVENESS

On at least an annual basis, we verify the effectiveness of our due diligence process and measures to prevent or mitigate adverse human rights and environmental impacts either through internally managed processes and personnel or through external third parties (ESG audits, certification schemes, etc.). We assess whether our compliance standards are being met. Within our own business, we conduct risk-based audits such as Magna's regular Labour and Employment Audits, investigate potential human rights violations and conduct regular Employee Opinion Surveys. By doing so we identify local workplace / compliance issues of concern and put action plans in place to improve or take corrective action. We also evaluate the effectiveness of training through quizzes and tests embedded in training modules. Regarding the effectiveness of measures implemented in our supply chain, we continuously evaluate the results of our ongoing human rights and environment-related risk assessment. To validate the impact of our measures, we conduct risk-based reviews of environmental and social standards using various tools and procedures, such as document reviews and inspections/audits. Whenever possible, we also involve potentially impacted individuals or their representatives and guarantee that rights-holders are consulted during the audits. We continuously monitor the legislative landscape regarding human rights and/or environmental compliance.

## 7 COMPLAINTS MECHANISMS

To promote the effective prevention and remediation of any adverse human rights and/or environmental impacts, we have established a robust and comprehensive complaints management process as an integral part of our due diligence procedures. Our own employees can take advantage of several reporting mechanisms, including our Open-Door Process, employee Fairness Committees and Employee Advocates program. In addition to these internal mechanisms, if any stakeholder experiences prohibited treatment or becomes aware of violations of the requirements or expectations outlined in this Statement, we strongly encourage them to utilize the Magna Hotline, which provides an additional avenue for employees and third parties (including our suppliers) to report suspected violations of Magna's Employee's Charter, the Code of Conduct and Ethics, and the Supplier Code.

Magna strictly prohibits any form of retaliation against individuals who report legal and ethical concerns in a truthful and good-faith manner, as outlined in our Policy on Anti-Retaliation. All communications made through the complaints management process are treated confidentially, in accordance with relevant local data protection laws. Anonymity is possible when reporting through the Magna Hotline (if local law permits). Should an individual voluntarily choose to reveal their identity, Magna will make diligent attempts to preserve confidentiality throughout the investigative procedures. We conduct comprehensive investigations into all reports and reasonable suspicions that are brought to our attention.

In case you want to raise a concern or a complaint: Contact the Magna Hotline  
(<https://secure.ethicspoint.com/domain/media/en/gui/38845/index.html>)

## 8 REPORTING

The disclosure of our supply chain responsibility is included in our annual Magna Sustainability Report, which is accessible to the public through our website ([www.magna.com](http://www.magna.com)). We fulfil our obligation to submit annual reports, as mandated by applicable legislation. These reports contain information about our commitments to human rights and the environment, as well as the effectiveness of our due diligence procedures. By making these reports available on our website, we aim to inform the public about our initiatives in upholding human rights and environmental standards.

## ABOUT THIS COMPANY STATEMENT

We will conduct both annual and ad hoc reviews of this Company Statement to ensure its continued alignment with our objectives and will promptly update it in response to any identified changes (including applicable laws) or increased risks. Please note that this Company Statement does not create any rights for individuals or third parties.

For more information on the topics covered in this document, please visit [www.magna.com](http://www.magna.com)

Persons with questions regarding this Company Statement can reach out to Magna's Ethics and Legal Compliance department (<https://www.magna.com/contact/ethics-legal-compliance>)

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