

Operational Principles

In our world class manufacturing journey at Magna, employees and management work in partnership to achieve operational excellence based on the following principles:

Employee Focus

- Recognize that all employees are stakeholders in the business
- Motivate, energize and empower employees by reinforcing the values of the Employee's Charter
- Achieve employee satisfaction by focusing on people and taking actions to improve employees' quality of work life

Safe and Healthful Work Environment

- Ensure that all employees have a safe, clean and healthful work environment
- Ensure that all equipment and the work environment comply with applicable laws, regulations and policies
- Constantly work toward our target of Zero Incidents and Zero Lost Days

Pride in Craftsmanship and Total Quality

- Be customer driven; understand and meet or exceed customer expectations
- Maintain focus, accountability and discipline in every process to promote a culture of "Total Quality"
- Use simple, effective error proofing to support our Zero Defects objective
- In every job we perform, do not accept, produce or pass-on any defects

Integrity and Respect

- Act with honesty and integrity in all dealings with employees, customers, suppliers, government officials and others
- In all activities, respect both the letter and the spirit of Magna's Code of Conduct and Ethics and applicable laws
- Use common sense and good judgment to determine what constitutes fair and ethical business practice

Operational Effectiveness

- Focus on efficiency and always meeting production standards and output requirements
- Clearly display operational goals, objectives and performance on the shop floor so everyone is aware of them and all activities are aligned to their improvement and the company's targets
- Ensure that all teams are accountable and participate in the achievement of operational goals and objectives
- Utilize operational creativity before making any capital expenditure decisions and use Lean methods, as well as employees' process knowledge, to simplify and maintain flexibility
- Ensure that inventory levels, lead times and material flow are Key Operating Indicators (KOs) to improve working capital
- "Go and See" to solve problems where they occur - operational problems cannot be solved in the office

Scrap and Waste Elimination

- Through Lean methods and Mafact, ensure every step of each process is value-added and prevent defects
- Eliminate waste with tools such as Value Stream Mapping (VSM), Standardized Work, Quick Changeover, Visual Management, 5S and other Lean tools within Mafact
- Focus on identifying and eliminating the seven forms of waste - Waiting, Motion, Material Movement, Corrections, Over Production, Inventory and Processing - and strive for gains in efficiency, floor space availability and inventory reduction

Operational Availability

- Follow a Total Productive Maintenance program to ensure that equipment is available 100 percent of the time when needed and to improve process capability and reduce maintenance costs
- Always focus on change-over of production lines, dies, molds, etc.

Communication

- Communicate respectfully, openly, honestly and in a timely manner
- Ensure that regular departmental meetings are held to give employees direction and to share information about projects, improvements and daily performance
- Encourage feedback through frequent interaction with everyone in the facility, the Open Door process and other communication methods

Recognition and Rewards

- Recognize teams and individuals for a job well done
- Reward teams and individuals for operational improvement ideas

