

# Code of Conduct and Ethics Policy on Internal Ethics Investigations

ETHICS & LEGAL COMPLIANCE | ISSUED: Sept-21, 2021 – REVISED: Sept-21, 2021

## INTRODUCTION

This policy outlines how ethics and legal compliance concerns are handled at Magna International Inc. and all of its operating Groups, Divisions, joint ventures and other operations globally (collectively, "Magna"). This policy applies to all persons who act on Magna's behalf, including employees, independent contractors, officers, directors, suppliers, consultants and agents (collectively, "Magna Persons").

## APPLICATION

This policy applies to reports received about ethics and legal compliance concerns. The policy does not apply to reported concerns about potential violations of Magna Employee's Charter or other local matters of a Human Resources or Health, Safety, and Environmental nature typically investigated in accordance with local laws and practices.

In the event of any conflict between this policy and any applicable law, the requirements of the law will prevail.

## COMMITMENT

Magna is committed to acting honestly and with integrity in all business dealings. All Magna Persons should therefore **speak up** promptly and report any concerns about potential violations of the [Code of Conduct and Ethics](#) (the "Code") or any policies that are related to the Code.

Magna takes reported concerns seriously and is committed to investigating and remediating any misconduct identified by the investigation in a timely, fair, and consistent manner.

Magna is also committed to supporting a culture in which such concerns may be raised without fear of retaliation. For that reason, Magna's [Policy on Anti-Retaliation](#) prohibits retaliation against anyone who raises a concern honestly and in good faith. Efforts to discourage or prevent anyone from raising concerns will not be tolerated and any retaliation will be treated as a serious matter and may be sanctioned with disciplinary action up to and including termination of employment.

## RESPONSIBILITIES OF MAGNA PERSONS

Magna Persons should promptly report any suspected violations using one of the various reporting channels discussed below. Reports should include as much information as possible about the concern, including a detailed description of the conduct; the location, date and time of the conduct (including whether it is ongoing); whether there is an expectation of physical harm, threats to safety or security <sup>1</sup>, or other reason for immediate action; the identities of witnesses or other persons involved; and sources of information, documents, or evidence that may be of assistance in advancing Magna's investigation. Reporters should respond promptly to any request for additional information and evidence (if available) to support their claims.

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<sup>1</sup> In cases of such emergency, Magna encourages its employees, independent contractors, suppliers, and agents to contact local emergency services (such as dialing 911, where available).

Magna Persons should also cooperate with investigations into alleged violations, when requested. Any refusal by an employee to provide full or timely cooperation may result in disciplinary action, up to and including termination. Refusals to cooperate by an independent contractor, supplier, or agent may result in termination of their commercial relationship with Magna.

## REPORTING CHANNELS

There are various channels available to report concerns. The [Magna Hotline](#) is one such channel that allows Magna Persons to confidentially and anonymously report concerns about violations of Magna's policies without fear of retaliation. Concerns may also be reported through other channels, including employees' reports to their supervisors and/or other colleagues (i.e. Magna's "Open Door" Process), or reports directly to Magna's Internal Audit, Legal, Human Resources, or Ethics and Legal Compliance departments.

## PRIVACY, CONFIDENTIALITY, PRIVILEGE, AND ANONYMITY

The confidentiality and anonymity of the reporters and the protection of their identities, if known, is a high priority. Confidentiality and anonymity will be respected, except to the extent that applicable legal requirements necessitate otherwise.<sup>2</sup> The personal data of reporters and other individuals involved in an investigation process will also be processed in accordance with applicable law and our internal policies, procedures, and guidelines on data privacy.

Magna has a strong interest in maintaining the confidentiality of the investigation process and related communications (whether verbal or in writing, electronic or otherwise) to the extent the company considers appropriate and permitted by law. This includes confidentiality over communications that are subject to legal privilege (and hence, protected from disclosure in legal proceedings). Magna expects all persons involved in investigations to be mindful of confidentiality and privilege when it comes to investigation related communications.

Only employees or agents who are specifically authorized by Magna to speak on the company's behalf may communicate with third parties about the investigation process. This Policy does not preclude employees from speaking to government agencies in their own, individual capacities.

## OVERSIGHT AND REPORTING

The Magna Compliance Council ("MCC") oversees all aspects of the Ethics and Legal Compliance program. The MCC has delegated oversight of Ethics and Legal Compliance investigations to the Investigations Oversight Committee (the "IOC"). The IOC is comprised of Magna leaders who meet and report on a quarterly basis to the MCC. The IOC, with support from dedicated Investigation Administrators ("Administrators"), administer and oversee the timely, fair, and consistent execution, remediation, and internal reporting of all applicable internal investigations consistent with this policy and any related procedures or guidelines.

Statistics and information concerning higher risk investigations are reported to the Audit Committee of the Board of Directors on a regular basis by Internal Audit.

## OPERATION (CASE INTAKE)

Reports filed through the Magna Hotline are received by an independent third party, then forwarded to Administrators (who commence the case documentation and investigation process). The third party documents the allegations in a central database, thereby commencing the response process described in this policy. Third party personnel are available 24 hours a day, 365 days a year, and communicate in over 20 languages.

Reports filed through other channels should be forwarded in a timely manner to Administrators, who document the allegations, thereby commencing the investigation process described in this policy.

## INVESTIGATION BEST PRACTICES

Investigations are led by experienced members of functional departments within Magna including Internal Audit, Corporate Security, Legal, Operations, or the operating Group to which the report relates. The functional department assigned to lead the investigation (the "Lead") depends on the subject matter of the report and the severity of the allegations evaluated during initial case assessment and triaging by the Administrators.

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<sup>2</sup> Some jurisdictions may have limitations on the use of anonymous reporting systems. Questions concerning the anonymous nature of the Magna Hotline system or Magna's obligation to keep the Magna Hotline calls anonymous should be forwarded to Regional or Group legal counsel. Non-Magna parties will be required to identify themselves.

Leads are responsible for planning the investigation, carrying out all investigative steps, and internal reporting. The adequacy and timely execution of investigative steps is overseen by the Administrators. From time to time, the IOC may establish guidelines of best practices for carrying out investigations in accordance with this policy.

Timely completion of investigations and internal reporting on their status and findings are critical to allow management to determine what steps, if any, are necessary to remediate substantiated allegations. Access to case-related information is restricted to designated Magna personnel.

There will be ongoing communication with the reporter throughout the investigative process. Leads may contact the reporter to request additional information or evidence to support the allegations. Reporters will also be notified in a timely manner of the status of the investigation and when the investigation is closed.

## REMEDIAL ACTION

Where allegations are substantiated (in whole or in part), the responsibility for determining and implementing remedies to address the conduct and to prevent future similar conduct rests with Magna's management. The objective of remedial action is to stop improper conduct and to prevent it from being repeated in the future. Remedial actions may include (without limitation):

- implementing, enhancing, or remedying internal controls;
- disciplining, suspending, or terminating employees;
- terminating relationships with vendors;
- training (or re-training) personnel;
- reporting to law enforcement; or
- initiating litigation for damages.

## MANAGEMENT RESPONSIBILITIES

Members of Magna's management, like employees, are expected to promptly report all suspected incidents of misconduct using one of the various reporting channels discussed above.

Whenever possible, management will be kept regularly apprised on the progress of investigations. However, any personnel who are directly implicated in an investigation will be restricted from accessing case details.

Upon the completion of any investigation, management will be advised of "need-to-know" facts to allow remedial action to take place, particularly in situations where employee discipline or recovery of financial losses may be recommended, or where internal policies, procedures, or other controls need to be revised or augmented.

## FOR FURTHER INFORMATION

For further information, please contact the Vice President, Ethics & Chief Compliance Officer, or the Vice President, Internal Audit.

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Issued:	September 21, 2021
Revised:	/
Next Review:	Q3 2024
Issued By:	Ethics & Legal Compliance
Approved By:	Magna Compliance Council

This policy replaces the Policy on Processing of Ethics Reports and Ethics Investigation Procedures.