



Driving Integrity

Know it

Speak it

Live it.



# Supplier Code of Conduct and Ethics

Driving Integrity  
Know it. Speak it. Live it.

**Magna International**



# Message from the Supply Chain Team

---

At Magna, strong suppliers are a critical part of our success. In order to deliver innovative, world-class products to our customers, we rely on our network of suppliers around the globe.

When we choose our valued partners, there are many criteria: the ability to innovate; lean operations that produce high-quality products; competitive pricing to help us keep supply chain value high and costs low, and more. But none of these measures matter if we cannot trust our supply chain to maintain the same ethical standards that we demand of our own employees.

The following Supplier Code of Conduct and Ethics outlines principles we apply internally at Magna, as well as expectations we have for every company that supplies goods or services to any Magna entity. We expect the standards set out in this document to be met by our suppliers, even in jurisdictions where meeting such standards may not be considered part of the usual business culture.

The object of this Supplier Code of Conduct and Ethics is to provide our partners with a framework for success in dealing with Magna, or with any sub-supplier you do business with when serving Magna. The Supplier Code of Conduct and Ethics forms an integral part of our overall contractual relationship with you and it is important that you understand it well. Should you have any questions about the content or about how it should be applied in day-to-day business, please contact your purchasing representative or a member of Magna's Ethics and Legal Compliance team.

Thank you.

**Carrie Uhl**  
*VP, Purchasing  
and Supply Chain,  
Americas, Magna  
International*

**Michael Druml**  
*VP, Procurement &  
Supply Chain, Europe,  
Magna International*

**Xing Gao**  
*Director of Purchasing  
& Supplier Quality  
Magna Asia*

# Table of Contents

Message from the Supply Chain Team

## Driving Integrity In Business Dealings

Antitrust and Competition Laws	5
Anti-Bribery Laws	6
Sanctions and Export Control Laws	6
Sourcing Materials from Areas of Conflict	6

## Driving Integrity Within Our Workplace

Respect for Human Rights	7
Diversity and Inclusion	8
Health & Safety	8
Environmental Sustainability	8

## Driving Integrity Through Our Actions

Conflicts of Interest	10
Gifts and Entertainment	10
Protection of Magna Information and Intellectual Property	10

## Driving Integrity With Good Communication

Reporting Concerns and Non-Retaliation	11
Support from Legal Compliance Experts	12

# Driving Integrity In Business Dealings

At Magna, we set high ethical standards for ourselves and our suppliers.

Magna's suppliers, vendors, consultants, agents or any other third party engaged to carry out any action on our behalf ("suppliers") must always act with integrity by obeying the letter and spirit of laws, regulations, standards (together, "laws") and Magna policies that apply to them, wherever they do business. They should, in turn, also require that their suppliers abide by the principles of this Code.

While the laws that apply to our suppliers are numerous and vary by jurisdiction, some important principles that must be followed include:

## Antitrust and Competition Laws

We compete vigorously while respecting free and fair competition. We expect the same of our suppliers.

Suppliers must comply with all applicable antitrust and competition laws and cannot engage in any act that improperly reduces competition. Examples of such prohibited acts include agreeing with competitors to fix prices, set discounts or terms of sale, limit production, divide markets, allocate customers, coordinate bidding activities, or boycott customers and suppliers. In some jurisdictions, the mere exchange of sensitive commercial information is illegal.



Read Magna's Antitrust and Competition Policy..



**Driving Integrity**  
Know it. Speak it. Live it.

- Suppliers should know the laws that apply to them and follow the letter and spirit of such laws
- Suppliers must avoid colluding with competitors to limit competition
- Suppliers are strictly prohibited from offering bribes to government officials
- Suppliers must not violate sanctions and export control laws
- Suppliers must cooperate with Magna in identifying the source of certain minerals used

---

Magna's suppliers must always act with integrity by obeying the letter and spirit of laws and Magna policies that apply to them, wherever they do business.

# Anti-Corruption and Anti-Bribery Laws

Our suppliers must follow all applicable laws that prohibit the giving of anything of value to any person or entity to obtain an improper business advantage, as well as laws that require keeping accurate books and records.

Suppliers must follow anti-corruption and anti-bribery laws in all cases, and must be particularly cautious when interacting with government officials.

Regardless of the specific laws or established business practices of any particular jurisdiction in which we or our suppliers operate, Magna prohibits the making of “facilitation payments” or “grease payments” (i.e. payments involving small sums to low-level government officials to obtain routine services to which a person or company would otherwise be legally entitled. An example would be a payment to expedite a telephone or utilities connection).



Read Magna’s Bribery and Improper Payments Policy.

# Sanctions and Export Control Laws

We expect our suppliers to comply with all applicable laws that prohibit or restrict business relationships with sanctioned countries, entities or persons.



Read Magna’s Sanctions and Trade Embargoes Policy.

# Sourcing Materials from Areas of Conflict

As a public company whose shares are listed on a United States stock exchange, we are required by U.S. law to track and disclose our use of minerals such as gold, tin, tungsten and tantalum originating in a number of designated countries.

When requested, our suppliers are required to provide data and reports using a defined reporting tool and structure, in the form we request, regarding their use of such minerals in their products. Furthermore, suppliers may be required to request similar information of their suppliers to establish the origin of such minerals, and to provide their findings to us.



# Driving Integrity Within Our Workplace

Fairness, inclusivity, safety and sustainability are values we hold dear at Magna and which we strive to achieve in our operations. We expect the same of our suppliers.

## Respect for Human Rights

Magna is committed to complying with all applicable human rights laws, and we demand the same commitment from our suppliers.

Our suppliers must therefore follow local laws on minimum wages, benefits, overtime, work hours, and working conditions.

Our suppliers are never permitted to use forced or compulsory labour. Suppliers are also prohibited from using underage labour, as defined by local labour law, unless it is part of a government-approved training or apprenticeship program that clearly benefits the participants.

Suppliers should allow their employees to associate freely and to join labour unions and workers' councils in accordance with local law.

---

Magna is committed to complying with all applicable human rights laws, and we demand the same commitment from our suppliers.



Driving Integrity  
Know it.  
Speak it.  
Live it.

- Suppliers must respect the rights of their employees. In particular, they must avoid the use of forced and child labour.
- Suppliers are expected to prohibit workplace harassment as well as improper discrimination.
- Suppliers must maintain a safe and healthy workplace for their employees.
- We expect suppliers to follow environmental laws and to regularly monitor their environmental impact.

## Diversity and Inclusion

We believe that diversity of employees is a source of strength for our global company. That is why we expect our suppliers to prohibit workplace harassment and discrimination based on sex, race, ethnic background, religion, disability or any other personal characteristic protected by law.

## Health and Safety

Our suppliers are required to comply with all applicable health and safety laws. This includes the duty to maintain a safe and healthy workplace with access to personal protective equipment for employees and to have a procedure for dealing with injuries that require medical treatment. Magna encourages suppliers to achieve certification to BS OHSAS 18001 Occupational Health & Safety, or any successor standard.

## Environmental Sustainability

We are committed to environmental responsibility. We expect our suppliers to meet or exceed applicable environmental laws, and to be committed to minimizing the impact of their operations on the environment.

Suppliers should also seek to regularly evaluate and monitor the impact of their business activities on the environment, manage and reduce the use of energy and other resources, minimize waste and emissions, recycle materials at every stage of the product life cycle, store hazardous and combustible materials in a safe and legal manner, and reduce environmental impact through design and innovation.

We encourage certification to ISO 14001 environmental standards or any successor standards, and encourage our suppliers to develop a plan to achieve such certification status. Similarly, we encourage our suppliers to minimize their water and energy consumption and to target ISO 50001 certification. Materials from our suppliers are required to be REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) compliant.



Read Magna's Health, Safety and Environmental Policy.



# Driving Integrity Through Our Actions

Our employees are required to demonstrate their integrity each day through their actions. They are also required to speak up if they become aware of a situation in which someone may have failed to live up to our ethical standards. Our suppliers are required to do the same if they learn of a violation of this Code.

## Conflicts of Interest

To ensure that relationships with our business partners are based on integrity and sound business judgment, we require our employees to promptly disclose conflicts of interest. Similarly, we expect any supplier to inform us promptly if it has a family or close personal relationship with the Magna employee making or influencing a business decision that may benefit the supplier.



Read Magna's Conflicts of Interest Policy.

## Gifts and Entertainment

If you wish to provide a Magna employee with a gift or entertainment, you must ensure it is reasonable, occasional and of modest value. Suppliers are not permitted to provide gifts or entertainment to our employees involved in making decisions that may benefit the supplier.

In turn, we prohibit Magna employees from soliciting gifts and entertainment from suppliers. If you are solicited by a Magna employee, you should report it promptly.



Read Magna's Gifts and Entertainment Policy.

## Protection of Magna Information and Intellectual Property

As a supplier, you may be given access to Magna's intellectual property or may receive confidential information about us or our business partners. You are required to take great care in safeguarding this information, whether in physical or electronic form. Where applicable, you must comply with Magna's Terms and Conditions. Where you have signed a non-disclosure agreement with Magna, you must strictly abide by its terms.

If you become aware that Magna's confidential information has been disclosed or that its intellectual property rights have been violated, you must notify your primary Magna point of contact immediately.

Our suppliers must also respect the intellectual property of others.

# Driving Integrity With Good Communication

As a supplier to Magna, we ask that you help us uphold the values of honesty and integrity embedded in this Code. In particular, we note that violating certain elements of this Code is a violation of the law in the jurisdictions in which we operate. Magna does not tolerate any violations of the law by its suppliers.

## Reporting Concerns and Non-Retaliation

We require you to take steps and ensure your employees understand this Code and comply with its requirements. We expect our suppliers, and their employees, to speak up promptly in the event that, in the course of working for Magna, they learn of a violation of the law or this Code, either by the supplier itself or by Magna employees.



You can always make the report to the Magna employee who is your primary contact, a member of Magna's Compliance team found on [magna.com](http://magna.com), or by using Magna's reporting line, accessible at [magnahotline.com](http://magnahotline.com). Reports to that line can be made anonymously in most countries.

Depending on the circumstances, Magna may take a range of actions to remediate a failure by a supplier to comply with this Code, for example by suspending business with the supplier until corrective measures have been implemented or by terminating the relationship with the supplier.

## Conflict with Magna Global Supplier Requirements

In the event that any requirement in this document conflicts with the requirements of the Magna Global Supplier Requirements, the requirements of this document shall prevail.



**Driving Integrity**  
Know it. Speak it. Live it.

- Employees of suppliers must be familiar with this Code and comply with its terms.
- Suppliers must speak up if they learn of a violation of this Code or the law.
- Suppliers are prohibited from retaliating against any employee who raises a good-faith compliance concern.

# Support from Legal Compliance Experts



If you have any questions about the requirements of this Supplier Code of Conduct and Ethics, you should contact your primary contact at Magna. You may also direct your questions to Magna's Ethics and Legal Compliance department.

Effective Date: January 1, 2018

Last Reviewed: June 13, 2017

Next Review Date: January 1, 2020

Issued by: Ethics and Legal Compliance

Approved by: Magna Compliance Council

**magna.com**