# CDP CLIMATE CHANGE

# CDP WATER SECURITY

&

# CDP FORESTS

## 2023 SUBMISSIONS

## (COVERING FY 2022)

## MAGNA INTERNATIONAL INC.

**FORWARD LOOKING STATEMENTS**

Certain statements in this document constitute "forward-looking information" or "forward-looking statements" (collectively, "forward-looking statements"), including statements relating to our activities to mitigate risks, or realize opportunities, from climate change, water use, and/or forests, and statements relating to achievement of our GHG emissions reduction and other targets. Any such forward-looking statements are intended to provide information about management's current expectations and plans and may not be appropriate for other purposes. Forward-looking statements may include financial and other projections, as well as statements regarding our future plans, strategic objectives or economic performance, or the assumptions underlying any of the foregoing, and other statements that are not recitations of historical fact. We use words such as "may", "would", "could", "should", "will", "likely", "expect", "anticipate", "believe", "intend", "plan", "aim", "forecast", "outlook", "project", "estimate", "target" and similar expressions suggesting future outcomes or events to identify forward-looking statements. The following table identifies the material forward-looking statements contained in this document, together with the material potential risks that we currently believe could cause actual results to differ materially from such forward-looking statements.

Forward-looking statements are based on information currently available to us and are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. While we believe we have a reasonable basis for making any such forward-looking statements, they are not a guarantee of future performance or outcomes. Whether actual results and developments conform to our expectations and predictions is subject to a number of risks, assumptions and uncertainties, many of which are beyond our control, and the effects of which can be difficult to predict, including, without limitation:

**Risks Related to the Automotive Industry**

- economic cyclicality;
- regional production volume declines;
- intense competition;
- potential restrictions on free trade;
- trade disputes/tariffs;

**Customer and Supplier Related Risks**

- concentration of sales with six customers;
- emergence of potentially disruptive Electric Vehicle OEMs, including risks related to limited revenues/operating history of new OEM entrants;
- OEM consolidation and cooperation;
- shifts in market shares among vehicles or vehicle segments;
- shifts in consumer "take rates" for products we sell;
- dependence on outsourcing;
- quarterly sales fluctuations;
- potential loss of any material purchase orders;
- a deterioration in the financial condition of our supply base;

**Manufacturing/Operational Risks**

- supply disruptions and higher costs to mitigate such disruptions;
- impact of the semiconductor chip shortages on OEM production volumes and on the efficiency of our operations;
- product and new facility launch risks;
- operational underperformance;
- labour disruptions;
- restructuring costs;
- impairment charges;

**Manufacturing/Operational Risks** (cont.)

- skilled labour attraction/retention;
- risks related to COVID-19;
- climate change risks;
- leadership succession;

**IT Security/Cybersecurity Risk**

- IT/Cybersecurity breach;
- Product Cybersecurity breach;

**Pricing Risks**

- Inflationary pressures;
- pricing risks between time of quote and award of new business;
- price concessions;
- commodity cost volatility;
- declines in scrap steel/aluminum prices;

**Warranty/Recall Risks**

- costs related to repair or replacement of defective products, including due to a recall;
- warranty or recall costs that exceed warranty provision or insurance coverage limits;
- product liability claims;

**Acquisition Risks**

- competition for strategic acquisition targets;
- inherent merger and acquisition risks;
- acquisition integration risk;

**Other Business Risks**

- risks related to conducting business through joint ventures;
- our ability to consistently develop and commercialize innovative products or processes;
- intellectual property risks;
- our changing business risk profile as a result of increased investment in electrification and active safety, including: higher R&D and engineering costs, and challenges in quoting for profitable returns on products for which we may not have significant quoting experience;
- risks of conducting business in foreign markets;
- fluctuations in relative currency values;
- tax risks;
- reduced financial flexibility as a result of an economic shock;
- changes in credit ratings assigned to us;

**Legal, Regulatory and Other Risks**

- antitrust risk;
- legal claims and/or regulatory actions against us; and
- changes in laws and regulations, including those related to vehicle emissions or made as a result of the COVID-19 pandemic.

In evaluating forward-looking statements or forward-looking information, we caution readers not to place undue reliance on any forward-looking statement. Additionally, readers and listeners should specifically consider the various factors which could cause actual events or results to differ materially from those indicated by such forward-looking statements, including the risks, assumptions and uncertainties above which are:

- discussed under the “Industry Trends and Risks” heading of our Management’s Discussion and Analysis; and

- set out in our revised Annual Information Form filed with securities commissions in Canada, our annual report on Form 40-F / 40-F/A filed with the United States Securities and Exchange commission, and subsequent filings.

Readers and listeners should also consider discussion of our risk mitigation activities with respect to certain risk factors, which can be also found in our revised Annual Information Form.

# Magna International Inc. - Climate Change 2023

## C0. Introduction

### C0.1

**(C0.1) Give a general description and introduction to your organization.**

Magna is more than one of the world's largest suppliers in the automotive space. We are a mobility technology company with a global, entrepreneurial-minded team of over 171,000 employees and an organizational structure designed to innovate like a startup. Our global network includes 341 manufacturing operations and 88 product development, engineering and sales centres spanning 30* countries. We are positioned to support advancing mobility in a transforming industry, with 65+ years of expertise, and a systems approach to design, engineering and manufacturing that touches nearly every aspect of the vehicle, including: body, chassis, exterior, seating, powertrain, active driver assistance, electronics, mechatronics, mirrors, lighting and roof systems. We also have electronic and software capabilities across many of these areas. In addition, we are leveraging our capabilities and platform technologies in areas such as battery management, software stack and sensors to enter growing adjacent mobility markets such as micromobility. Our common shares trade on the Toronto Stock Exchange (MG) and the New York Stock Exchange (MGA). For further information about Magna, visit our website at www.magna.com.

*29 countries in the reporting year.

### C0.2

**(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.**

**Reporting year**

**Start date**
January 1 2022

**End date**
December 31 2022

**Indicate if you are providing emissions data for past reporting years**
No

**Select the number of past reporting years you will be providing Scope 1 emissions data for**
<Not Applicable>

**Select the number of past reporting years you will be providing Scope 2 emissions data for**
<Not Applicable>

**Select the number of past reporting years you will be providing Scope 3 emissions data for**
<Not Applicable>

### C0.3

**(C0.3) Select the countries/areas in which you operate.**

Argentina
Austria
Belarus
Brazil
Canada
China
Czechia
France
Germany
Hungary
India
Ireland
Italy
Japan
Mexico
Morocco
North Macedonia
Poland
Republic of Korea
Romania
Russian Federation
Serbia
Slovakia
Slovenia
Spain
Sweden
Thailand
Turkey
United Kingdom of Great Britain and Northern Ireland
United States of America

## C0.4

**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

## C0.5

**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

## C0.8

**(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

| Indicate whether you are able to provide a unique identifier for your organization | Provide your unique identifier |
|---|---|
| Yes, a Ticker symbol | MG (Toronto Stock Exchange) |
| Yes, a Ticker symbol | MGA (New York Stock Exchange) |

# C1. Governance

## C1.1

**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

## C1.1a

**(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.**

| Position of individual or committee | Responsibilities for climate related issues |
|---|---|
| Board-level committee | Our Board of Directors is our highest decision-making body, except where rights have been reserved for shareholders under applicable law or our articles of incorporation/by-laws. Climate/sustainability issues are typically considered by the Board at least annually through its strategic planning process. Such issues may also arise before the Board in connection with its oversight of fundamental corporate actions such as review/approval of material acquisitions/divestitures, 3-year business plans & capital expenditures. In addition, the Board reviews/approves the company's material public disclosures, including our AIF/Form 40-F incorporating Magna's Sustainability Report. We have committed to carbon neutrality (Scope 1 & 2) in our EU operations by 2025 & globally by 2030 & are working on a roadmap to set Scope 3 emission reduction targets. Progress is periodically reported to the Board.<br><br>The Board carries out its duties in part through standing committees, composed solely of independent directors. One such committee, the Governance Nominating and Sustainability Committee (GNSC), supports the Board's oversight of Magna's approach to sustainability/climate change issues to ensure alignment with Magna's strategy, stakeholder expectations, regulatory and voluntary frameworks, market norms & best practices. This oversight includes assessing: Magna's overall approach to reducing its carbon footprint, the effectiveness of our environmental compliance program, and Magna's actions to identify, monitor & mitigate any material risk exposures relating to such areas. The GNSC also periodically reviews Magna's policies, practices and public disclosures relating to sustainability topics and makes recommendations to the Board regarding such items. During 2022, the GNSC received updates on Magna's evolving sustainability strategy and its progress in achieving its carbon neutrality commitments. The GNSC also reviewed, provided input into and approved the organization's Sustainability Report and presented its recommendations to the Board regarding the Board's approval of the<br>Sustainability Report. The GNSC also received reporting relating to the performance of Magna's environmental compliance and management program.<br><br>One example of a CGCNC (the predecessor to the GNSC) climate-related decision was its approval of Magna's financial sponsorship of the Technical Office of the International Sustainability Standards Board. |

## C1.1b

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

| Frequency with which climate related issues are a scheduled agenda item | Governance mechanisms into which climate related issues are integrated | Scope of board level oversight | Please explain |
|---|---|---|---|
| Scheduled – some meetings | Overseeing major capital expenditures<br>Overseeing acquisitions, mergers, and divestitures<br>Reviewing innovation/R&D priorities<br>Overseeing and guiding employee incentives<br>Reviewing and guiding strategy<br>Overseeing the setting of corporate targets<br>Monitoring progress towards corporate targets<br>Reviewing and guiding the risk management process | <Not Applicable> | Board takes an integrated & coordinated approach to oversight (incl. climate-related issues), including:<br>• corporate culture, incl. commitment to innovation/R&D, & overall approach to corporate governance;<br>• long-term strategy, incl. sustainability strategy, & near-term business plans;<br>• fundamental corporate actions, incl. acquisitions/divestitures, capital allocation;<br>• material public disclosures (incl. the Sustainability Report) & major corporate policies;<br>• ERM, incl. sustainability risks;<br>• Our overall system of compensation for executive management rooted in profitability and which drives desired management behaviours that are central to our climate strategy, including operational efficiency, and the acceleration of powertrain electrification.<br>• preparedness for emerging climate-related legislation;<br>• communication with shareholders on ESG topics.<br><br>Magna's EVP and Chief Technology Officer identifies/analyses material "megatrends" impacting the automotive industry. Significant opportunities and risks, incl. those arising from climate-related considerations, are then addressed by such EVP at the annual Board strategy meeting, while Operating Group Presidents address opportunities/risks applicable to their business units at the annual business planning meeting. Outputs from the strategy meeting are incorporated into business unit business plans for the next business planning meeting.<br>The Governance Nominating and Sustainability Committee (GNSC), a committee of the Board, supports Board sustainability oversight, incl. by assessing Magna's overall approach to reduce its carbon footprint, environmental compliance, and actions to identify, monitor & mitigate any material risk exposures in such areas. Another Board committee, the Technology Committee, supports the Board's oversight by advising on technology trends, related opportunities & risks, R&D/innovation, tech-focused acquisitions, & alignment between the organization's technology and strategic priorities, including products/processes that seek to realize opportunities created by climate-related challenges. During 2022, this committee engaged in "deep dive" reviews , incl. electrical/electronic vehicle architectures; EV Battery landscape; and micromobility. They also quarterly reviewed the status of our investments in technology start-ups and investment funds. Our Audit Committee, supports Board oversight of financial & audit-related matters, including financial risks & disclosures. If climate-related risks are or could be financially material, the committee would be involved through its consideration of the financial statement or other disclosure of the nature and scale of the risk. In 2022, the Audit Committee engaged in a "deep dive" review of emerging legislation relating to climate change, that could impact financial statement disclosures. |

## C1.1d

### (C1.1d) Does your organization have at least one board member with competence on climate-related issues?

| | Board member(s) have competence on climate related issues | Criteria used to assess competence of board member(s) on climate related issues | Primary reason for no board level competence on climate related issues | Explain why your organization does not have at least one board member with competence on climate related issues and any plans to address board level competence in the future |
|---|---|---|---|---|
| Row 1 | Yes | Board member skills matrix assessment. For example, one of our Board members has completed the (i) Cambridge University Certificate program on Business and Climate Change, and (ii) the Climate Competent Boards (CCB) designation from CCB. We have publicly reported the certification/designation.<br><br>In addition several of our directors have competence on climate-related issues (particularly the transition to a low carbon economy) through past or current Board service: one of our directors formerly served on the board of a clean energy power producer. Another current director serves on the board of a manufacturer of battery electric transit buses, battery systems for other heavy-duty vehicle builders, and charging systems for fleets of heavy-duty vehicles. | <Not Applicable> | <Not Applicable> |

## C1.2

### (C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

**Position or committee**
Chief Executive Officer (CEO)

**Climate-related responsibilities of this position**
Integrating climate-related issues into the strategy
Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities

**Coverage of responsibilities**
<Not Applicable>

**Reporting line**
Reports to the board directly

**Frequency of reporting to the board on climate-related issues via this reporting line**
Quarterly

**Please explain**
Climate-related issues are part of the CEO's responsibility. As Magna's highest-ranking member of management, the CEO guides and directs Executive Management and Operating Group Presidents with respect to product portfolio and strategic planning, business planning, capital expenditures, innovation/R&D, manufacturing productivity and efficiency, as well as other critical areas, including the setting of Magna's carbon neutrality targets. The criticality of climate sustainability to the future of the automotive industry generally means climate-related issues are interwoven through all of the foregoing areas of the CEO's responsibilities. At the same time, the importance of making demonstrable progress with climate sustainability goals requires CEO-level engagement and direction to ensure organizational alignment.

## C1.3

### (C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

| | Provide incentives for the management of climate related issues | Comment |
|---|---|---|
| Row 1 | Yes | Profit-based management compensation system directly links short-term incentive compensation to business unit operational performance, measured by profitability. Our level of profitability (and thus profit-based compensation) is impacted by Magna's ability to:<br><br>(i) secure new and replacement business awards from customers by innovating products to meet increasing customer climate-related priorities. Maintaining or growing profitability is also critical to market value of our stock, which impacts long-term incentives for executives.<br><br>(ii) achieve manufacturing productivity and manage input costs in our business units, which in the case of energy (primarily natural gas and electricity) also helps reduce GHG emissions; and<br><br>(iii) manage cost impacts (including potentially higher premiums) from acute climate events (to the extent uninsured). |

## C1.3a

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

**Entitled to incentive**
Corporate executive team

**Type of incentive**
Monetary reward

**Incentive(s)**
Profit share

**Performance indicator(s)**
Increased share of revenue from low-carbon products or services in product or service portfolio

**Incentive plan(s) this incentive is linked to**
Both Short-Term and Long-Term Incentive Plan

**Further details of incentive(s)**
Magna's compensation system for executive management includes a mix of (i) Short-term incentives, in the form of performance-conditioned profit sharing bonuses; and (ii) performance conditioned multi-metric long-term incentives such as performance stock units (PSUs) and stock options.

**Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan**
Our system of compensation for executive management is based on corporate profitability, which is driven by the ability secure new business awards from customers. Compensation is thus driven in part by success achieved by our business units in innovating products to meet increasing customer climate-related priorities. Our OEM customers are increasingly prioritizing products that address the transition to a low carbon economy, including powertrain electrification and other products necessary for Electric Vehicles such as battery enclosures. In order to achieve greater profitability and thus achieve Short-Term and Long-Term Incentives, our Executive Management is incentivized to ensure our business units align product development activities with the evolution of our customer vehicle offerings, which are increasingly aimed at electrification and away from traditional ICE vehicles. This is achieved primarily through monitoring Operating Group performance in achieving business plans (which include critical programs such as Battery Electric Vehicles) and in capital allocation decisions.

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**Entitled to incentive**
Business unit manager

**Type of incentive**
Monetary reward

**Incentive(s)**
Profit share

**Performance indicator(s)**
Progress towards a climate-related target
Implementation of an emissions reduction initiative
Energy efficiency improvement
Reduction in total energy consumption

**Incentive plan(s) this incentive is linked to**
Short-Term Incentive Plan

**Further details of incentive(s)**
Business unit managers participate in profit sharing.

**Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan**
Business unit profitability is driven by manufacturing productivity and efficiency, meaning that cost management and input efficiency are critical. One important input cost in the manufacturing process is energy (primarily electricity & natural gas), which, when efficiently managed has a positive impact on GHG emissions, as well as profitability and thus compensation. As a result of this incentive our sustainability team has worked with our operating groups to establish short term- and long-term energy reduction targets - a key element of our emissions reduction strategy relates to reduction commitment. These goals include a minimum 10% reduction in energy intensity (2024 compared to 2022) and a minimum 20% reduction in energy intensity (2027 compared to 2022). Costs saved through energy reduction/efficiency directly impact a business unit's profitability and thus a business unit manager's share of profit.

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## C2. Risks and opportunities

### C2.1

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**
Yes

### C2.1a

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

| | From (years) | To (years) | Comment |
|---|---|---|---|
| Short-term | 0 | 2 | Aligns with our two year financial outlook period |
| Medium-term | 2 | 6 | Aligns with financial planning process |
| Long-term | 6 | 10 | Strategic longer-term planning/considerations looking beyond short- and medium terms |

## C2.1b

**(C2.1b) How does your organization define substantive financial or strategic impact on your business?**

At the corporate level, Magna approaches the definition of “substantive impact” for climate-related risks in a manner consistent with its approach to other potential risks. A starting reference point is determination of whether a climate-related risk may be “material” in the context of risk disclosure required for securities law purposes. While materiality is determined on a subjective basis taking into account a range of factors, one general objective reference point for materiality is 10% of earnings, a threshold which Magna also uses to determine whether an impairment charge is considered a substantive financial impact. For the 2022 reporting year, the 10% threshold would translate to approximately USD$59 million based on Magna's net income that year. Where a climate-related risk is not “material” for securities law purposes, we determine its potential significance by reference to a range of factors, which may include its ability to: impact the implementation of our strategy; disrupt our manufacturing operations; eliminate or significantly reduce future business prospects for, cash flows expected from or returns generated by, company assets; impair the company’s ability to secure capital; harm our ability to attract and retain necessary human talent; diminish our reputation; aggravate other risks faced by the company, as a result of risk interdependencies; or otherwise cause significant destruction of economic value.

Part of Magna’s Global Environmental Program is to conduct Audits and Inspections to assess all relevant regulatory, corporate environmental and industry best practice requirements. Any deficiencies identified are assessed for risk on a scale of OFI (Opportunity For Improvement) up to severe or critical. Failure to address severe environmental issues result in a Red Flag designation that requires senior Operating Group management involvement until resolved. Accountability for closure of red flag items is managed through regular review of red flags by the CEO with Operating Group management. These red flags can be considered substantive impacts if not properly mitigated. A quantitative example of a red flag is if Magna were impacted by either an increase or decrease of USD 1 million across our operations.

## C2.2

**(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.**

**Value chain stage(s) covered**
Direct operations
Upstream
Downstream

**Risk management process**
Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**
More than once a year

**Time horizon(s) covered**
Short-term
Medium-term
Long-term

**Description of process**
Climate-related risks and opportunities covering short-, medium- and long-term time horizons are identified through strategic planning, accounting, financial reporting, securities disclosure, enterprise risk management & operations management and R&D processes.

Long-term Horizon: Magna's Chief Technology Officer (CTO) identifies material long-term "megatrends" impacting the auto industry, including auto & mobility trends arising from climate-related issues.

Frequency: More than once per year - Significant opportunities/risks are then addressed by Executive Management at (1) the annual Board strategy meeting, while (2) Operating Group Presidents address the opportunities/risks applicable to their business units at the annual business planning meeting. Guidance, feedback and other outputs from the strategy meeting are incorporated into business unit business unit plans for the next business planning meeting; and (3) in connection with the transition to a low carbon economy & an increasingly electrified automotive industry, our Management has assessed our product portfolio, including its resilience to this transition. Our management reports to our Technology Committee regarding risks and opportunities relating to megatrends and the evolution of our product portfolio at quarterly meetings.

Short/Medium-term Horizon: As a public company, Magna is subject to broad accounting, financial and other disclosure requirements the impact of which we need to assess.

Frequency: Given the breadth of applicable disclosure requirements, & specific guidance from accounting & securities regulators related to climate risks, we regularly (at least quarterly but more frequently in practice) assess & disclose the nature & potential impact of material climate risks on the company & its financial results

Short-Term: One accounting process that can identify climate-related risks is impairment testing, which must be conducted each year. Impairment testing is conducted by our accounting team to identify if assets are impaired. Assets are "impaired" if the sum of undiscounted expected cash flows generated by the assets are less than their net book values. The impairment is measured under an income approach, using discounted cash flows to derive a fair value of the assets. Once assets are identified to be impaired, an impairment charge is measured & recorded. A charge greater than 10% of our annual earnings is considered to be a substantive financial impact.

Frequency: Final testing is annual, but assessment process is ongoing throughout the year.

Short-/Medium-/Long Term Horizon: One risk management process we use for identifying/assessing climate-related risks is our Property Risk Control (PRC) program, which assesses resilience against natural risks. We identify liability risks that can arise based on the location of our facilities, such as an extreme weather event. Such event could damage some of our manufacturing sites, resulting in injuries or fatalities to employees, which could have a material adverse effect on our reputation and could result in legal claims being brought against us. In addition, such events could cause significant destruction to our, our customer or sub- suppliers' facilities, which could in turn disrupt our production and/or prevent us from supplying products to customers. The PRC program is described in greater detail in the response to 2.3a.

Operations management processes can identify climate-related opportunities through energy efficiency initiatives. A more detailed description of the activities of our global energy teams and our MAFACT system can be found in response1.2a.

Upstream Assessment: As part of our roadmap for better understanding our Scope 3 emissions and setting Science-based Scope 3 emissions targets, we participate in the CDP Supply Chain Program for Climate Change, engaging key suppliers to report on their energy usage and emissions.

Downstream Assessment: Lastly, our strategy development processes and sustainability initiative include regular monitoring of our OEM customers' climate-related priorities & initiatives, as well as multi-jurisdictional regulatory changes related to the low carbon economy transition. Our Corporate R&D team, under the guidance of our CTO, engages with the advanced engineering and product development teams of our current and potential OEM customers to understand their product strategies and better align our own product strategy & technology development with customer needs, incl. the transition to a lower carbon economy. These efforts support us in identifying and evolving product development, innovation and R&D priorities that could enable us to realize climate-related opportunities. Additionally, such efforts allow us to identify regulatory or market risks driven by climate- related factors that could impact our business & operations.

## C2.2a

**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

| | Relevance & inclusion | Please explain |
|---|---|---|

| | Relevance & inclusion | Please explain |
|---|---|---|
| Current regulation | Relevant, always included | Governments in key auto producing regions have set challenging avg. vehicle fleet emissions/fuel efficiency targets for OEMs. We regularly monitor regulation changes:<br>EU regulations require OEMs to achieve EU fleet-wide avg. emissions of 95g CO2/km (2021 to 2024) or pay an excess emissions penalty for each EU vehicle. This is a baseline for further reductions up to 37.5% from 2030 onwards. In March 2023, the EU approved "Fit for 55" legislation to increase such targets to a 55% reduction by 2030 and a 100% reduction by 2035. Penalties levied on non-compliant OEMs may be passed on to vehicle-buying consumers, which could impact demand for such vehicles and thus demand for Magna products on such programs.<br><br>China has implemented stringent China VI emissions regulations addressing emissions, which could affect consumer demand for vehicles, or powertrain options for vehicles, that do meet the new emissions standard.<br><br>The current U.S. administration issued an executive order with a non-binding target of 50% of all new vehicles sold in 2030 to be zero-emission vehicles (ZEVs). The U.S. Environmental Protection Agency finalized new vehicle emissions standards for passenger cars and light-duty trucks with model years 2023-2026 which increase in stringency through that period, and would result in a fleetwide avg. fuel economy of approx. 40 mpg in 2026. More stringent emissions standards for 2027-2030 are expected from the EPA in the near term. The U.S. National Highway Traffic Safety Administration (NHTSA) issued new corporate Avg. Fuel Economy (CAFE) standards - regulating how far our vehicles must travel on a gallon of fuel. The new CAFE standards for passenger cars & light trucks manufactured in model years 2024-2026, will increase fuel efficiency requirements by 8% annually for model years '24-'26 and increase the estimated fleetwide avg. fuel economy by 12 mpg for model year '26 vehicles, relative to model year '21. In 2022, the U.S. also announced stricter standards on smog-forming emissions from trucks, vans and buses starting in the '27 model year.<br><br>OEMs have been spending significant sums in R&D to meet the higher regulatory standards. Although production of ZLEVs/ZEVs is accelerating due to regulatory requirements, to the extent that they do not sell at the levels expected, production volumes may need to be reduced. Lower than forecast production poses a risk to our ability to recover pre-production expenses amortized in the piece-price of our product. |
| Emerging regulation | Relevant, always included | To accelerate the transition to ZLEVs, a number of national/subnational jurisdictions have committed to, or are accelerating existing commitments to, phase-out of the sale or registration of new ICE engines. As part of its Fit for 55 legislation, the EU will require 100% reduction in CO2 emissions by 2035 effectively banning the sale of new gasoline and diesel fuelled vehicles in the EU by that date, with an interim target of 55% by 2030. The UK will required all vehicles required to have a significant zero emissions capability from 2030, and be 100% zero emissions at the tailpipe from 2035. Canada has accelerated its mandatory phase out of ICE and diesel powered vehicles through a new regulation that requires all new light-duty vehicles sales to be ZEVs by 2035 (20% ZEVs from 2026 and rising each year until reaching the 100% target in 2035). In the US, California's California Air Resources Board (CARB) adopted the Advanced Clean Cars II proposal in 2022. The proposal bans ICE-powered vehicles by 2035 with progressive targets for ZLEVs in the intervening years. 15 other US States and the DC have existing laws that require state emissions policies to mirror those of California (Connecticut; Colorado; Delaware; Maine; Maryland; Massachusetts; New Jersey; New Mexico; New York; Oregon; Pennsylvania; Rhode Island; Vermont; Virginia; and Washington). Massachusetts, New York, Oregon, Washington and Vermont have formally declared the phase-out of new ICE vehicle sales from 2035. Given the long lead times for vehicle development, such proposals & emerging regulation are expected to increasingly impact OEM and automotive supplier product planning and development this decade, and have led to several OEM establishing EV targets for specific brands or their complete vehicle offerings, including our top 6 customers: BMW: 30% EVs by '25; 50% by 2030; Ford: 100% EV by 2030 in Europe; GM: 100% EV by 2035; Mercedes-Benz: 50% EVs by '25; 100% EV by 2030; Stellantis: 100% EV by 2030; Volkswagen: 45% EV by 2030 (by brand – Audi 100% EV by 2033; VW 100% EV by 2035; Porsche > 80% EV by 2030).<br><br>In terms of direct policy actions affecting our operations, we anticipate continued strengthening of environmental regulations related to discharge of pollutants to air, water and ground. We currently face strict environmental regulations in the countries where we operate and have developed a global environmental management program to comply with or exceed regulatory standards. |
| Technology | Relevant, always included | Investments in automotive technologies that support the transition to ZLEVs can be significant, particularly in product areas such as battery systems for hybrid and EVs. While our product strategy does not currently include battery systems or other components which generate or store energy for ZLEVs, we have been awarded several battery enclosure programs and currently offer a range of electrified drivetrain products, hybrid dual-clutch transmissions ("HDTs"), dedicated hybrid transmissions ("DHTs"), as well as complete electric-drive ("e-Drive") systems. We have also expanded our product offering into other areas relevant to ZLEVs – for example, in conjunction with a joint venture partner, we can offer customers a complete EV platform.<br><br>Our R&D spending for electrification solutions has been significant over the last few years and could continue to be in coming years as electrification-related technologies continue to evolve. Additionally, our OEM customers are making significant investments in the development of ZLEVs, which is impacting their profitability and could lead to increased pricing pressure on us. As ZLEVs increase their proportion of the overall vehicle market over the medium – to long-term, we expect our sales of manual transmissions and traditional dual-clutch transmissions (DCTs) to decline, and sales of HDTs, DHTs and e-Drive systems to increase. For example, we experienced a more rapid than expected deterioration in sales of MTs by equity accounted joint ventures in Europe and China, which was one of the factors that led to the impairment charges recorded against the company's investment in such joint ventures in 2019. The increasing adoption of electrified drivetrain solutions adversely impacts our AWD and 4WD businesses over the long term, since it is possible to achieve AWD through the use of electric motors in hybrid or fully-electrified drivetrains. However, OEM product plans show mechanical AWD and 4WD programs extending out for approximately the next decade. We seek to offset displacement of mechanical AWD and 4WD systems through increased sales of electrified product offerings such as e-Drive systems. |
| Legal | Relevant, always included | Municipal governments in a number of cities around the world have introduced restrictions on personal-use vehicles in congested urban centres, in an effort to reduce CO2 emissions and improve urban air quality. Examples of the types of restrictions include: car-free zones; toll charges; and use restrictions by license plate. Continued expansion of such initiatives could reduce the demand for personal-use vehicles, which could affect our profitability. As a result of measurable air quality improvements in many cities during the COVID-19-related mandatory lockdowns/stay at home orders, and expansion of restrictions in personal-use vehicles in urban centres is likely.<br><br>An example of a risk type in our climate-related assessment is one or more possible fines that could be levied on non-compliant OEMs under EU emissions regulations. These penalties may be passed on to vehicle-buying consumers, which could impact demand for such vehicles and thus demand for Magna products supplied for such vehicle programs.<br><br>In terms of direct policy actions affecting our operations, we anticipate continued strengthening of environmental regulations related to discharge of pollutants to air, water and ground. We currently face strict environmental regulations in the countries where we operate and have developed a global environmental management program in order to comply with or exceed regulatory standards. |
| Market | Relevant, always included | Market risks relating to the low carbon transition include:<br><br>Electronics/semiconductor companies are becoming direct competitors of Tier 1 auto suppliers; & disruptive technology innovators are developing high-value product & service offerings (in vehicle electrification, vehicle autonomy, new mobility & connectivity). Failure to successfully compete or grow our electronics or EV content, could affect our ability to fully implement our strategy. Shifts in market shares away from vehicles on which we have significant content, or vehicle segments in which our sales may be more heavily concentrated, could have a material adverse effect on our profitability.<br><br>There are potential risks to the demand for personal mobility vehicles, & thus for our products, from technology-driven shared mobility solutions such as ride hailing and ride sharing. To date, such shared mobility solutions have not had a material impact on the demand for new vehicles & no adverse effect is expected in the near-to medium-term. Our strategy for new mobility seeks to mitigate such risks & realize opportunities based on the breadth of capabilities we can offer new mobility customers.<br><br>We do not currently anticipate long-term supply constraints on key commodities required by us in our business. But, production processes for steel & aluminum are carbon intensive, with relatively scarce supply of low-carbon alternatives. As the entire industry's carbon-reduction efforts increase, the price of low-carbon steel and aluminum may increase in the near and medium-terms until the supply of low-carbon product is sufficient to meet growing demand. In the near- and medium-term, the increasing production of ZLEVs may also strain supplies of the rare earth minerals and other metals required for vehicle battery systems, which we do not supply, including nickel, cobalt and lithium used in EV batteries, copper for EV charging infrastructure and rare earth metals for EV motor magnets. But, such supply constraints could help spur the development of alternative battery technologies or low carbon fuels and/or promote technological breakthroughs that could facilitate market penetration of hydrogen fuel cell or other technologies. We intend to continue developing and offering solutions such as e-Drive systems which are neutral as to electric power source (battery or hydrogen fuel cell stack) to mitigate potential risks related to supply constraints for commodities needed for current ZLEV power source technologies |

| | Relevance & inclusion | Please explain |
|---|---|---|
| Reputation | Relevant, sometimes included | Since light vehicles are contributors to global GHG emissions, Tier 1 suppliers like Magna may face reputational risks from participation in the automotive industry. Examples of such risk types include potential loss of business from sustainability-focused customers, reduced investor demand for our shares, and challenges attracting talent.<br><br>A number of our OEM customers are embedding sustainability criteria in their sourcing decisions and could reduce purchases from us if they perceive Magna to lag other suppliers with respect to sustainability. Stakeholders, including investors and employees, as well as prospective employees are increasingly focused on companies' sustainability efforts. Investors may sell shares of investee companies perceived to be less sustainable.<br><br>In addition, millennial and other components of the workforce want to work in companies they perceive as sustainable, making it difficult for companies to attract such talent if the company is perceived as lagging in sustainability.<br><br>However, OEMs and Tier 1 Suppliers have been proactively adapting to climate change and transitioning to a lower carbon economy, as evidenced by the significant spending on R&D and technological innovation to reduce CO2 emissions, particularly through electrification and powertrain efficiency, as well as the setting of carbon neutrality targets in their own operations. At the same time, particular OEMs may be viewed as more or less sustainable based on their sustainability strategies and commitment to transitioning to a lower-carbon economy. Equally, particular vehicle models or even entire vehicle segments may be perceived to be more or less sustainable.<br><br>As a supplier of a broad range of systems to all major OEMs, we do not anticipate any consequences to our reputation by virtue of the fact that we may supply to any particular OEM, vehicle or vehicle segment. In any event, we believe that our R&D and technological innovation, which is focused on lightweighting, improved fuel economy and lower emissions, together with our sustainability strategy, including our carbon neutrality commitments, serve to mitigate potential reputational risks. |
| Acute physical | Relevant, sometimes included | An example of this risk type is the possibility of increased frequency and severity of extreme weather events associated with climate change. Such events could cause significant damage to one or more of our facilities or those of our customers and/or sub-suppliers. While our primary concern in an acute climate event affecting one of our facilities would be the safety and well-being of our employees, property damage and business interruption would represent the primary financial risk.<br><br>An acute climate event that significantly damages one of our facilities, could disrupt our production and/or prevent us from supplying products to our customers. Such an event could lead to us incurring a number of costs, many of which may be unrecoverable, including: costs related to the physical repair of any damage to our facility; costs related to premium freight or re-sourcing of supply; penalties or business interruption claims by our customers; loss of future business and reputational damage; and higher insurance costs going forward.<br><br>Extreme climate events could also disrupt supply chains for the entire industry over the near-, medium- and long-term. In recent years, a number of supply disruptions resulting from extreme weather have occurred around the world that impacted the automotive chain, including: a rare and extreme storm impacted the U.S. state of Texas; flooding in central China; a typhoon in Malaysia that damaged Southeast Asia's second-largest port; the Rhine river, Europe's most important commercial waterway, experienced both bursting from heavy rainfall and snowmelt, as well as, low water levels from drought conditions.<br><br>Such events can cause shortages of critical materials, which in turn drives prices higher. Efforts to mitigate the impact of such events often result in higher near-term costs until disruption of the affected material has been resolved, due to factors such as premium freight costs for substitute materials. As the frequency of such events increases, we may be forced to maintain higher inventories of various materials and components required for production, to minimize potential disruptions.<br><br>We maintain a global property risk control program (described in greater detail in Response 2.3(a)) to support our efforts to mitigate risks to our employees' safety, physical property risks and potential for business interruption due to extreme weather events, including hurricanes, tornadoes, flooding and earthquakes. |
| Chronic physical | Relevant, sometimes included | As an example of chronic physical risk type as a result of climate change, increasing temperatures have the potential to bring negative consequences for our business. Currently, it is difficult to assess how future temperature changes will correlate to our customers' demands for vehicle parts and systems. However, temperature rise does have the potential to impact coastal sea levels. Increasing sea levels pose coastal flooding risks for our properties located within a five kilometer radius of these at risk zones. Only two of our Divisions are located one km or closer to a coastline and thus may be at higher risk from the effects of climate-change related sea rise. We perform risk assessments for both of current and future sites to enable proper planning and management.<br><br>In the case flooding occurs at one or both of the two divisions discussed above, there can potentially be a negative impact on our customers' access to our parts, which could lead to decreased revenues for us, or even potential customer charges relating to disruption of their production.<br><br>The threat of temperature change anticipates more frequent and intense storms, drought, heat waves, changing sea levels, melting glaciers and warming oceans which may result in more frequent or severe weather events. These threats could have a material impact on our operations globally over time and increase current natural hazard risks facing our operations.<br><br>As part of our property risk management program, we evaluated over 400 of our locations with respect to temperature change risk. The mapping was based on the 50th percentile of the distribution of the CMIP5 ensemble, and includes both natural variability and inter-model spread, based on IPCC AR5, Annex 1 (Atlas of Global and Regional Climate Projections). The exercise showed that less than 1% of all Magna locations (all located in Russia and representing less than 1% of Magna's total insured value at the time) are expected to experience greater than 1.5 degree Celsius temperature change by 2035. Since the completion of this analysis, we have substantially idled our operations in Russia as a result of Russia's invasion of Ukraine. |

## C2.3

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.3a

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

| | |
|---|---|
| Acute physical | Cyclone, hurricane, typhoon |

**Primary potential financial impact**

Other, please specify (Decreased revenue, non-recovery of costs, potential customer penalties/business interruption claims)

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Magna operates in 341 manufacturing operations and 88 product development, engineering and sales centres spanning 29 countries. As a result, our operations experience a range of climates. As part of our risk management activities, we routinely conduct analyses relating to certain areas in which our facilities are concentrated to

determine potential financial impacts relating to extreme weather events, such as hurricanes and flooding that have become more frequent and severe as a result of climate change.

A loss scenario potential financial impact analysis was conducted by our Risk Management group which examined risk related 5 Magna Divisions concentrated in the U.S. State of South Carolina (areas of Greer, Moore, Piedmont and Spartanburg). The Atlantic hurricane season has intensified over time due to climate change resulting in more frequent and severe storms with the potential to impact property further inland than in the past. While Magna Divisions in the region are not coastal, the loss scenario recognizes that a concentration of Divisions could be exposed to hurricane force winds and rain that may result in significant impact to operations throughout the State of South Carolina. Damages to local critical infrastructure such as roadways, railways, electrical distribution, sanitary water and other key systems could delay recovery response including competition over finite recovery resources. Direct damages and business interruption may result to Magna facilities, critical suppliers or local customers.

**Time horizon**
Short-term

**Likelihood**
Unlikely

**Magnitude of impact**
Medium

**Are you able to provide a potential financial impact figure?**
Yes, an estimated range

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
33468540

**Potential financial impact figure – maximum (currency)**
146095124

**Explanation of financial impact figure**
Estimated potential loss of sales for 5 Magna South Carolina Divisions referenced above in the event of a severe storm directly impacts all such Divisions, or impacts local critical infrastructure. The range represents the aggregate potential lost sales for the 5 Divisions in the event the extreme weather event prevents operation of the facilities for a specified period (1 week in a best case scenario or 1 month in a worst case scenario).

The calculation is based on determining an estimated sales per shift at each facility. This figure was calculated by using 2022 aggregate sales (USD1,668,057,334) for the 5 facilities divided by the estimated number of total shifts (2594) per year for the facilities. The estimated annual total shifts for each of the 5 facilities took into account statutory holidays, planned seasonal shutdowns (typically summer and Christmas), as well as the number of days with shifts monthly (30 days for 1 Division operating shifts 7 days a week; 26 days for 2 Division operating shifts 6 days a week; and 22 days for 2 Divisions operating shifts 5 days a week).

**Cost of response to risk**
1093000

**Description of response and explanation of cost calculation**
Risk Response: We maintain a global property risk control program (PRC program) to support our efforts to mitigate risks to our employees' safety, physical property risks & potential for business interruption due to extreme weather events. The program includes risk engineering with support from a 3rd party property risk engineering firm & includes these elements to promote physical resiliency of our facilities & minimize the operations disruption risk: facility site selection pre-screening; acquisition risk assessments; periodic facility inspections; facility construction design review & recommendations; & training/education. The 3rd party conducts 200+ physical on-site surveys yearly to evaluate various risks, including for natural hazards & also conducts targeted analysis of areas of concern such as the South Carolina analysis above. Using the Swiss Re NatCat database, the 3rd party also analyzes 400+ unique Magna locations to assess climate related exposures, including: flood, wind, storm surge, wildfire, tornado. tsunami, hailstorm, lightning, temperature change, precipitation, sea level rise risk and water security. The analyses result in risk control recommendations in our facilities.

- Response Timeline: The PRC program is annual & ongoing. Financial impact analyses are conducted annually (or more frequently if an area of concern is identified). Recommendations are implemented on an ongoing basis, but typically within 1 year.
- Response Case Study: To augment our analysis of potential natural hazards that could impact our operations/supply chains in between our annual impact analysis efforts, we implemented in 2022, a 3rd party supply chain risk monitoring tool that monitors and provides real-time alerts relating to natural disasters.

Risk Cost Calculation: aggregate of 2022 costs for (i) evaluation of natural hazard/climate related risks by 3rd party risk engineering firm, including the South Carolina loss scenario analysis above (approx. USD727,000), (ii) supply chain risk monitoring tool (approx. USD216,000), & (iii) completion of risk control recommendations related to natural hazard exposures in several facilities (approx. USD150,000), including: augmenting natural hazard emergency response plans; reinforcing against hurricane windstorm; addressing roof ponding/draining and securement; and installing/improving seismic protection. The risk control measures resulted in a reduction of aggregate loss exposures of approx. USD57 million.

**Comment**

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**Identifier**
Risk 2

**Where in the value chain does the risk driver occur?**
Downstream

**Risk type & Primary climate-related risk driver**

| | |
|---|---|
| Technology | Substitution of existing products and services with lower emissions options |

**Primary potential financial impact**
Decreased revenues due to reduced demand for products and services

**Climate risk type mapped to traditional financial services industry risk classification**
<Not Applicable>

**Company-specific description**
On an automotive industry-wide basis, we believe that only approximately 25% of a vehicle's content is directly linked to vehicle propulsion and thus potentially negatively

impacted by the shift from the ICE to electrified propulsion systems. Accordingly, we believe that a majority of vehicle systems, such as body, chassis and seating are positively aligned with the megatrends and will continue to be an integral part of the Car of the Future. We further believe that our product portfolio is even less sensitive to the transition to electrification than the industry as a whole, with approximately 90% of our product portfolio continuing to be highly relevant to the Car of the Future.

However, the remaining approximately 10% of our product portfolio is negatively impacted by the trends towards vehicle electrification includes manual transmissions, mechanical AWD/4WD systems and fuel tank systems. As concern over climate change impacts accelerate we face the risk that consumer demand, and consequently, our customer demand, for such products will stagnate and/or decline, which could negatively impact our sales and revenues. In addition, as demand for electrified products grows and investment in such products accelerates, we may face pricing pressures, on, and migration of value away from, products not aligned with the Car of the Future as our customers look to accommodate the costs of battery systems and electrified products. While we believe that assets and expertise associated with transmission and AWD/4WD products can be redeployed for, growing product areas aligned with the Car of the Future; Magna's fuel tank systems business is expected to be heavily impacted by the growing transition to EVs, as the elimination of the need for fuel completely eliminates the need for fuel tanks.

**Time horizon**
Long-term

**Likelihood**
Virtually certain

**Magnitude of impact**
Medium

**Are you able to provide a potential financial impact figure?**
Yes, a single figure estimate

**Potential financial impact figure (currency)**
500000000

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
The financial figure represents the financial impact if current (2022) revenues of approximately USD500m in our fuel tank systems business were to be eliminated in the long-term as a result of a complete/substantial replacement of ICE vehicles by EVs.

**Cost of response to risk**
2700000000

**Description of response and explanation of cost calculation**
Response: As part of our long-term strategy, we have distilled the impacts of global megatrends into 4 long-term strategic factors we see defining the “Car of the Future” – electrification, autonomy, new mobility & connectivity. One key element of our strategy involves increasing capital deployment in product areas aligned with the Car of the Future. Electrification is the automotive trend most closely linked to issues of climate change given the historical prevalence of the Internal Combustion Engine (“ICE”) in vehicles. We possess an enhanced e-Powertrain portfolio with a range of products that addresses the roadmap for the transition to Electric Vehicles allowing us to win new EV business. To address the potential decline in products such as manual transmissions (MT), mechanical AWD/4WD systems & fuel tank systems, we continue to proactively manage our portfolio & evolving product mix and accelerate capital deployment towards megatrend/high-growth areas. Our expectation is that from 2023-2027, sales in areas aligned with/positively impacted by, the megatrends will significantly exceed any potential decline in the affected product areas. We expect between $2.9-3.3 billion in sales by 2025 in our electrified powertrain business.

- Response Case Study: In order to meet our electrified powertrain sales expectations, we have taken a number of actions, including: launching new e-Drive programs; and entering into a JV with LG Electronics, which is expected to grow sales at an avg. growth rate of over 50% in the 2019-2025 period. We also expect approximately 1.6-1.7 billion in sales by 2025 in our battery enclosures business, a 125% compound annual growth rate. We have made a $70 million investment in a U.S. battery enclosure facility, as well as announced investment of $470 million to expand our operations across Ontario, Canada, including a new battery enclosures facility.

- Response Timeline: Approximately 2 years.

Cost Calculation: $900m per year x 3 years. Forecast Operating Group & Corporate engineering expenditures/investments (2023-2025) in areas that address megatrends, including a significant portion related to electrification. Figure does not account for potential customer recovery/reimbursement of such expenses, nor expected capital spending. Based on our first quarter 20223 outlook, capital spending is expected to be approx. $2.4 billion for 2023.

**Comment**

## C2.4

**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**
Yes

## C2.4a

**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**
Opp1

**Where in the value chain does the opportunity occur?**
Direct operations

**Opportunity type**
Resource efficiency

**Primary climate-related opportunity driver**
Use of more efficient production and distribution processes

**Primary potential financial impact**
Reduced indirect (operating) costs

**Company-specific description**
In 2021, we announced our goal to be carbon neutral (Scope 1 and Scope 2) in our European operations by 2025 and globally by 2030. Energy efficiency/reduction initiatives in our operations represent a key aspect of our efforts to meet such goals. Our aggregate global energy spend in 2022 amounted to approximately $581 million, the vast majority of which was for electricity ($446 million) and, to a lesser extent, natural gas ($112 million), and other fuels (Propane; Liquid Petrol; Diesel; District Heat; Steam; Coal Gas) ($23 million). As part of our sustainability and operational efficiency efforts, we are focused on optimizing energy use, which may result in savings in overall energy costs. However, as we continue to forecast growth in Sales and number of facilities over the medium-term, we anticipate that our aggregate energy consumption may increase. Accordingly, we are focused on becoming more energy efficient (measured by energy consumption relative to Sales) so that, at minimum, our rate of increase in energy consumption slows.

In connection with our efforts to promote energy efficiency and aid in achieving our emissions reduction targets, we developed 1-year, 2-year and 5-year energy reduction targets for our Operating Groups, as follows:

- 10% reduction in energy cost intensity (cost/Production Sales) (Y/E 2023 vs. Y/E 2022) (1 year target);
- Complete energy reduction projects in 2023 that equate to at least a 5% reduction of a Group's 2022 actual absolute energy usage (1 year target);
- Minimum 10% reduction in energy intensity (kWh/Production Sales) (Y/E 2024 vs. Y/E 2022) (2 year target); and
- A minimum 20% reduction in energy intensity (kWh/Production Sales) (Y/E 2027 vs. Y/E 2022) (5 year target).

**Time horizon**
Long-term

**Likelihood**
Very likely

**Magnitude of impact**
Medium-low

**Are you able to provide a potential financial impact figure?**
Yes, a single figure estimate

**Potential financial impact figure (currency)**
165102192

**Potential financial impact figure – minimum (currency)**
<Not Applicable>

**Potential financial impact figure – maximum (currency)**
<Not Applicable>

**Explanation of financial impact figure**
To calculate the financial impact figure, we have taken the expected one year energy savings for energy optimization/efficiency projects (i) completed in 2022 and (ii) completed to date in 2023 and (iii) commenced to date in 2023 ($27,517,032) multiplied by 6 years, the low end of the 6-10 year range of the estimated lifetime of the projects.

**Cost to realize opportunity**
57767439

**Strategy to realize opportunity and explanation of cost calculation**
Strategy: Approximately 95% of our Divisions have active energy teams pursuing energy efficiency measures in their respective Divisions. These teams are supported at the corporate level by a Global Energy Management Team which helps identify and promote energy reduction initiatives, including through: training courses designed to promote strategies for reduced energy use; regional bench-marking sessions; regular communication through newsletters; an internal energy savings collaboration site; and best practice sharing. In addition to the day-to-day work of our Global Energy Management Team above, our strategy for ensuring progress in achieving this opportunity includes the following:

- our 1 year, 2-year and 5-year energy targets are disclosed publicly in our Sustainability Report, and as discussed above includes a specific target relating to energy project completion;
- energy reduction projects are tracked in a standardized global database;
- project data in the databases is subject to a validation process before approval;
- dashboards summarizing progress are available to operating Group senior leaders and our global Sustainability Champion which helps to drive further progress;
- projects data and progress is visible by other operating Groups which provides useful information on achievable projects across our groups and also promotes healthy competition to achieve results among groups;
- reporting of progress and details of specific projects occurs at monthly sustainability meetings to further promote best practice sharing;
- projects are eligible for submission to our annual Sustainability Awards which provides further incentive;

We pursued energy reduction efforts in 2022 and to date in 2023 by completing 544 projects at more than 131 Magna facilities across 19 countries. This allowed us to reduce our energy consumption, as well as indirect operating costs. An additional 586 projects are in progress in 2023. For further details regarding our energy reduction projects during the reporting year, see our response to 4.3a and 4.3b.

Cost Explanation: Aggregate one-time costs to implement energy optimization/efficiency projects in our operations that have been completed in 2022 and completed/commenced in 2023. The total projects included in this calculation is the 1130 (544 plus 586) referenced above.

**Comment**

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**Identifier**
Opp2

**Where in the value chain does the opportunity occur?**
Direct operations

**Opportunity type**
Products and services

**Primary climate-related opportunity driver**
Development of new products or services through R&D and innovation

**Primary potential financial impact**
Increased revenues resulting from increased demand for products and services

**Company-specific description**
We have developed our corporate strategy to realize opportunities from secular trends driving change in the auto industry, including electrification – the automotive trend most closely linked to issues of climate change given the historical prevalence of the ICE vehicles. One key element of our strategy involves increasing capital deployment in areas aligned with the "Car of the Future". Vehicle electrification represents a high-growth opportunity for Magna. Accelerating regulatory requirements and consumer demand have made electrification a differentiating factor for automotive OEMs. Within our product portfolio, we aim to capitalize on opportunities to grow our content and sales in areas such as e-Drive products and battery enclosures. Through our powertrain business, we offer customers a range of efficient dual-clutch transmissions (DCTs), including traditional DCTs for vehicles powered by ICE, hybrid DCTs featuring an integrated motor for start/stop or plug-in hybrid applications & dedicated hybrid transmissions used in applications with an electric motor. We also offer e-Drive systems for fully electrified powertrains. Multiple Magna Operating Groups are also pursuing opportunities related to pure EVs, including:

• e-Drive systems, discussed above, including through our HASCO JV in China that commenced high-volume serial production of integrated e-Drive systems in 2022, and our JV with LG Electronics;
• Lightweight seat structures optimized for EV chassis;
• Battery enclosures for EVs/hybrid-EVs; &
• EV complete vehicle engineering, including integration, validation and testing, as well as assembly.

Other elements of our product portfolio relevant to reduction of a vehicle's energy consumption include:

• Lightweight products and materials to assist our automotive customers in reducing vehicle mass in order to: downsize engines, thereby reducing fuel consumption and tailpipe emissions for vehicles powered by ICE; and minimize power consumption/maximize driving range for EVs.
• Active Aerodynamic products that redirect airflow to reduce air drag on vehicles and assist in reducing fuel consumption and thus CO2 emissions. Magna offers a growing range of active aerodynamics innovations, including active grille shutters, active air dams, active front deflectors, active liftgate spoilers and active tailgate, as well as underbody panels.
• Forward and rear lighting solutions that are more energy efficient and lighter than traditional lighting systems.

**Time horizon**
Medium-term

**Likelihood**
Virtually certain

**Magnitude of impact**
High

**Are you able to provide a potential financial impact figure?**
Yes, an estimated range

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
4500000000

**Potential financial impact figure – maximum (currency)**
5000000000

**Explanation of financial impact figure**
The financial impact figure is derived from business plans (including already booked business) of our Operating Groups developing electrification-related products, presented to and approved by Magna Executive Management at our annual business planning meeting. Based on our first quarter 2023 forecast, in our electrified powertrain business, we expect USD$2.9-3.3 billion in sales* by 2025 driven by a number of growth factors, including e-Drive programs in China in our HASCO-Magna Joint Venture; our high-volume 48V hybrid DCT programs; primary and secondary e-Drives business and expected sales growth in our LG joint venture which is expected to grow sales at an average growth rate of over 50% in the 2019-2025 period. Based on our first quarter 2023, forecast, we also expect approximately 1.6-1.7 billion in sales by 2025 in our battery enclosures business, a 125% compound annual growth rate. The overall range of USD4.5-5 billion is the aggregate of expected electrified powertrain sales* and battery enclosures sales.

*represents managed sales which are comprised of consolidated Magna sales plus sales at 100% for unconsolidated entities.

**Cost to realize opportunity**
2700000000

**Strategy to realize opportunity and explanation of cost calculation**
Strategy: The development of innovative technologies and solutions which address electrification requires R&D spending, as well as capital investments and the acquisition of engineering talent. We continue to invest significant resources to develop and commercialize innovative technologies, which will provide additional value to our customer and which we believe will be critical to our long-term growth. As part of our R&D efforts, our Corporate R&D team engages with the advanced engineering and product development teams of our current and potential OEM customers to understand their product strategies and better align our own product strategy and technology development with customer needs.

Case Study: As a result of these innovation activities, we've developed a number of products that we expect will contribute to our expected electrified powertrain sales growth out to 2025, including our Etelligent range of products:

• EtelligentCommand - a PHEV/HEV system featuring a Dedicated Hybrid Drive DHD Plus at the front & an eDrive Mid+ with torque vectoring at the rear, combined with advanced software and controls.
• EtelligentForce - a battery electric 4WD powertrain system for pickup trucks and light commercial vehicles with Magna's eDrive technology at the front of the vehicle and its eBeam electric axle drive system in the rear.
• EtelligentReach - an all-electric connected powertrain comprised of two electric motors, inverters and gearboxes, that leverages advanced software to maximize vehicle range and driving dynamics. The powertrain achieves a range increase of up to 145 km/90 miles or 30% compared to certain production BEV vehicles in this segment. A vehicle dynamics controller with a disconnect system increases efficiency while reducing CO2 emissions.

Cos Calculation: $900m per year x 3 years. Forecast Operating Group & Corporate engineering expenditures/investments (2023-2025) in areas that address megatrends,

including a significant portion related to electrification. Figure does not account for potential customer recovery/reimbursement of such expenses, nor expected capital spending. Our latest (first quarter 2023) forecast for capital spending is approx. $2.4 billion for 2023. One recent example is our $70 million investment in a new U.S. facility to build complex battery enclosures for the 2022 GMC Hummer EV.

**Comment**

Overall, we believe our range of products provides us with a competitive advantage and an effective hedge against the market uncertainties associated with the transition to ZLEVs. For example, the substantial majority of our products remain relevant to ZLEVs. In the case of drivetrain products, we view the know-how gained from our mechanical drivetrain expertise as being critical to our ability to deliver innovative electrified solutions that meet customer needs. In addition, we also aim to mitigate technology transition risks through:

• early stage interaction with OEM customers to understand their product priorities & regulatory compliance requirements;
• in-house R&D (described above), combined with investments in technological startups; &
•strategic planning processes at both Operating Group and Corporate levels, including Board oversight of strategic plans.

## C3. Business Strategy

## C3.1

**(C3.1) Does your organization's strategy include a climate transition plan that aligns with a 1.5°C world?**

**Row 1**

**Climate transition plan**

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a climate transition plan within two years

**Publicly available climate transition plan**

<Not Applicable>

**Mechanism by which feedback is collected from shareholders on your climate transition plan**

<Not Applicable>

**Description of feedback mechanism**

<Not Applicable>

**Frequency of feedback collection**

<Not Applicable>

**Attach any relevant documents which detail your climate transition plan (optional)**

<Not Applicable>

**Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future**

We do not yet have a formal transition plan that meets the criteria of CDP but are currently evaluating development of such a plan. However, we are undertaking activities that would be relevant to a formal transition plan, including proactively managing our portfolio and evolving our product mix based on alignment with the Car of the Future. We seek to grow our business and capabilities in areas which are positively impacted by the global megatrends. Examples of such areas include powertrain electrification, ADAS systems and battery enclosures, as well as our contract vehicle manufacturing operations. On an automotive industry-wide basis, we believe that only approximately 25% of a vehicle's content is directly linked to vehicle propulsion and thus potentially negatively impacted by the shift from the ICE to electrified propulsion systems. Accordingly, we believe that a majority of vehicle systems, such as body, chassis and seating are positively aligned with the megatrends and will continue to be an integral part of the Car of the Future. We further believe that our product portfolio is even less sensitive to the transition to electrification than the industry as a whole, with approximately 90% of our product portfolio continuing to be highly relevant to the Car of the Future. The remaining 10% of our product portfolio is negatively impacted by the trends towards vehicle electrification includes manual transmissions, mechanical AWD/4WD systems and fuel tank systems.

In our own operations, we have committed to carbon neutrality (Scope 1 and 2) globally by 2030 and expect to submit our targets for validation by SBTi by September 2023. Such Scope 1 and 2 targets will be based on a 1.5 degree criteria.

**Explain why climate-related risks and opportunities have not influenced your strategy**

<Not Applicable>

## C3.2

### (C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

| | Use of climate related scenario analysis to inform strategy | Primary reason why your organization does not use climate related scenario analysis to inform its strategy | Explain why your organization does not use climate related scenario analysis to inform its strategy and any plans to use it in the future |
|---|---|---|---|
| Row 1 | No, but we anticipate using qualitative and/or quantitative analysis in the next two years | Other, please specify (We do not use a climate-related scenario analysis to inform our strategy because there is no reliable data allowing us to model the impact of temperature increases on consumer demand and OEM production volumes for vehicles.) | We don't currently use climate scenario analysis as our business is based on production volumes, which are driven by consumer demand, and we are not aware of reliable data for modelling the impact of temperature increases on such demand or automotive OEM production changes.<br><br>We plan to use climate scenario analysis in future in connection with our mandated obligation to do so under the EU Corporate Sustainability Reporting Directive.<br><br>In the interim, our strategy is based on a number of trends, including those related to climate change. Our Corporate R&D team analyzes key megatrends expected to drive future mobility & automotive development. We recognize the accelerating focus on the impact of climate change as a megatrend; as does the auto industry through its continuing focus on reducing fuel consumption & CO2 emissions from ICE. We have identified opportunities in our product strategy to support OEM customers' efforts, including through lightweighting, more efficient powertrains/drivetrains, electrification & active aerodynamics. These opportunities align with our sustainable goals.<br><br>We do evaluate natural hazard exposures, including coastal flooding risks, through regular modelling/mapping of risk-based scenarios. This exercise helps identify engineering solutions to our facilities located near coastal areas to help mitigate their risk/business impact should such events occur. For example, facilities in coastal areas will continue to be assessed for sea level rise & flooding. Our third party risk control & engineering services provider assists in identifying our exposures & making engineering recommendations to help us mitigate natural catastrophe risks. The threat of more frequent or sever weather event caused by climate change could have a material impact on our operations globally over time and increase current natural hazard risks facing our operations.<br><br>We also have internal assessment programs in place to support elements of our climate-related strategy. We have introduced energy efficiency elements into our MAFACT program; We also recognize that addressing climate issues bring us direct & indirect cost benefits. We make strong efforts in energy reduction as a whole by undertaking energy projects at many facilities. We do not intend to implement a climate-related analysis beyond two years because we will continue using the current processes in place. |

## C3.3

**(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.**

| | Have climate related risks and opportunities influenced your strategy in this area? | Description of influence |
|---|---|---|
| Products and services | Yes | We define short term as 0-2 years, medium term as 2-6 years, and long term as 6-10 years. A number of global megatrends are defining the future of the automotive industry. We have distilled the impacts of the global megatrends into four long-term strategic factors we see as defining the "Car of the Future" – electrification, autonomy, new mobility and connectivity – and have developed our corporate strategy to realize the opportunities from these trends. This represents our Board and Management's collective judgement regarding the automotive systems and services which will continue to be relevant and valued by OEM customers over the next decade (at a minimum). In developing our product strategy, consideration has been given to various factors that are shaping how consumers view the car and the role of the car in their lives.<br><br>Growing awareness about the impact of climate change and other environmental concerns such as urban air quality and congestion have led regulators in many jurisdictions to respond with strict fuel consumption and CO2 emissions regulations, restricted driving zones in urban centres and consumer purchase incentives for hybrid and electric vehicles. These regulatory actions have led to increased focus by automobile manufacturers on optimizing existing ICE vehicles and consumer demand for hybrid, electric and other alternative-energy vehicles to reduce tailpipe emissions. This trend has also increased demand by automobile manufacturers for vehicle lightweighting in order to: downsize engines, thereby reducing fuel consumption and tailpipe emissions for vehicles powered by internal combustion engines; and minimize power consumption/maximize driving range for EVs. The focus on lightweighting has increased the importance in the automotive value chain of lighter weight materials such as high-strength steels, aluminum, thermoplastics and advanced composites.<br><br>One example of a substantive strategic decision made by us, is our decision to enter into a relationship (including an equity stake) with e-mobility automaker Fisker Inc., as part of our corporate strategy to unlock new business models and markets. This relationship includes license of an EV platform, electrical/electronic architecture, complete vehicle engineering and manufacturing, complete ADAS system and potentially other opportunities. |
| Supply chain and/or value chain | Yes | Extreme weather events such as floods and windstorms and other natural disasters may cause significant damage to our or our sub-suppliers' facilities, which could in turn disrupt our production and/or prevent us from supplying products to our customers.<br><br>Given the diversity of climates to which we are exposed in our operations across 30 countries globally, a substantial business decision was to maintain a global property risk control program that includes risk assessment and mitigation strategies to address, where practical, physical risks related to applicable extreme weather events. The program, which includes risk engineering with support from a third party property risk engineering consulting firm, includes the following, among other elements, to promote the resiliency of our facilities and minimize the risk of disruption to our operations from extreme weather events: pre-screening of facility site selection; acquisition risk assessments; periodic facility inspections; facility construction design review and recommendations; and training and education. In addition, in certain circumstances the program extends the risk assessment by identifying and evaluating potential exposures to our direct supply chain (including natural hazards) which could disrupt business operations. Where such supply chain exposures are identified, a more detailed assessment may be performed to better understand the supply chain risk, including further on-site assessment, where practicable.<br><br>Analysis of seismic zone and tropical cyclone zones are conducted yearly to assess short, medium, and long term time horizons, while flood risk analyses are conducted for long term time horizons such as 50-year, 100-year, 200-year and 500-year. The program also analyzes other climate related exposures, including: wind, storm surge, wildfire, tornado. tsunami, hailstorm, lightning, temperature change, precipitation, and water security.<br><br>One example of a recent substantive strategic decision is that in 2022, Magna invested in a third-party supply chain monitoring tool. The tool provides real-time monitoring of a number of supply chain risks, including climate-related events, allowing us to address and possibly mitigate the impact to our business. |
| Investment in R&D | Yes | Climate change continues to increase market demand for energy efficient products with reduced carbon emissions. Several global megatrends are defining the future of the auto industry. We have distilled the impacts of the global megatrends into four long-term strategic factors we see as defining the Car of the Future – electrification, autonomy, new mobility & connectivity–and have developed our corporate strategy to realize the opportunities from these trends. This is our Board & Management's collective judgement regarding the automotive systems/services which will continue to be relevant and valued by OEM customers over the next decade (at a minimum), which we see as long term. Our current strategic focus is aimed at responding to such key industry trends, including vehicle fuel-efficiency and CO2 emissions reduction solutions. We support our OEM customers through innovative solutions which enable them to deliver lighter vehicles, improved/optimized powertrain efficiency & enhanced aerodynamics. However, our business risk profile is constantly changing due to increased investment in electrification and autonomous/assisted driving, including: higher R&D engineering costs, & challenges in quoting for profitable returns on products for which we may not have significant quoting experience.<br><br>An example of a strategic decision made: We entered into a JV with LG Electronics to manufacture e-motors, inverters & on-board chargers &, for certain automakers, related eDrive systems to support the global transition to vehicle electrification. The JV combines our strength in electric powertrain systems & world class manufacturing with LG's expertise in component development for e-motors & inverters. The JV has placed Magna in an even better position to execute its electrification strategy & is one of the growth factors underlying our expected electrified powertrain business sales of $2.9-3.3 billion by 2025. The strategic rationale for the JV has been demonstrated as the JV recently broke ground on a facility in Mexico to produce inverters, motors, & on-board chargers to support General Motors' EV production. The facility is the JV's first production base in North America & will support our customers with best-in-class components for the next generation of EVs as well as expanding Magna's presence in the fast-growing global EV market. |
| Operations | Yes | Our 2022 global energy spend was approx. $581 million, the vast majority for electricity and, to a lesser extent, natural gas & other fuels. As part of our sustainability and operational efficiency efforts, we are focused on optimizing energy use, which may result in overall energy cost savings. However, as we continue to forecast growth in Sales and number of facilities over the medium term, our aggregate energy consumption may rise. Accordingly, we are focused on becoming more energy efficient (measured by energy consumption relative to Sales) so, at minimum, our rate of increase in energy consumption slows. To this end, we developed 2022 energy reduction targets for our Operating Groups that aggregated to approximately 3% compared to the prior year. We also established more aggressive 2 year (10% reduction by 2024) and 5 year (20% reduction) energy intensity reduction targets. We see these targets as substantial strategic decisions.<br><br>Approx. 95% of our Divisions have active energy teams pursuing energy efficiency measures in their respective Divisions. These teams are supported at the corporate level by a Global Energy Management Team which helps identify and promote energy reduction initiatives, including through: training courses to promote strategies for reduced energy use; regional benchmarking sessions; regular communication through newsletters; an internal energy savings collaboration site; and best practice sharing. Our energy reduction progress and initiatives are reported to our Sustainability Champion, helping to increase the visibility of these initiatives across our Operating Groups through the Sustainability Champion's regular interaction with other Operating Group Presidents.<br><br>Some of the incremental changes made by our Divisions to their facilities and processes to reduce our energy consumption and improve energy efficiency include: Installation of LED lighting; Equipment start-up/shut-down/idling procedures to save energy during production downtimes; Computer-controlled utility and HVAC systems to allow for improved performance and energy reduction; and Installation of energy monitoring systems.<br><br>We pursued energy reduction efforts in 2022 as described and summarized in response C4.3a and C4.3b. |

## C3.4

### (C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

| | Financial planning elements that have been influenced | Description of influence |
|---|---|---|
| Row 1 | Revenues<br>Direct costs<br>Indirect costs<br>Capital expenditures<br>Capital allocation<br>Acquisitions and divestments | We invest significant amounts of money in our business through capital expenditures to support new facilities, expansion of existing facilities, purchases of production equipment and acquisitions.<br><br>We have distilled the impacts of the global megatrends into four long-term strategic factors we see as defining the “Car of the Future” – electrification, autonomy, new mobility and connectivity – and have developed our corporate strategy to realize the opportunities from these trends. This represents our Board and Management’s common view regarding the automotive systems and services which will continue to be relevant and valued by OEM customers over the next decade (at a minimum).<br><br>In developing our strategy, consideration has been given to various factors that are shaping how consumers view the car and the role of the car in their lives. Our current strategic focus is aimed at responding to key industry trends, including fuel-efficiency and CO2 emissions reduction solutions; vehicle autonomy features; and new mobility services. We continue to evolve our product portfolio consistent with our corporate strategy. The development of innovative technologies and solutions which are responsive to the global megatrends defining the ‘‘Car of the Future’’ requires R&D spending, as well as capital investments and the acquisition of engineering talent with the necessary software expertise. We believe that the relatively stable profitability and cash generation from our ‘‘traditional’’ businesses provide us with the ability to fund the R&D and capital investment required to realize opportunities related to product areas such as electrification, ADAS and others aligned with the Car of the Future. Additionally, we believe that our comprehensive knowledge and understanding of the entire vehicle and the interaction of various complex vehicle systems provide us with unique advantages in executing our long term strategy.<br><br>Our company is extremely flexible in that our product range is constantly changing to fit the market and adapt to industry trends. Some of the products that Magna carries today did not exist four years ago. As an example, we now offer our customers a range of efficient dual-clutch transmissions (‘‘DCTs’’), including traditional DCTs for vehicles with an ICE, hybrid DCTs featuring an integrated electric motor for start/stop or plug-in hybrid applications and dedicated hybrid transmissions used in applications with an electric motor.<br><br>Additionally, we offer e-Drive systems for fully electrified powertrains. Driving efficiency has become a big trend and demand among our industry and customers, and our range of DCTs provides us with the ability to support varying needs of customers and their strategies to respond to such industry trends.<br><br>We recently we reached a milestone of 100,000 eDrive gearboxes produced for Chinese electric vehicle manufacturers through our Jiangling Motors Co., Ltd. joint venture. In addition, we have received additional business awards to further support Chinese electric vehicle (EV) start-ups. Our eDrive gearboxes are found in various car models from sedans to SUVs for several Chinese automakers, including NIO and Xpeng. We believe that our powertrain business is well-positioned to benefit from the shift toward electrification and we continue to invest in both transmissions and driveline products to further grow in areas such as 48V and high-voltage electric drive systems, including through products such as hybrid transmissions, electric rear drive axles and highly-integrated primary and secondary e-Drive systems.<br><br>With respect to capital allocation processes, we have implemented an "green capital” approval/tracking system which promotes investment in energy-optimization initiatives and energy saving production equipment through a longer (3 year) pay-back period than historically.<br><br>We are currently developing regional portfolio approaches to renewable energy, which include a mix of self-generation (where feasible), power purchase agreements (“PPAs”) and renewable energy certificates (“RECs”). Based on availability, pricing and other considerations, we are targeting a phased-approach to adoption of renewable energy in our key markets, with priority focus on Europe and North America.<br><br>In 2022:<br><br>• approximately 19% of Magna’s global electricity buy was from renewable energy sources (up from 14% year over year);<br>• 61 Divisions were using renewable electricity (up 32 Divisions year over year); and<br>• 26 of our Divisions achieved carbon neutrality (Scopes 1 & 2) by the end of 2022 (up 17 Divisions year over year).<br><br>It is premature to determine whether we can achieve cost savings from implementation of such strategies. As the supply of renewable energy increases, utility rates for such energy may decline. At the same time, the significant investments being made in renewable energy capacity need to be recovered through utility rates and thus it may not be realistic to expect rates to decrease in the near-term unless supply exceeds demand.<br><br>We have implemented renewable energy (photovoltaic) projects at 15 facilities representing in aggregate 27,003 kWp of photovoltaic power, as follows:<br><br>• Cosma Presstec Plant 1 (Austria);<br>• Cosma Presstec Plant 2 (Austria);<br>• Seating Vigo Plant (Spain);<br>• Cosma HS Plant (Austria);<br>• Sonora Forming Plant (Mexico);<br>• ESS Sinabelkirchen Plant (Austria);<br>• Powertrain Bari Plant (Italy);<br>• Magna Steyr Graz Plant (Austria);<br>• Magna Steyr Hoče Plant (Slovenia);<br>• HME Plant (China);<br>• BAIC Magna Zhenjiang Plant (China);<br>• Exteriors Hanzhou Plant (China);<br>• Mechatronics Shuzhou Plan (China);<br>• Seating Zhiangjiaku Plant (China); and<br>• Mechatronics Beijing Plant (China).<br><br>11 of the 15 solar projects have been installed since 2021.<br><br>In addition we have installed 1 Biomass (Austria), 2 Solar Thermal (Austria & Slovenia); and 1 Water Heat Pump (Austria) renewable energy projects.<br><br>Factors impacting the feasibility of self-generation include:<br><br>• geographic location of manufacturing site;<br>• electricity market structure;<br>• availability of governments incentives;<br>• long-term manufacturing footprint considerations; and<br>• owned/leased status of a facility.<br><br>Self-generation of renewable energy through solar or wind generation at any of our facilities may not result in operating cost savings until the capital cost of the generating infrastructure has been recovered. |

## C3.5

**(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?**

| | Identification of spending/revenue that is aligned with your organization s climate transition | Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy |
|---|---|---|
| Row 1 | No, but we plan to in the next two years | <Not Applicable> |

## C4. Targets and performance

### C4.1

**(C4.1) Did you have an emissions target that was active in the reporting year?**
Absolute target

### C4.1a

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

**Target reference number**
Abs 1

**Is this a science-based target?**
Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

**Target ambition**
1.5°C aligned

**Year target was set**
2021

**Target coverage**
Company-wide

**Scope(s)**
Scope 1
Scope 2

**Scope 2 accounting method**
Market-based

**Scope 3 category(ies)**
<Not Applicable>

**Base year**
2019

**Base year Scope 1 emissions covered by target (metric tons CO2e)**
516527

**Base year Scope 2 emissions covered by target (metric tons CO2e)**
1614900

**Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)**
<Not Applicable>

**Base year total Scope 3 emissions covered by target (metric tons CO2e)**
<Not Applicable>

**Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**
2131427

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**
100

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**
100

**Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)**
<Not Applicable>

**Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)**
<Not Applicable>

**Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**
<Not Applicable>

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**
100

**Target year**
2030

**Targeted reduction from base year (%)**
75.76

**Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]**
516657.9048

**Scope 1 emissions in reporting year covered by target (metric tons CO2e)**
433636

**Scope 2 emissions in reporting year covered by target (metric tons CO2e)**
1168803

**Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)**
<Not Applicable>

**Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)**
<Not Applicable>

**Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)**
<Not Applicable>

**Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)**
<Not Applicable>

**Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)**
<Not Applicable>

**Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)**
<Not Applicable>

**Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)**
<Not Applicable>

**Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)**
<Not Applicable>

**Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)**
<Not Applicable>

**Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)**
<Not Applicable>

**Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)**
<Not Applicable>

**Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)**
<Not Applicable>

**Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)**
<Not Applicable>

**Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)**
<Not Applicable>

**Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)**
<Not Applicable>

**Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)**
<Not Applicable>

**Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)**
<Not Applicable>

**Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)**
<Not Applicable>

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**
1602439

**Does this target cover any land-related emissions?**
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

**% of target achieved relative to base year [auto-calculated]**

32.7593586954599

**Target status in reporting year**
Underway

**Please explain target coverage and identify any exclusions**
We have committed to carbon neutrality in 100% our global operations (Scope 1 and 2) by 2030. There are no exclusions. Although our target is not yet validated by SBTi, we expect to submit out target for validation by SBTi by September 2023. Nonetheless, we are already implementing our strategy for achieving our target in alignment with SBTi requirements/criteria.

**Plan for achieving target, and progress made to the end of the reporting year**
Plan to Achieve Target:

We intend to achieve our carbon reduction target in our operations through:

(i) energy optimization initiatives to reduce energy usage. As part of our sustainability and operational efficiency efforts, we are focused on optimizing energy use, which is critical given the direct correlation between non-renewable energy usage and GHG emissions. In connection with our efforts to promote energy efficiency, we developed interim 2022 energy reduction targets for each of our Operating Groups, which aggregated to approximately 3% of our annual energy purchase based on MWh per USD of sales. We reduced our MWh per USD of sales by 1.3% in 2022 (compared to 2021). For future years our Corporate Sustainability team, working with our Operating Groups, has established new short- and long-term energy reduction targets as follows:
- 1 Year (Stretch Target): 10% reduction in energy cost intensity (cost/Production Sales) (Y/E 2023 vs. Y/E 2022)
- 1 Year Target: Complete energy reduction projects in 2023 that equate to at least a 5% reduction of an Operating Group's 2022 actual absolute energy usage
- 2 Year Target: A minimum 10% reduction in energy intensity (kWh/Production Sales) (Y/E 2024 vs. Y/E 2022)
- 5 Year Target: A minimum 20% reduction in energy intensity (kWh/Production Sales) (Y/E 2027 vs. Y/E 2022)

(ii) transition to renewable energy - we are currently developing regional portfolio approaches to renewable energy, which include a mix of self-generation (where feasible), power purchase agreements ("PPAs") and EACs;

Progress Explanation: As a result of our energy reduction efforts, implementation of energy projects, and our renewable energy purchasing strategy, we have already made considerable progress towards achieving our target, including as follows:

- reduced aggregate Scope 1 and 2 emissions by approximately 32% against our 2019 base year;
- increased the % of renewable electricity we purchase to 19% in 2022 (from 1.4% in 2019 base year);
- increased the number of our facilities using renewable electricity to 61 in 2022 (from 7 in 2019 base year);
- increased the number of facilities with on-site solar generation to 6 in 2022 (from 0 in 2019 base year);
- improved our energy intensity by approximately 9.3% against our 2019 base year.

**List the emissions reduction initiatives which contributed most to achieving this target**
<Not Applicable>

## C4.2

**(C4.2) Did you have any other climate-related targets that were active in the reporting year?**
No other climate-related targets

## C4.3

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**
Yes

## C4.3a

**(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

| | Number of initiatives | Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *) |
|---|---|---|
| Under investigation | 648 | 10904 |
| To be implemented* | 0 | 0 |
| Implementation commenced* | 484 | 17933 |
| Implemented* | 101 | 2849 |
| Not to be implemented | 0 | 0 |

## C4.3b

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Initiative category & Initiative type**

| | |
|---|---|
| Energy efficiency in buildings | Lighting |

**Estimated annual CO2e savings (metric tonnes CO2e)**
185.7

**Scope(s) or Scope 3 category(ies) where emissions savings occur**
Scope 1
Scope 2 (location-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**
35428

**Investment required (unit currency – as specified in C0.4)**
254657

**Payback period**
4-10 years

**Estimated lifetime of the initiative**
6-10 years

**Comment**
The information above is aggregated information relating to multiple implemented projects across numerous facilities.

---

**Initiative category & Initiative type**

| | |
|---|---|
| Energy efficiency in production processes | Compressed air |

**Estimated annual CO2e savings (metric tonnes CO2e)**
1109.6

**Scope(s) or Scope 3 category(ies) where emissions savings occur**
Scope 1
Scope 2 (location-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**
148336

**Investment required (unit currency – as specified in C0.4)**
137059

**Payback period**
1-3 years

**Estimated lifetime of the initiative**
6-10 years

**Comment**
The information above is aggregated information relating to multiple projects across numerous facilities.

---

**Initiative category & Initiative type**

| | |
|---|---|
| Energy efficiency in production processes | Smart control system |

**Estimated annual CO2e savings (metric tonnes CO2e)**
12.6

**Scope(s) or Scope 3 category(ies) where emissions savings occur**
Scope 1
Scope 2 (location-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**
31815

**Investment required (unit currency – as specified in C0.4)**
8911

**Payback period**
<1 year

**Estimated lifetime of the initiative**
6-10 years

**Comment**
The information above is aggregated information relating to multiple projects across numerous facilities.

---

**Initiative category & Initiative type**

| | |
|---|---|
| Energy efficiency in buildings | Heating, Ventilation and Air Conditioning (HVAC) |

**Estimated annual CO2e savings (metric tonnes CO2e)**
150.8

**Scope(s) or Scope 3 category(ies) where emissions savings occur**
Scope 1
Scope 2 (location-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**
56250

**Investment required (unit currency – as specified in C0.4)**
12745

**Payback period**
<1 year

**Estimated lifetime of the initiative**
6-10 years

**Comment**
The information above is aggregated information relating to multiple projects across numerous facilities.

**Initiative category & Initiative type**

| | |
|---|---|
| Energy efficiency in production processes | Process optimization |

**Estimated annual CO2e savings (metric tonnes CO2e)**
1239.1

**Scope(s) or Scope 3 category(ies) where emissions savings occur**
Scope 1
Scope 2 (location-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**
477073

**Investment required (unit currency – as specified in C0.4)**
981077

**Payback period**
1-3 years

**Estimated lifetime of the initiative**
6-10 years

**Comment**
The information above is aggregated information relating to multiple projects across numerous facilities.

**Initiative category & Initiative type**

| | |
|---|---|
| Energy efficiency in buildings | Draught proofing |

**Estimated annual CO2e savings (metric tonnes CO2e)**
57.9

**Scope(s) or Scope 3 category(ies) where emissions savings occur**
Scope 1
Scope 2 (location-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**
16762

**Investment required (unit currency – as specified in C0.4)**
79468

**Payback period**
4-10 years

**Estimated lifetime of the initiative**
6-10 years

**Comment**
The information above is aggregated information relating to multiple projects across numerous facilities.

**Initiative category & Initiative type**

| | |
|---|---|
| Other, please specify | Other, please specify (Miscellaneous Projects - Combined initiative types or initiative type not otherwise specified) |

**Estimated annual CO2e savings (metric tonnes CO2e)**
91.7

**Scope(s) or Scope 3 category(ies) where emissions savings occur**
Scope 1
Scope 2 (location-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**
65891

**Investment required (unit currency – as specified in C0.4)**
43069

**Payback period**
<1 year

**Estimated lifetime of the initiative**
6-10 years

**Comment**
The information above is aggregated information relating to multiple projects across numerous facilities.

**Initiative category & Initiative type**

| | |
|---|---|
| Low-carbon energy consumption | Solar PV |

**Estimated annual CO2e savings (metric tonnes CO2e)**
330

**Scope(s) or Scope 3 category(ies) where emissions savings occur**
Scope 1
Scope 2 (location-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**
135000

**Investment required (unit currency – as specified in C0.4)**
370000

**Payback period**
1-3 years

**Estimated lifetime of the initiative**
6-10 years

**Comment**
The information above relates to a solar panel system installed in one of our Mexican facilities completed in 2022.

## C4.3c

### (C4.3c) What methods do you use to drive investment in emissions reduction activities?

| Method | Comment |
|---|---|
| Financial optimization calculations | Our success is directly dependent upon our ability to continuously improve our operations including by identifying new technologies that can both reduce our emissions and lower our costs. |
| Compliance with regulatory requirements/standards | Out legal and engineering teams are responsible in ensuring that Magna meets and/or exceed regulations wherever possible. Magna strives to be an industry leader in health, safety and environmental practices in all operations through technological innovation and process efficiencies to minimize the impact of our operations on the environment and to provide safe and healthful working conditions. In furtherance of this objective, Magna's Health, Safety and Environmental Policy (''HSE Policy'') commits to, among other things: complying with, and exceeding where reasonably possible, all applicable health, safety and environmental laws, regulations and conforming with our internal standards based on generally accepted environmental practices and industry codes of practice; regularly evaluating and monitoring past and present business activities impacting on health, safety and environmental matters; improving the efficient use of natural resources, including energy and water; minimizing waste streams and emissions; implementing effective recycling in manufacturing operations, in each case, through the use of locally set continuous improvement targets; utilizing innovative design and engineering to reduce the environmental impact of our products during vehicle operation and at end of life; ensuring that a systematic review program is implemented and monitored at all times for each of our operations, with a goal of continuous improvement in health, safety and environmental matters; and reporting to the Board at least annually. |
| Partnering with governments on technology development | Together with government we have developed a number of technologies aimed at reductions in weight and energy use to achieve lower greenhouse gas emissions. The U.S. Department of Energy (DOE) awarded its Distinguished Achievement Award to Ford and Magna in connection with our collaborative development of the Multi-Material Lightweight Vehicle (MMLV) concept.<br><br>In 2022, Magna also joined the U.S. Environmental Protection Agency's (EPA) ENERGY STAR program as a partner. Through this partnership, we will work to improve energy efficiency in our operations and fight climate change through an enhanced energy management program in which we will:<br>■ Continue to measure and track the energy performance of our organization's facilities, where possible;<br>■ Continue to develop and expand our energy management programs consistent with the Energy Star Guidelines to achieve energy savings;<br>■ Help spread the word about the importance of energy efficiency to our staff and community;<br>■ Highlight our achievements with recognition offered through ENERGY STAR |
| Employee engagement | In 2022, we made a number of enhancements aimed at improving engagement with employees and increasing their expertise, awareness and motivation with respect to emissions reductions:<br><br>■ we introduced a Corporate-wide Fundamentals of Sustainability Training, which was rolled out in 11 languages and completed by approximately 42,000 employees. The training provides a review of sustainability basics and their relation our business, and helps our organization continue to cultivate interest, ideas and opportunities for improving our operations and products and our world in general.<br><br>■ held our first annual Commitment to Sustainability Awards to recognize how sustainable activities benefit our Divisions, our environment, and all stakeholders. The awards, which are open to Magna's Divisions globally, are separated into three categories: (i) product excellence and innovation; (ii) process improvements that advance lean and sustainability efforts; and (iii) people – programs that overcome employee and community challenges in the areas of education and training, health and safety, diversity and inclusion, and other areas of social impact. 71 Divisions submitted applications for the inaugural awards, and 191 Divisions have submitted applications for this year's awards. |

## C4.5

### (C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

## C4.5a

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.**

**Level of aggregation**
Product or service

**Taxonomy used to classify product(s) or service(s) as low-carbon**
No taxonomy used to classify product(s) or service(s) as low carbon

**Type of product(s) or service(s)**

| | |
|---|---|
| Road | Other, please specify (Electrified Powertrains and complete electric vehicle assembly) |

**Description of product(s) or service(s)**
We do not currently classify products in relation to a specified taxonomy, however, we are currently examining the requirements to do so using the EU Taxonomy for environmentally sustainable economic activities, in connection with upcoming reporting obligations under the EU CSRD reporting regime.

Our preliminary analysis indicates that the potentially relevant categories under the EU Taxonomy are:

- 3.18: "Manufacture, repair, maintenance, retrofit, reuse and upgrade of mobility components for zero-emission personal mobility aids". This would include components we produce that are "essential for providing and improving the environmental performance of the vehicle", namely our electrified powertrains produced by our Magna Powertrain operating Group. Our high voltage portfolio covers the entire range for pure electric vehicles, from single components to complete systems – from eAxles and eDrive transmissions up to highly integrated eDrives.

- 3.3: "Production of low-carbon technologies for transport", which could include complete Electric Vehicle assembly by our Magna Steyr operating Group. which currently assembles the Jaguar I-PACE EV model; and BAIC's ArcFox αT and αS EV models through our BJEV joint venture.

**Have you estimated the avoided emissions of this low-carbon product(s) or service(s)**
No

**Methodology used to calculate avoided emissions**
<Not Applicable>

**Life cycle stage(s) covered for the low-carbon product(s) or services(s)**
<Not Applicable>

**Functional unit used**
<Not Applicable>

**Reference product/service or baseline scenario used**
<Not Applicable>

**Life cycle stage(s) covered for the reference product/service or baseline scenario**
<Not Applicable>

**Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario**
<Not Applicable>

**Explain your calculation of avoided emissions, including any assumptions**
<Not Applicable>

**Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year**
3

## C5. Emissions methodology

### C5.1

**(C5.1) Is this your first year of reporting emissions data to CDP?**
No

### C5.1a

**(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?**

**Row 1**

**Has there been a structural change?**
No

**Name of organization(s) acquired, divested from, or merged with**
<Not Applicable>

**Details of structural change(s), including completion dates**
<Not Applicable>

## C5.1b

**(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?**

| | | |
|---|---|---|
| Row 1 | Yes, a change in methodology | The data sources and calculation methodology have been changed for multiple scope 3 categories. For example, weight-based data and new emission factor sources have been incorporated into our emissions calculations for purchased goods and services. Please refer to C6.5 for further details regarding our current methodology. |

## C5.1c

**(C5.1c) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?**

| | | | | |
|---|---|---|---|---|
| Row 1 | Yes | Scope 3 | Our policy is to recalculate Scope 3 emissions if there is change in methodology. The significance threshold for such a recalculation is generally 5%. | No |

## C5.2

**(C5.2) Provide your base year and base year emissions.**

**Scope 1**

**Base year start**
January 1 2010

**Base year end**
December 31 2010

**Base year emissions (metric tons CO2e)**
334000

**Comment**

**Scope 2 (location-based)**

**Base year start**
January 1 2010

**Base year end**
December 31 2010

**Base year emissions (metric tons CO2e)**
983000

**Comment**

**Scope 2 (market-based)**

**Base year start**
January 1 2010

**Base year end**
December 31 2010

**Base year emissions (metric tons CO2e)**
983000

**Comment**
The location-based result has been used as a proxy since a market-based figure cannot be calculated.

**Scope 3 category 1: Purchased goods and services**

**Base year start**
January 1 2021

**Base year end**
December 31 2021

**Base year emissions (metric tons CO2e)**
22762020

**Comment**
Spend data is collected for direct and indirect purchased goods and services. This spend data is consolidated at a category level and multiplied by spend-based emission factors from an environmentally extended input-output (EEIO) database to estimate emissions. A different approach has been taken specifically for steel and aluminum purchases, where the mass of purchased products is multiplied by weight-based emission factors from a third-party.

### Scope 3 category 2: Capital goods

**Base year start**
January 1 2021

**Base year end**
December 31 2021

**Base year emissions (metric tons CO2e)**
372331

**Comment**
Spend data is collected for capital goods. This spend data is consolidated at a category level and multiplied by spend-based emission factors from an environmentally extended input-output (EEIO) database to estimate emissions.

### Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

**Base year start**
January 1 2021

**Base year end**
December 31 2021

**Base year emissions (metric tons CO2e)**
318366

**Comment**
Energy consumption data is collected and aggregated by energy source (e.g., Natural Gas, Electricity, etc.) and country. Energy consumption values are multiplied by the corresponding well-to-tank (WTT) emission factors for their energy source, and in the case of electricity, country-level emission factors are used. Please note that emissions associated with electricity for this category include transmission and distribution (T&D) losses as well as WTT emissions for both generation and T&D losses; however, only T&D losses were included for renewable electricity consumption.

### Scope 3 category 4: Upstream transportation and distribution

**Base year start**
January 1 2021

**Base year end**
December 31 2021

**Base year emissions (metric tons CO2e)**
791049

**Comment**
Spend data is collected for upstream transportation and distribution. This spend data is consolidated at a category level and multiplied by spend-based emission factors from an environmentally extended input-output (EEIO) database to estimate emissions. These estimates are inclusive of well-to-tank (WTT) emissions. In cases where these transportation and distribution costs were unable to be separated from purchased goods and services, they have been captured in Category 1.

### Scope 3 category 5: Waste generated in operations

**Base year start**
January 1 2021

**Base year end**
December 31 2021

**Base year emissions (metric tons CO2e)**
306063

**Comment**
Waste data is collected and aggregated by waste type, treatment, and region. Waste data is then multiplied by the corresponding weight-based emission factor based on waste type, treatment, and region. Emission factor sources include the US EPA, UK DEFRA/DBEIS, and other third-parties.

### Scope 3 category 6: Business travel

**Base year start**
January 1 2021

**Base year end**
December 31 2021

**Base year emissions (metric tons CO2e)**
26923

**Comment**
Spend data is collected for business travel. This spend data is consolidated at a category level and multiplied by spend-based emission factors from an environmentally extended input-output (EEIO) database to estimate emissions. These estimates are inclusive of well-to-tank (WTT) emissions.

### Scope 3 category 7: Employee commuting

**Base year start**
January 1 2021

**Base year end**
December 31 2021

**Base year emissions (metric tons CO2e)**
132015

**Comment**
Employee headcount data is collected and aggregated by country. A third-party model is then used to estimate emissions associated with employee commuting. This model relies on publicly available data including region-specific averages for commuting distances, commuting modes of transportation, and mode-specific emission factors. These estimates are inclusive of well-to-tank (WTT) emissions.

### Scope 3 category 8: Upstream leased assets

**Base year start**
January 1 2021

**Base year end**
December 31 2021

**Base year emissions (metric tons CO2e)**
0

**Comment**
This category is not relevant to Magna as emissions associated with upstream leased assets are already captured in Magna's scope 1 and scope 2 emissions.

### Scope 3 category 9: Downstream transportation and distribution

**Base year start**
January 1 2021

**Base year end**
December 31 2021

**Base year emissions (metric tons CO2e)**
910907

**Comment**
Magna's emissions are estimated by taking a percentage of upstream transportation and distribution (Category 4) emissions of five of Magna's largest customers by sales ($) and extrapolated to cover all downstream transportation activities.

### Scope 3 category 10: Processing of sold products

**Base year start**
January 1 2021

**Base year end**
December 31 2021

**Base year emissions (metric tons CO2e)**
713937

**Comment**
Sales and weight data is collected for parts sold by Magna and aggregated by part and customer, and converted to a vehicle equivalent measure by dividing by the average weight of a vehicle. An average new vehicle weight of 4,289 lbs was used from the US EPA's 2022 automotive trends report.

Production intensity figures (tCO2e/vehicle) were collected for various Magna customers from past CDP responses. These represent the scope 1 and scope 2 emissions of Magna's customers on a per vehicle basis. Magna's vehicle equivalent figures are multiplied by the corresponding production intensity and extrapolated to cover the processing emissions of all sold parts.

### Scope 3 category 11: Use of sold products

**Base year start**
January 1 2021

**Base year end**
December 31 2021

**Base year emissions (metric tons CO2e)**
18042710

**Comment**
This category includes all products that are deemed to have direct use-phase emissions, which includes powertrain parts, parts that directly consume energy, and complete vehicle manufacturing. Sales and weight data is collected for products sold by Magna and converted to a vehicle equivalent measure using an average new vehicle weight of 4,289 lbs from the US EPA's 2022 automotive trends report. Vehicle lifecycle emissions are estimated using publicly available emission factors (tCO2e/km) and an assumed vehicle lifetime of 200,000 km from the IEA Global Fuel Economy Initiative (2021).

### Scope 3 category 12: End of life treatment of sold products

**Base year start**
January 1 2021

**Base year end**
December 31 2021

**Base year emissions (metric tons CO2e)**
415565

**Comment**
Sales and weight data is collected for products sold by Magna and aggregated. The total weight of products sold is allocated to recycling and landfill based on findings from an academic journal. Weights are multiplied by publicly available emission factors for the corresponding waste treatment type (i.e., recycling, landfill).

### Scope 3 category 13: Downstream leased assets

**Base year start**
January 1 2021

**Base year end**
December 31 2021

**Base year emissions (metric tons CO2e)**
0

**Comment**
This category is not relevant to Magna since Magna does not lease assets to other entities.

### Scope 3 category 14: Franchises

**Base year start**
January 1 2021

**Base year end**
December 31 2021

**Base year emissions (metric tons CO2e)**
0

**Comment**
This category is not relevant to Magna since Magna does not have any franchises.

### Scope 3 category 15: Investments

**Base year start**
January 1 2021

**Base year end**
December 31 2021

**Base year emissions (metric tons CO2e)**
96435

**Comment**
Revenue data is collected from Magna's joint ventures and multiplied by spend-based emission factors from an environmentally extended input-output (EEIO) database to estimate the scope 1 and scope 2 emissions of each investment. These emissions are multiplied by Magna's share of ownership in the investment to allocate a proportion to Magna. Please note that 2022 emissions have been included here as an estimate since 2021 data was not available.

### Scope 3: Other (upstream)

**Base year start**
January 1 2021

**Base year end**
December 31 2021

**Base year emissions (metric tons CO2e)**
0

**Comment**
All upstream emissions are already captured in scope 3.

### Scope 3: Other (downstream)

**Base year start**
January 1 2021

**Base year end**
December 31 2021

**Base year emissions (metric tons CO2e)**
38956907

**Comment**
This category includes all products that are deemed to have indirect use-phase emissions, which includes all products excluding powertrain parts, parts that directly consume energy, and complete vehicle manufacturing. Vehicle lifecycle emissions are estimated using publicly available emission factors (tCO2e/km) and an assumed vehicle lifetime of 200,000 km from the IEA Global Fuel Economy Initiative (2021).

## C5.3

**(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance
The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard
US EPA Mandatory Greenhouse Gas Reporting Rule
Other, please specify (Canada - Scope 1 Ontario Regulation 452)

# C6. Emissions data

## C6.1

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**
433636

**Start date**
<Not Applicable>

**End date**
<Not Applicable>

**Comment**

## C6.2

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**
We are reporting a Scope 2, location-based figure

**Scope 2, market-based**
We are reporting a Scope 2, market-based figure

**Comment**

## C6.3

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

**Scope 2, location-based**
1206704

**Scope 2, market-based (if applicable)**
1168803

**Start date**
<Not Applicable>

**End date**
<Not Applicable>

**Comment**

## C6.4

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?**
No

## C6.5

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

### Purchased goods and services

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
22762020

**Emissions calculation methodology**
Average data method
Spend-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Please explain**
Spend data is collected for direct and indirect purchased goods and services. This spend data is consolidated at a category level and multiplied by spend-based emission factors from an environmentally extended input-output (EEIO) database to estimate emissions. A different approach has been taken specifically for steel and aluminum purchases, where the mass of purchased products is multiplied by weight-based emission factors from a third-party. Please note that 2021 emissions have been included here as an estimate since 2022 emissions for this category are not yet available.

### Capital goods

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
372331

**Emissions calculation methodology**
Spend-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Please explain**
Spend data is collected for capital goods. This spend data is consolidated at a category level and multiplied by spend-based emission factors from an environmentally extended input-output (EEIO) database to estimate emissions. Please note that 2021 emissions have been included here as an estimate since 2022 emissions for this category are not yet available.

### Fuel-and-energy-related activities (not included in Scope 1 or 2)

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
318366

**Emissions calculation methodology**
Average data method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Please explain**
Energy consumption data is collected and aggregated by energy source (e.g., Natural Gas, Electricity, etc.) and country. Energy consumption values are multiplied by the corresponding well-to-tank (WTT) emission factors for their energy source, and in the case of electricity, country-level emission factors are used. Please note that emissions associated with electricity for this category include transmission and distribution (T&D) losses as well as WTT emissions for both generation and T&D losses; however, only T&D losses were included for renewable electricity consumption. Please note that 2021 emissions have been included here as an estimate since 2022 emissions for this category are not yet available.

### Upstream transportation and distribution

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
791049

**Emissions calculation methodology**
Spend-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Please explain**
Spend data is collected for upstream transportation and distribution. This spend data is consolidated at a category level and multiplied by spend-based emission factors from an environmentally extended input-output (EEIO) database to estimate emissions. These estimates are inclusive of well-to-tank (WTT) emissions. In cases where these transportation and distribution costs were unable to be separated from purchased goods and services, they have been captured in Category 1. Please note that 2021 emissions have been included here as an estimate since 2022 emissions for this category are not yet available.

### Waste generated in operations

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
306063

**Emissions calculation methodology**
Waste-type-specific method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Please explain**
Waste data is collected and aggregated by waste type, treatment, and region. Waste data is then multiplied by the corresponding weight-based emission factor based on waste type, treatment, and region. Emission factor sources include the US EPA, UK DEFRA/DBEIS, and other third-parties. Please note that 2021 emissions have been included here as an estimate since 2022 emissions for this category are not yet available.

### Business travel

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
26923

**Emissions calculation methodology**
Spend-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Please explain**
Spend data is collected for business travel. This spend data is consolidated at a category level and multiplied by spend-based emission factors from an environmentally extended input-output (EEIO) database to estimate emissions. These estimates are inclusive of well-to-tank (WTT) emissions. Please note that 2021 emissions have been included here as an estimate since 2022 emissions for this category are not yet available.

### Employee commuting

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
132015

**Emissions calculation methodology**
Average data method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
100

**Please explain**
Employee headcount data is collected and aggregated by country. A third-party model is then used to estimate emissions associated with employee commuting. This model relies on publicly available data including region-specific averages for commuting distances, commuting modes of transportation, and mode-specific emission factors. These estimates are inclusive of well-to-tank (WTT) emissions. Please note that 2021 emissions have been included here as an estimate since 2022 emissions for this category are not yet available.

### Upstream leased assets

**Evaluation status**
Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
This category is not relevant to Magna as emissions associated with upstream leased assets are already captured in Magna’s scope 1 and scope 2 emissions.

### Downstream transportation and distribution

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
910907

**Emissions calculation methodology**
Supplier-specific method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
100

**Please explain**
Magna's emissions are estimated by taking a percentage of upstream transportation and distribution (Category 4) emissions of five of Magna's largest customers by sales ($) and extrapolated to cover all downstream transportation activities. Please note that 2021 emissions have been included here as an estimate since 2022 emissions for this category are not yet available.

### Processing of sold products

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
713937

**Emissions calculation methodology**
Supplier-specific method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
100

**Please explain**
Sales and weight data is collected for parts sold by Magna and aggregated by part and customer, and converted to a vehicle equivalent measure by dividing by the average weight of a vehicle. An average new vehicle weight of 4,289 lbs was used from the US EPA's 2022 automotive trends report.

Production intensity figures (tCO2e/vehicle) were collected for various Magna customers from past CDP responses. These represent the scope 1 and scope 2 emissions of Magna's customers on a per vehicle basis. Magna's vehicle equivalent figures are multiplied by the corresponding production intensity and extrapolated to cover the processing emissions of all sold parts. Please note that 2021 emissions have been included here as an estimate since 2022 emissions for this category are not yet available.

### Use of sold products

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
18042710

**Emissions calculation methodology**
Average data method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Please explain**
This category includes all products that are deemed to have direct use-phase emissions, which includes powertrain parts, parts that directly consume energy, and complete vehicle manufacturing. Sales and weight data is collected for products sold by Magna and converted to a vehicle equivalent measure using an average new vehicle weight of 4,289 lbs from the US EPA's 2022 automotive trends report. Vehicle lifecycle emissions are estimated using publicly available emission factors (tCO2e/km) and an assumed vehicle lifetime of 200,000 km from the IEA Global Fuel Economy Initiative (2021). Please note that 2021 emissions have been included here as an estimate since 2022 emissions for this category are not yet available.

### End of life treatment of sold products

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
415565

**Emissions calculation methodology**
Average data method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Please explain**
Sales and weight data is collected for products sold by Magna and aggregated. The total weight of products sold is allocated to recycling and landfill based on findings from an academic journal. Weights are multiplied by publicly available emission factors for the corresponding waste treatment type (i.e., recycling, landfill). Please note that 2021 emissions have been included here as an estimate since 2022 emissions for this category are not yet available.

**Downstream leased assets**

**Evaluation status**
Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
This category is not relevant to Magna since Magna does not lease assets to other entities.

**Franchises**

**Evaluation status**
Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
This category is not relevant to Magna since Magna does not have any franchises.

**Investments**

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
96435

**Emissions calculation methodology**
Spend-based method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Please explain**
Revenue data is collected from Magna's joint ventures and multiplied by spend-based emission factors from an environmentally extended input-output (EEIO) database to estimate the scope 1 and scope 2 emissions of each investment. These emissions are multiplied by Magna's share of ownership in the investment to allocate a proportion to Magna.

**Other (upstream)**

**Evaluation status**
Not relevant, explanation provided

**Emissions in reporting year (metric tons CO2e)**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
All upstream emissions are already captured in scope 3.

**Other (downstream)**

**Evaluation status**
Not relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
38956907

**Emissions calculation methodology**
Average data method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Please explain**
This category includes all products that are deemed to have indirect use-phase emissions, which includes all products excluding powertrain parts, parts that directly consume energy, and complete vehicle manufacturing. Vehicle lifecycle emissions are estimated using publicly available emission factors (tCO2e/km) and an assumed vehicle lifetime of 200,000 km from the IEA Global Fuel Economy Initiative (2021). Please note that 2021 emissions have been included here as an estimate since 2022 emissions for this category are not yet available.

## C6.7

**(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**
No

## C6.10

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Intensity figure**
0.0000423

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**
1602439

**Metric denominator**
unit total revenue

**Metric denominator: Unit total**
37840000000

**Scope 2 figure used**
Market-based

**% change from previous year**
0

**Direction of change**
No change

**Reason(s) for change**
Change in renewable energy consumption
Other emissions reduction activities
Change in output
Change in revenue

**Please explain**
Magna's intensity experienced no change despite an increase in sales from 2021 to 2022, as a result of our continuing implementation of energy efficiency and emissions reduction projects and increased % of renewable electricity purchases.

**Intensity figure**
9.54

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**
1602439

**Metric denominator**
full time equivalent (FTE) employee

**Metric denominator: Unit total**
168000

**Scope 2 figure used**
Market-based

**% change from previous year**
1.24

**Direction of change**
Decreased

**Reason(s) for change**
Other emissions reduction activities
Change in output

**Please explain**
Magna's intensity by employee improved slightly notwithstanding a bigger workforce than 2021, as a result of our continuing implementation of energy efficiency and emissions reduction projects and increased % of renewable electricity purchases.

# C7. Emissions breakdowns

## C7.1

**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**
Yes

## C7.1a

**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

| | | |
|---|---|---|
| CO2 | 428430 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| CH4 | 547 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| N2O | 777 | IPCC Fifth Assessment Report (AR5 – 100 year) |
| HFCs | 3882 | IPCC Fifth Assessment Report (AR5 – 100 year) |

## C7.2

**(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.**

| | |
|---|---|
| Europe | 122668 |
| Asia Middle East (AME) | 17060 |
| Canada | 122978 |
| United States of America | 122978 |
| Mexico | 49428 |
| South America | 984 |
| Africa | 363 |

## C7.3

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By business division

## C7.3a

**(C7.3a) Break down your total gross global Scope 1 emissions by business division.**

| | |
|---|---|
| Cosma (Body & Chassis) | 211551 |
| Corporate | 2898 |
| Exteriors | 118136 |
| Magna Mechatronics, Mirrors and Lighting | 26254 |
| Powertrain | 46224 |
| Seating | 9687 |
| Steyr (Complete Vehicle Assembly & Engineering) | 15722 |
| Electronics | 1152 |
| Energy Storage Systems | 2014 |

## C7.5

**(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.**

| | | |
|---|---|---|
| Europe | 277763 | 308371 |
| Asia Middle East (AME) | 352411 | 294854 |
| Canada | 13125 | 12612 |
| United States of America | 393630 | 393012 |
| Mexico | 164500 | 155961 |
| South America | 3521 | 2239 |
| Africa | 1754 | 1754 |

## C7.6

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**
By business division

## C7.6a

**(C7.6a) Break down your total gross global Scope 2 emissions by business division.**

| | | |
|---|---|---|
| Cosma (Body & Chassis) | 523134 | 527931 |
| Corporate | 1572 | 1574 |
| Exteriors | 229696 | 251785 |
| Magna Mechatronics, Mirrors and Lighting | 171242 | 152339 |
| Powertrain | 186989 | 150223 |
| Seating | 39983 | 35864 |
| Steyr (Complete Vehicle Assembly & Engineering) | 30934 | 25023 |
| Electronics | 13472 | 11255 |
| Energy Storage Systems | 9680 | 12809 |

## C7.7

**(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?**
No

## C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**
Increased

## C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

| | | | | |
|---|---|---|---|---|
| Change in renewable energy consumption | 37720 | Decreased | 2.5 | Reduction of scope 2 emissions (Market-based) in connection with the purchase of Energy Attribute Certificates (RECs etc). (Decrease % vs 2021) |
| Other emissions reduction activities | 20782 | Decreased | 1.4 | Reduction of energy related emissions based on on-site energy reduction projects. (Decrease % vs 2021) |
| Divestment | 0 | No change | | |
| Acquisitions | 0 | No change | | |
| Mergers | 0 | No change | | |
| Change in output | 134944 | Increased | 8.8 | Calculated based on<br><br>(i) overall increase in Magna output by sales of approximately 4.3% versus 2021;<br><br>(ii) increased sales in Asia year over year, which has a higher weighted impact on our Scope 2 emissions (as a result of a higher carbon intensive grid in Asia); and<br><br>(iii) the impact of residual emissions factors in Europe (primarily Germany) and the US. |
| Change in methodology | 0 | No change | | |
| Change in boundary | 0 | No change | | |
| Change in physical operating conditions | 0 | No change | | |
| Unidentified | 0 | No change | | |
| Other | 0 | No change | | |

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**
Market-based

## C8. Energy

### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

### C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

| | |
|---|---|
| Consumption of fuel (excluding feedstocks) | Yes |
| Consumption of purchased or acquired electricity | Yes |
| Consumption of purchased or acquired heat | Yes |
| Consumption of purchased or acquired steam | Yes |
| Consumption of purchased or acquired cooling | No |
| Generation of electricity, heat, steam, or cooling | Yes |

### C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

| | | | | |
|---|---|---|---|---|
| Consumption of fuel (excluding feedstock) | HHV (higher heating value) | 0 | 2241101 | 2241101 |
| Consumption of purchased or acquired electricity | <Not Applicable> | 484924 | 2676414 | 3161338 |
| Consumption of purchased or acquired heat | <Not Applicable> | 0 | 93994 | 93994 |
| Consumption of purchased or acquired steam | <Not Applicable> | 0 | 18800 | 18800 |
| Consumption of purchased or acquired cooling | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Consumption of self-generated non-fuel renewable energy | <Not Applicable> | 1341 | <Not Applicable> | 1341 |
| Total energy consumption | <Not Applicable> | 486265 | 5030309 | 5516574 |

### C8.2b

**(C8.2b) Select the applications of your organization's consumption of fuel.**

| | |
|---|---|
| Consumption of fuel for the generation of electricity | Yes |
| Consumption of fuel for the generation of heat | Yes |
| Consumption of fuel for the generation of steam | No |
| Consumption of fuel for the generation of cooling | No |
| Consumption of fuel for co-generation or tri-generation | Yes |

### C8.2c

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

**Sustainable biomass**

**Heating value**
HHV

**Total fuel MWh consumed by the organization**
0

**MWh fuel consumed for self-generation of electricity**
0

**MWh fuel consumed for self-generation of heat**
0

**MWh fuel consumed for self-generation of steam**
<Not Applicable>

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**
0

**Comment**
No reported use of biomass

**Other biomass**

**Heating value**
HHV

**Total fuel MWh consumed by the organization**
0

**MWh fuel consumed for self-generation of electricity**
0

**MWh fuel consumed for self-generation of heat**
0

**MWh fuel consumed for self-generation of steam**
<Not Applicable>

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**
0

**Comment**
No reported use of biomass

**Other renewable fuels (e.g. renewable hydrogen)**

**Heating value**
HHV

**Total fuel MWh consumed by the organization**
0

**MWh fuel consumed for self-generation of electricity**
0

**MWh fuel consumed for self-generation of heat**
0

**MWh fuel consumed for self-generation of steam**
<Not Applicable>

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**
0

**Comment**

**Coal**

**Heating value**
HHV

**Total fuel MWh consumed by the organization**
23869

**MWh fuel consumed for self-generation of electricity**
0

**MWh fuel consumed for self-generation of heat**
23869

**MWh fuel consumed for self-generation of steam**
<Not Applicable>

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**
0

**Comment**
Note - Use is Coal Gas

**Oil**

**Heating value**
HHV

**Total fuel MWh consumed by the organization**
14507

**MWh fuel consumed for self-generation of electricity**
0

**MWh fuel consumed for self-generation of heat**
0

**MWh fuel consumed for self-generation of steam**
<Not Applicable>

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**
0

**Comment**
Diesel Fuel Used in Stationary Equipment. Multiple uses primarily for emergency generators.

**Gas**

**Heating value**
HHV

**Total fuel MWh consumed by the organization**
2055864

**MWh fuel consumed for self-generation of electricity**
42142

**MWh fuel consumed for self-generation of heat**
1881998

**MWh fuel consumed for self-generation of steam**
<Not Applicable>

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**
131723

**Comment**
Co-Generation and Tri-Generation values provided in self-generation of electricity, heat steam and cooling figures.

**Other non-renewable fuels (e.g. non-renewable hydrogen)**

**Heating value**
HHV

**Total fuel MWh consumed by the organization**
146861

**MWh fuel consumed for self-generation of electricity**
0

**MWh fuel consumed for self-generation of heat**
0

**MWh fuel consumed for self-generation of steam**
<Not Applicable>

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**
0

**Comment**
Other Non-Renewable Fuels Include: Propane and LPG; Jet Fuel; Mobile Fuels (gasoline/petrol and on-road diesel).
Breakdown of fuel consumptions not available.
Propane/LPG used as fuel for on-site material handling equipment (i.e. forklifts etc)

**Total fuel**

**Heating value**
HHV

**Total fuel MWh consumed by the organization**
2241101

**MWh fuel consumed for self-generation of electricity**
12947

**MWh fuel consumed for self-generation of heat**
1915571

**MWh fuel consumed for self-generation of steam**
<Not Applicable>

**MWh fuel consumed for self-generation of cooling**
<Not Applicable>

**MWh fuel consumed for self- cogeneration or self-trigeneration**
153035

**Comment**

## C8.2d

**(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

| | | | | |
|---|---|---|---|---|
| Electricity | 66315 | 66315 | 1280 | 1280 |
| Heat | 19708 | 19708 | 61 | 61 |
| Steam | 7630 | 7630 | 0 | 0 |
| Cooling | 0 | 0 | 0 | 0 |

## C8.2e

**(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.**

**Country/area of low-carbon energy consumption**
India

**Sourcing method**
Physical power purchase agreement (physical PPA) with a grid-connected generator

**Energy carrier**
Electricity

**Low-carbon technology type**
Renewable energy mix, please specify (Solar and Wind)

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**
4794

**Tracking instrument used**
Contract

**Country/area of origin (generation) of the low-carbon energy or energy attribute**
India

**Are you able to report the commissioning or re-powering year of the energy generation facility?**
No

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**
<Not Applicable>

**Comment**
Wind/Solar/Bagasse Power Projects in Tamil Nadu, India

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**Country/area of low-carbon energy consumption**
Slovakia

**Sourcing method**
Unbundled procurement of energy attribute certificates (EACs)

**Energy carrier**
Electricity

**Low-carbon technology type**
Renewable energy mix, please specify (Not specified)

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**
31271

**Tracking instrument used**
GO

**Country/area of origin (generation) of the low-carbon energy or energy attribute**
Slovakia

**Are you able to report the commissioning or re-powering year of the energy generation facility?**
No

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**
<Not Applicable>

**Comment**

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**Country/area of low-carbon energy consumption**
Canada

**Sourcing method**
Unbundled procurement of energy attribute certificates (EACs)

**Energy carrier**
Electricity

**Low-carbon technology type**
Hydropower (capacity unknown)

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**
20176

**Tracking instrument used**
US-REC

**Country/area of origin (generation) of the low-carbon energy or energy attribute**
Canada

**Are you able to report the commissioning or re-powering year of the energy generation facility?**
No

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**
<Not Applicable>

**Comment**

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**Country/area of low-carbon energy consumption**
Italy

**Sourcing method**
Unbundled procurement of energy attribute certificates (EACs)

**Energy carrier**
Electricity

**Low-carbon technology type**
Renewable energy mix, please specify (Not specified)

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**
35819

**Tracking instrument used**
Contract

**Country/area of origin (generation) of the low-carbon energy or energy attribute**
Italy

**Are you able to report the commissioning or re-powering year of the energy generation facility?**
No

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**
<Not Applicable>

**Comment**

## C8.2g

**(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.**

**Country/area**
Other, please specify (Europe)

**Consumption of purchased electricity (MWh)**
958388

**Consumption of self-generated electricity (MWh)**
20278

**Is this electricity consumption excluded from your RE100 commitment?**
<Not Applicable>

**Consumption of purchased heat, steam, and cooling (MWh)**
106104

**Consumption of self-generated heat, steam, and cooling (MWh)**
17582

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
1102352

**Country/area**
Other, please specify (Asia)

**Consumption of purchased electricity (MWh)**
412010

**Consumption of self-generated electricity (MWh)**
57.8

**Is this electricity consumption excluded from your RE100 commitment?**
<Not Applicable>

**Consumption of purchased heat, steam, and cooling (MWh)**
6690

**Consumption of self-generated heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
418757.8

**Country/area**
Other, please specify (South America)

**Consumption of purchased electricity (MWh)**
29463

**Consumption of self-generated electricity (MWh)**
0

**Is this electricity consumption excluded from your RE100 commitment?**
<Not Applicable>

**Consumption of purchased heat, steam, and cooling (MWh)**
0

**Consumption of self-generated heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
29463

**Country/area**
Other, please specify (Africa)

**Consumption of purchased electricity (MWh)**
2439

**Consumption of self-generated electricity (MWh)**
0

**Is this electricity consumption excluded from your RE100 commitment?**
<Not Applicable>

**Consumption of purchased heat, steam, and cooling (MWh)**
0

**Consumption of self-generated heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
2439

---

**Country/area**
Canada

**Consumption of purchased electricity (MWh)**
516067

**Consumption of self-generated electricity (MWh)**
41430.44

**Is this electricity consumption excluded from your RE100 commitment?**
<Not Applicable>

**Consumption of purchased heat, steam, and cooling (MWh)**
0

**Consumption of self-generated heat, steam, and cooling (MWh)**
9756

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
567253.44

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**Country/area**
United States of America

**Consumption of purchased electricity (MWh)**
831416

**Consumption of self-generated electricity (MWh)**
0

**Is this electricity consumption excluded from your RE100 commitment?**
<Not Applicable>

**Consumption of purchased heat, steam, and cooling (MWh)**
0

**Consumption of self-generated heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
831416

---

**Country/area**
Mexico

**Consumption of purchased electricity (MWh)**
411555

**Consumption of self-generated electricity (MWh)**
4549

**Is this electricity consumption excluded from your RE100 commitment?**
<Not Applicable>

**Consumption of purchased heat, steam, and cooling (MWh)**
0

**Consumption of self-generated heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
416104

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## C9. Additional metrics

## C9.1

**(C9.1) Provide any additional climate-related metrics relevant to your business.**

**Description**
Energy usage

**Metric value**
0.15

**Metric numerator**
Total Energy GWh

**Metric denominator (intensity metric only)**
Total Revenue

**% change from previous year**
0

**Direction of change**
No change

**Please explain**
Magna's intensity experienced no change despite an increase in sales from 2021 to 2022, as a result of our continuing implementation of energy efficiency and emissions reduction projects and increased % of renewable electricity purchases.

## C10. Verification

## C10.1

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

| | |
|---|---|
| Scope 1 | Third-party verification or assurance process in place |
| Scope 2 (location-based or market-based) | Third-party verification or assurance process in place |
| Scope 3 | No third-party verification or assurance |

## C10.1a

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.**

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**
Magna_CY2022_VerificationStatement_V1-0_072323_s.pdf

**Page/ section reference**
Page 1 and 2

**Relevant standard**
ISO14064-3

**Proportion of reported emissions verified (%)**
100

## C10.1b

**(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**

**Scope 2 approach**
Scope 2 location-based

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**
Magna_CY2022_VerificationStatement_V1-0_072323_s.pdf

**Page/ section reference**
Page 1 and 2

**Relevant standard**
ISO14064-3

**Proportion of reported emissions verified (%)**
100

---

**Scope 2 approach**
Scope 2 market-based

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**
Magna_CY2022_VerificationStatement_V1-0_072323_s.pdf

**Page/ section reference**
Page 1 and 2

**Relevant standard**
ISO14064-3

**Proportion of reported emissions verified (%)**
100

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## C10.2

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**
Yes

## C10.2a

**(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?**

| | | | |
|---|---|---|---|
| C6. Emissions data | Year on year change in emissions (Scope 1 and 2) | - World Resources Institute/World Business Council for Sustainable Development's "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)" dated March 2004<br>- World Resources Institute/World Business Council for Sustainable Development's "Scope 2 Guidance Document: An Amendment to the GHG Protocol Corporate Standard" dated 2015<br>- ISO 14064-3: 2019 Specification with guidance for the validation and verification of GHG assertions | The scope of verification conducted by third-party firm SCS Global has been expanded for the 2022 reporting year to include verification of Year on Year change in Scope 1 and 2 emissions. This year over year % change for scopes 1 and 2 is reflected in the attached SCS Verification Report.<br>Magna_CY2022_VerificationStatement_V1-0_072323_s.pdf |

## C11. Carbon pricing

### C11.1

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**
Yes

### C11.1a

**(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.**
EU ETS
Ontario EPS - ETS

### C11.1b

**(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.**

**EU ETS**

**% of Scope 1 emissions covered by the ETS**
2.4

**% of Scope 2 emissions covered by the ETS**
0

**Period start date**
January 1 2022

**Period end date**
December 31 2022

**Allowances allocated**
6162

**Allowances purchased**
0

**Verified Scope 1 emissions in metric tons CO2e**
10357

**Verified Scope 2 emissions in metric tons CO2e**
0

**Details of ownership**
Facilities we operate but do not own

**Comment**
Relates to our Complete Vehicle Assembly facilities in Graz, Austria. The facilities are operated by Magna but leased from a third-party landlord.

**Ontario EPS - ETS**

**% of Scope 1 emissions covered by the ETS**
8.2

**% of Scope 2 emissions covered by the ETS**
0

**Period start date**
January 1 2022

**Period end date**
December 31 2022

**Allowances allocated**
0

**Allowances purchased**
0

**Verified Scope 1 emissions in metric tons CO2e**
35657

**Verified Scope 2 emissions in metric tons CO2e**
0

**Details of ownership**
Facilities we own and operate

**Comment**
Facilities in Ontario, Canada with greater than 10,000 tonnes of CO2e can participate in the Ontario (Canada) EPS-ETS program (Mandatory at 50,000 tonnes of CO2e). To date one of our facilities (Polycon) participates (2022 reporting year). The metrics above represent current estimates by our facility to be submitted for verification audit as required by the Ontario EPS program by September 1, 2023.

## C11.1d

**(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

**i) Description:**

EU: The EU ETS works on the 'cap and trade' principle. A cap is set on the total amount of certain GHG that can be emitted by the operators covered by the system. The cap is reduced over time so that total emissions fall. Within the cap, operators purchases or receive emissions allowances, which they can trade with one another as needed. The limit on the total number of allowances available ensures that they have a value. The price signal incentivises emission reductions and promotes investment in innovative, low-carbon technologies, while trading brings flexibility that ensures emissions are cut where it costs least to do so. After each year, an operator must surrender enough allowances to cover fully its emissions, otherwise heavy fines are imposed. If an installation reduces its emissions, it can keep the spare allowances to cover its future needs or else sell them to another operator that is short of allowances. Our Magna Steyr complete vehicle assembly group participates in the EU ETS.

Ontario: Ontario introduced its Emissions Performance Standards Regulation (Ontario EPS Program) which came into effect on January 1, 2022. The Ontario EPS Program is used to determine an emissions limit that industrial facilities must meet each year, with the intent of, among other things, encouraging Ontario's industrial sector to reduce greenhouse gas emissions. Any facility in Ontario that reported emissions of at least 50,000 tonnes or more of CO2e in any reporting year since 2014 is required to participate. In addition, facilities that reported emissions of at least 10,000 tonnes of CO2e since 2014 in any reporting year since 2014 can opt in to the Ontario EPS Program.

Facilities registered under the Ontario EPS must quantify and report their GHG emissions data to the authorities, have such emissions data verified and must comply with their emissions limits. The compliance obligation for a facility under the Ontario EPS program is the difference between its verified total emissions and its verified total annual emissions limit imposed by the Ontario EPS program. A facility can satisfy its compliance obligation either by reducing its GHG emissions or submitting a compliance instrument. The two compliance instruments available are (i) excess emissions units (EEUs) where the facility pays a carbon price per tonne of CO2e for exceeding the annual emissions limit; and (ii) emissions performance units (EPUs), which are credits earned by a facility for emitting less GHG that its annual emissions limit under the Program. EEUs are non-tradable and must be purchased from the government of Ontario at a price of $40 per tCO2e for 2022 and $50 per tCO2e in 2023. EPUs, on the other hand, can be banked or traded with other facilities in the Ontario EPS Program for up to five years. The Program also aligns carbon prices for future years with Canada's federal benchmark, which will result in the price of EEUs to be $65 in 2024 (for the 2023 compliance period), increasing by $15 per year to $170 in 2031 (for the 2030 compliance period). One of our Exterior operating Group facilities in Ontario (Polycon) has voluntarily joined the Ontario EPS Program in 2022. Several other of our Ontario facilities are in the process of voluntarily opting in. None of our Ontario facilities are mandated to join the Ontario EPS Program.

**ii) Explanation of how the strategy has been applied:**

The standards (and cost for excess emissions) under the EU ETS and Ontario EPS Program are designed to become stricter every year as discussed above; requiring emitters to either reduce their emissions or pay for exceeding their limits. As part of our climate commitment to become carbon neutral globally by 2030, we are focused on pursuing energy efficiency measures in our facilities, including through active facility energy teams supported at the corporate level by a Global Energy Management Team.

We have implemented 1 year, 2-year and 5-year energy reduction targets for our Operating Groups and their Divisions. On an ongoing basis, our facilities, including our Polycon facility and our Magna Steyr facilities, referenced above, that participate in the Ontario and EU EPS schemes identify and assess opportunities for implementing energy efficiency measures. Following evaluation (including costing and anticipated CO2e savings), approved projects are implemented and monitored. As an example of the strategy in action, the Polycon facility has recently completed 9 energy reduction projects with an anticipated 161 tonnes of CO2e savings per year.

Timescale of Implementation: Energy reduction projects, including those referenced above for Polycon, are typically implemented within 1 year. Reporting and verification to comply with the EU ETS and Ontario EPS Program is completed annually in the year following the reporting year.

## C11.2

**(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?**
Yes

## C11.2a

**(C11.2a) Provide details of the project-based carbon credits canceled by your organization in the reporting year.**

**Project type**
Solar

**Type of mitigation activity**
Emissions reduction

**Project description**
Solar Thermal Power Plant

**Credits canceled by your organization from this project in the reporting year (metric tons CO2e)**
1630

**Purpose of cancellation**
Voluntary offsetting

**Are you able to report the vintage of the credits at cancellation?**
No

**Vintage of credits at cancellation**
<Not Applicable>

**Were these credits issued to or purchased by your organization?**
Purchased

**Credits issued by which carbon-crediting program**
Gold Standard

**Method(s) the program uses to assess additionality for this project**
Barrier analysis

**Approach(es) by which the selected program requires this project to address reversal risk**
No risk of reversal

**Potential sources of leakage the selected program requires this project to have assessed**
Upstream/downstream emissions

**Provide details of other issues the selected program requires projects to address**
None identified in publicly available information

**Comment**

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**Project type**
Reforestation

**Type of mitigation activity**
Carbon removal

**Project description**
The Purpose of the Bagepalli CDM Reforestation Programme is to implement a reforestation activity on the degraded agricultural land of 5 taluks of Chickballapur District of Karnataka, India

**Credits canceled by your organization from this project in the reporting year (metric tons CO2e)**
95

**Purpose of cancellation**
Voluntary offsetting

**Are you able to report the vintage of the credits at cancellation?**
No

**Vintage of credits at cancellation**
<Not Applicable>

**Were these credits issued to or purchased by your organization?**
Purchased

**Credits issued by which carbon-crediting program**
Gold Standard

**Method(s) the program uses to assess additionality for this project**
Barrier analysis
Other, please specify (Identification of alternative land use scenarios to the proposed A/R CDM project activity)

**Approach(es) by which the selected program requires this project to address reversal risk**
Monitoring and compensation

**Potential sources of leakage the selected program requires this project to have assessed**
Ecological leakage

**Provide details of other issues the selected program requires projects to address**
The project is thus designed to create long-term secure income for marginal farmers in the Bagepalli, Chickballapur, Chintamani Gudibanda and Siddalaghatta taluks of Chickballapur District, as well as creating a lasting tree cover in the region.

**Comment**

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## C11.3

**(C11.3) Does your organization use an internal price on carbon?**
No, but we anticipate doing so in the next two years

## C12. Engagement

### C12.1

**(C12.1) Do you engage with your value chain on climate-related issues?**
Yes, our suppliers
Yes, our customers/clients
Yes, other partners in the value chain

### C12.1a

**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

**Type of engagement**
Engagement & incentivization (changing supplier behavior)

**Details of engagement**
Run an engagement campaign to educate suppliers about climate change

**% of suppliers by number**
7

**% total procurement spend (direct and indirect)**
58

**% of supplier-related Scope 3 emissions as reported in C6.5**

**Rationale for the coverage of your engagement**
We engaged in and education campaign through CDP. As part of this campaign we invited suppliers representing 58% of our procurement spend to two (2) hosted CDP webinars/seminars held on May 30 and June 1 2023. A CDP representative participated on both days. Suppliers approximating 4% of our procurement spend participated in the webinars. Given that this was our first year conducting such engagement we selected what we believe was a substantial number of supplier invitees by % spend. The invite list corresponded to the suppliers invited to participate in the CDP supply chain program, as discussed below.

**Impact of engagement, including measures of success**
We believe the impact of the engagement will:
- increase our future CDP response rates from suppliers;
- increase the future accuracy and completeness of GHG emissions and other data provided by suppliers to us; and
- drive emissions reduction behaviour by suppliers as they gain greater awareness of our expectations.

**Comment**

**Type of engagement**
Information collection (understanding supplier behavior)

**Details of engagement**
Collect GHG emissions data at least annually from suppliers

**% of suppliers by number**
7

**% total procurement spend (direct and indirect)**
58

**% of supplier-related Scope 3 emissions as reported in C6.5**

**Rationale for the coverage of your engagement**
We participated in the CDP Supply Chain Program for Climate Change, engaging key suppliers to report on their energy usage and emissions. This has been a critical step in establishing our Scope 3 inventory, and we believe this is an important ongoing step in better understanding our Scope 3 emissions as we continue to establish our roadmap for reducing Scope 3 emissions.

**Impact of engagement, including measures of success**
Our response rate was 20%. We believe we can improve this metric and will evaluate methods for doing so in the coming year, including as a result of the engagement webinars discussed above.

As part of our strategy to improve sustainability performance across our supply chain, we are developing an ESG component into our program award criteria. We are in the process of evaluating the relevant key performance indicators (KPIs) that will form part of the ratings, but expect that such KPIs will, at a minimum, include a suppliers CDP and SAQ (discussed below) scores, as well as selected HSE certificates.

**Comment**

**Type of engagement**
Information collection (understanding supplier behavior)

**Details of engagement**
Collect other climate related information at least annually from suppliers

**% of suppliers by number**
15

**% total procurement spend (direct and indirect)**
70

**% of supplier-related Scope 3 emissions as reported in C6.5**

**Rationale for the coverage of your engagement**
We engage key suppliers annually to respond to self assessment questionnaires through NQC, a third-party, industry standard supply chain management organization who conducts data analysis and supplier scoring through their Supplier Assurance platform. The rationale for our coverage is we can cover a relatively large percentage of procurement spend by engaging a much smaller percentage of suppliers by number. This allows us to judiciously prioritize the use of manpower. One of our product groups is almost fully covered in the platform with their direct material suppliers and are preparing for further supplier engagement in 2023 to continue our growth path. We expect that for 2023 our engagement numbers will grow to 20-25% of suppliers by number, representing up to 85% by procurement spend.

**Impact of engagement, including measures of success**
The self assessment questionnaires (currently SAQ 5.0) is a standard automotive industry sustainability questionnaire developed by Drive Sustainability together with industry associations such as the German VDA and the Automotive Industry Action Group (AIAG). The SAQ 5.0 requires information, including documentation, relating to several topics, including, among other things: sustainability management; working conditions and human rights; health and safety; business ethics; environmental compliance; supplier management; responsible sourcing of raw materials; conflict minerals engagement and supply chain due diligence such as required by the German Supply Chain Act. The climate related information sought from suppliers includes: electricity usage, use of renewables; setting of GHG reduction targets; SBTi target validation; Scope 3 emission reduction targets; and CDP submissions and performance.

Understanding supplier behavior has given us considerable insight into how we should continue our sustainability engagements as a company. We currently review production suppliers in order to assess their overall quality, performance and financial health. As part of our strategy to improve sustainability performance across our supply chain, we will be implementing ESG scoring into our supplier rating, ranking and nomination criteria by the end of 2023. We intend to use CDP (discussed above) and NQC SAQ scores as key metrics for the new KPI, but also selected human rights and HSE metrics.

**Comment**

## C12.1b

**(C12.1b) Give details of your climate-related engagement strategy with your customers.**

**Type of engagement & Details of engagement**

| | |
|---|---|
| Collaboration & innovation | Run a campaign to encourage innovation to reduce climate change impacts |

**% of customers by number**
100

**% of customer - related Scope 3 emissions as reported in C6.5**
100

**Please explain the rationale for selecting this group of customers and scope of engagement**
Our Operating Group management and our Corporate R&D personnel have ongoing engagement with our customers to explore a wide variety of trends that shapes both our industry and our business. Magna is constantly looking to see how we can support our customers with their goals, and we find conversation with every one of our customers to be crucial in gauging a wide range of their needs and shaping our product strategy and ultimately our business strategy. We find these engagements to be useful in identifying ways in which we can connect our climate related strategy with the product strategy and energy efficiency needs of our customers. The scope of this engagement is 100%, for we feel there is a collective need to understand factors that have the potential to shape Magna's prioritizations and engagements.

**Impact of engagement, including measures of success**
Our product strategy includes as a core element the supply of product solutions which support our customers' objectives of increased fuel efficiency and reduced vehicle CO2 emissions. The conversations that we have with our customers allows us to predict shifts in consumer preferences which may impact the "take rates" for certain products that we sell. We measure the success of the engagement qualitatively in two ways.

The first way is through new business awards and the Compound Annual Growth Rate (CAGR) in sales for our electrified products. Meeting our expected CAGR in electrified product sales of 50% in 2025 compared to 2022 is one tangible measure of success. As a result of our customer engagement, we are making progress towards meeting our CAGR expectations as we have been awarded 6 eDrive programs with 5 OEM customers, including a significant eDrive program with a Europe-based Global premium OEM with a 2026 start of production. In addition, we have been awarded Hybrid DCT programs with BMW, Mercedes-Benz and Stellantis.

The second way we measure success is when we establish business in a new product market. An example of this in action:
Since every EV will need an enclosure for the battery, we developed a battery enclosure that contributes to the structural and safety aspects of a vehicle's frame and protects high-voltage batteries from damage and water. Our current expectation is a CAGR in battery enclosure sales of 125% in 2025 compared to 2022. Our customer engagement in the space has led to battery enclosure programs for GM's Hummer EV and the Ford F-150 Lighting, as well as the new 2024 Chevrolet Silverado EV. This product showcases the success of our customer engagement strategy and our ability to expand structural product opportunities as electrification grows.

## C12.1d

**(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.**

We engage with other partners in the value chain, such as our employees, by contributing to communities in which we operate. Magna recognizes the importance of giving back to society. We have a long history of supporting many global social and charitable causes, primarily in the communities around the world in which our employees live and work, including environmental causes. Magna encourages and supports employees who devote their time, energy and passion to making a positive contribution to their workplace and communities through direct giving, special events, fundraising and volunteer work. In order to further support and enhance employee fundraising efforts, we maintain a Magna Matching Program, which matches donations by Magna employees to qualified, non-profit initiatives, up to specified amounts. In 2022, our Corporate, Operating Groups and Divisions made hundreds charitable donations and sponsorships around the world. While much of our corporate giving is to general philanthropic causes, we have identified seven United Nations Sustainable Development Goals that most directly relate to our business one of which is Goal 13 Climate Action. In 2022, for example, we recognized our Exteriors Craiova Division in Romania with a Commitment to Sustainability Award for launching an environmental stewardship campaign that included the planting of 10,000 oak and ash trees near its facility.

Since the beginning of the matching program in 2017, Magna has matched over $1.3 million in funds raised by Magna employees for hundreds of projects globally.

In addition, Magna's Employee Disaster Relief Fund provides financial assistance to eligible employees and their families in the event they are victims of a climate-related or other disaster. In 2022, the program helped 26 employees in Canada, China, Czech Republic, India, Italy, Mexico, Russia and the United States. Magna also made a donation to the Red Cross to assist their efforts in response to the earthquake that devastated parts of Turkey and Syria in February 2023

Magna also collaborates through membership, committee or program participation, and event sponsorships with a number of our customers and industry associations/organizations whose mandate or activities include climate change and reducing GHG emissions. Our activities include annual progress reporting of our own efficiencies and project implementations, creation of roadmaps designed to track our progress towards reductions, and efforts to develop leading practice lists that are shared among the supply base. We also work together with members of the value chain, including AIAG (Automotive Industry Action Group) and VDA (Verband deutscher Automobilindustrie), to collectively communicate our concerns on commercial risks and to advise our opinions of benefits related to policy matters associated with emissions and climate change.

We are also members of the Suppliers Partnership for the Environment (SP), a collaboration bringing together companies in the automotive value chain (including OEM customers and suppliers), in partnership with US EPA, to advance projects with positive environmental, economic and community impact. The SP is focused on a number of issues relevant to climate change/sustainability, including EHS management, biodiversity, responsible batteries, sustainable materials and carbon and energy. On Carbon and energy SP provides a forum to facilitate OEM and supplier dialogue and action on common approaches, tools and resources to support advancing carbon reduction efforts across the automotive value chain.

## C12.2

**(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?**

No, but we plan to introduce climate-related requirements within the next two years

## C12.3

**(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?**

**Row 1**

**External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

Yes, we engage directly with policy makers

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

**Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?**

No, and we do not plan to have one in the next two years

**Attach commitment or position statement(s)**

<Not Applicable>

**Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan**

To ensure that our direct and indirect activities that influence policy are consistent with our overall climate change strategy, we frequently monitor/evaluate global regulatory developments. We attempt to mitigate applicable policy risks relating to climate-related regulation through: early-stage interaction with OEM customers to understand their product priorities and regulatory compliance requirements; in-house R&D, combined with private equity & venture capital investment strategies in technological start-ups; and strategic planning processes at both Operating Group and Corporate levels, including Board oversight of strategic plans. Our corporate environmental team monitors current and emerging local & regional regulations & provides updates to our Divisions as necessary, & at a minimum during annual Regional HSE Conferences, through general environmental awareness training, & as part of ISO 140001 compliance which requires periodic assessment to determine legal requirements & how they apply to environmental aspects.

Magna's Government Relations teams regularly engage with government agencies, trade associations, & industry groups on a variety of product & environmental related issues, including:
· EPA and Corporate Average Fuel Economy Standards Harmonization Efforts
· National ambient air quality standards for criteria pollutants (CO, Pb, NOx, O3, PM, SOx)
· Light-duty vehicle CAFE and GHG emissions standards
· Model Year Emission Standards
· Prohibited Materials Compliance

Magna is a member of various global and state organizations that support our sustainability commitments, including: AIAG/Suppliers Partnership for the Environment/American Chamber of Mexico/Business Council of Canada/Canadian Manufacturers and Exporters/Consumer Electronics for Automobiles/European Association on Automotive Suppliers/Indiana Manufacturers Association/Michigan Manufacturers Association/Motor & Equipment Manufacturers Association/South Carolina Manufacturers Alliance/United States Chamber of Commerce/United States – Mexico Chamber of Commerce/Original Equipment Suppliers Association/Verband deutscher Automobilindustrie. In order to coordinate on policy issues throughout Magna, the Government Affairs team engages with Magna internal subject matter experts and informs them of any laws or regulations being developed or considered at the local, state/provincial, federal, & international levels. If inconsistency is recognized it is corrected by senior management.

**Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

<Not Applicable>

**Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate**

<Not Applicable>

## C12.3a

**(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?**

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

SEC Proposed Climate Change Disclosure Rule; Canadian Securities Administrators Proposed Disclosure Rule

**Category of policy, law, or regulation that may impact the climate**

Climate change mitigation

**Focus area of policy, law, or regulation that may impact the climate**

Climate-related reporting

**Policy, law, or regulation geographic coverage**

National

**Country/area/region the policy, law, or regulation applies to**

Canada
United States of America

**Your organization's position on the policy, law, or regulation**

Support with major exceptions

**Description of engagement with policy makers**

Submission of public comment letters regarding limited aspects of the rule. In our submissions we suggested the regulators should keep the requirement to disclose Scope 3 emissions in public disclosures as voluntary. We also suggested that Canadian and US disclosure regimes should align with emerging global standards such as the ISSB to ensure consistency and reduce the burden on reporting entities.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

We supported the voluntary (rather than mandatory) disclosure of Scope 3 emissions.

**Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?**

No, we have not evaluated

**Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?**

<Not Applicable>

## C12.3b

**(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.**

**Trade association**
Other, please specify (Automotive Industry Action Group)

**Is your organization's position on climate change policy consistent with theirs?**
Consistent

**Has your organization attempted to influence their position in the reporting year?**
Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**
AIAG expects companies to support a proactive approach to environmental responsibility by protecting the environment, conserving natural resources and reducing the environmental footprint of their production, products and services throughout their life-cycle. A comprehensive approach includes but is not limited to energy consumption, greenhouse gas emissions, and air quality. Publicly-available Guiding Principles for members published by the AIAG (in collaborations with CSR Europe/Drive Sustainability) are based on fundamental principles of social, environmental and governance responsibility that are consistent with applicable laws and international standards, including the Paris Agreement.

Given AIAG's alignment with the Paris Agreement, as well as the expectations described above, Magna's position is consistent with AIAG.

**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)**
4000

**Describe the aim of your organization's funding**
Funding figure represents membership dues paid for the year.

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**
Yes, we have evaluated, and it is aligned

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**Trade association**
German Automotive Association (VDA)

**Is your organization's position on climate change policy consistent with theirs?**
Consistent

**Has your organization attempted to influence their position in the reporting year?**
Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**
The Association represents the interests of the automotive industry and supports the regulatory processes with its viewpoints and information. Environmental and climate protection are the driving force behind automotive developments and increased efficiency, recycling and a reduction in emissions benefit both companies and consumers. The VDA publicly "acknowledges the Paris climate agreement and places reliance on innovation to advance mobility in a climate- and eco-friendly way."

Given VDA's alignment with the Paris Agreement, as well as the goals/initiatives described above, Magna's position is consistent with VDA.

**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)**
18950

**Describe the aim of your organization's funding**
Funding figure represents annual membership dues for four Magna legal entities that are members of the VDA.

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**
Yes, we have evaluated, and it is aligned

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**Trade association**
Other, please specify (Suppliers Partnership for the Environment)

**Is your organization's position on climate change policy consistent with theirs?**
Consistent

**Has your organization attempted to influence their position in the reporting year?**
Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**
SP provides a forum for global automotive manufacturers and their large and small suppliers to work together toward a shared vision of an automotive industry with positive environmental impact. The organization allows for advancement of projects with positive environmental, economic and community impact. Includes focus on biodiversity; carbon and energy; responsible batteries; sustainable materials; water stewardship. SP's Guidance document on Carbon Reduction KPI's for members (which Magna helped create), recommended following Paris-aligned third party organizations/standards:
- Greenhouse Gas Protocol (GHG Protocol) Standards
- Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)
- Intergovernmental Panel on Climate Change (IPCC), 2018: Annex I: Glossary
- Science-Based Targets Initiative (SBTi)

Given SP's alignment with the Paris Agreement, as well as the goals/activities described above, Magna's position is consistent with SP.

**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)**
10000

**Describe the aim of your organization's funding**
Funding figure represents membership dues paid for the year.

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**
Yes, we have evaluated, and it is aligned

**Trade association**
Other, please specify (Clean Energy Buyers Association (CEBA))

**Is your organization's position on climate change policy consistent with theirs?**
Consistent

**Has your organization attempted to influence their position in the reporting year?**
Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**
CEBA is a membership association for energy customers seeking to procure clean energy across the U.S. The Clean Energy Buyers Association's aspiration is to achieve a 90% carbon-free U.S. electricity system by 2030 and to cultivate a global community of energy customers driving clean energy. Magna's GHG reduction target aim's for 100% renewable energy by 2030 globally .

Given CEBA's alignment with the Paris Agreement, as well as the goals/activities described above, Magna's position is consistent with CEBA.

**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)**
5000

**Describe the aim of your organization's funding**
Funding figure represents membership dues paid for the year.

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**
Yes, we have evaluated, and it is aligned

---

**Trade association**
Other, please specify (Drive Sustainability+)

**Is your organization's position on climate change policy consistent with theirs?**
Consistent

**Has your organization attempted to influence their position in the reporting year?**
Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position**
Drive Sustainability is an initiative of CSR Europe and involves a partnership between 18 automotive OEMs that make a collective commitment to collaborate to improve supply chain sustainability in the automotive industry. Drive+ is the platform where automotive Tier-1 suppliers and supplier associations can engage in a systematic dialogue with Drive Sustainability partners about common sustainability challenges and find joint solutions. Publicly-available Guiding Principles for members published by CSR Europe/Drive Sustainability (in collaborations with AIAG) are based on fundamental principles of social, environmental and governance responsibility that are consistent with applicable laws and international standards, including the Paris Agreement.

Given Drive's alignment with the Paris Agreement, as well as the goals/activities described above, Magna's position is consistent with Drive.

**Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)**
7500

**Describe the aim of your organization's funding**
Funding figure represents membership dues paid for the year.

**Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?**
Yes, we have evaluated, and it is aligned

---

## C12.4

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**
In mainstream reports, incorporating the TCFD recommendations

**Status**
Complete

**Attach the document**
Magna_SustainabilityReport2022_FINAL.pdf

**Page/Section reference**
Pages 1-42; 62; 66; 68-74

**Content elements**
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

**Comment**
Magna publishes its Sustainability Report as an appendix to its Annual Information Form (AIF) (a document filed with securities regulators in Canada and the US in satisfaction of continuous disclosure requirements). We also publish the Sustainability Report (attached) (which is substantively the same as the AIF version but with enhanced graphical treatment) as a standalone document on our website.

---

## C12.5

### (C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

| | | |
|---|---|---|
| Row 1 | Race to Zero Campaign | We are also a TCFD supporter as of June 2023. |
| | Task Force on Climate-related Financial Disclosures (TCFD) | Race to Zero - we have submitted an SBTi Net Zero commitment as of July 2023. |
| | Other, please specify (International Sustainability Standards Board (ISSB)) | Magna is a financial sponsor of the Technical Office of the International Sustainability Standards Board (ISSB) (located in Canada) that has establishing a comprehensive global baseline of climate change-related disclosure standards. |

# C15. Biodiversity

## C15.1

### (C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

| | | | |
|---|---|---|---|
| Row 1 | Yes, both board-level oversight and executive management-level responsibility | Biodiversity issues, to the extent material to the company, would fall within the responsibility of our management in the same manner as other sustainability matters.<br><br>Oversight of biodiversity issues to the extent material, would also fall within the oversight of sustainability generally by our Board of Directors and Governance, Nominating and Sustainability Committee of the Board.<br><br>This responsibility and oversight is described in response to C1. | <Not Applicable> |

## C15.2

### (C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

| | | | |
|---|---|---|---|
| Row 1 | Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity | Other, please specify (Bee protection) | Other, please specify (We are supporters of the Hektar Nektar Bees Project 2028; a bee protection initiative that aims to increase the bee population by ten percent by 2028. 10 of our European sites are sponsoring beehives) |

## C15.3

**(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?**

**Impacts on biodiversity**

**Indicate whether your organization undertakes this type of assessment**
No, but we plan to within the next two years

**Value chain stage(s) covered**
<Not Applicable>

**Portfolio activity**
<Not Applicable>

**Tools and methods to assess impacts and/or dependencies on biodiversity**
<Not Applicable>

**Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)**
<Not Applicable>

**Dependencies on biodiversity**

**Indicate whether your organization undertakes this type of assessment**
No and we don't plan to within the next two years

**Value chain stage(s) covered**
<Not Applicable>

**Portfolio activity**
<Not Applicable>

**Tools and methods to assess impacts and/or dependencies on biodiversity**
<Not Applicable>

**Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)**
<Not Applicable>

## C15.4

**(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?**
Not assessed

## C15.5

**(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?**

| | | |
|---|---|---|
| Row 1 | Yes, we are taking actions to progress our biodiversity-related commitments | Species management |

## C15.6

**(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?**

| | | |
|---|---|---|
| Row 1 | No | Please select |

## C15.7

**(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

| | | |
|---|---|---|
| No publications | <Not Applicable> | <Not Applicable> |

## C16. Signoff

## C-FI

**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

Magna has submitted a Net Zero commitment letter with the SBTi in July 2023.

## C16.1

**(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

| | | |
|---|---|---|
| Row 1 | President | President |

# SC. Supply chain module

## SC0.0

**(SC0.0) If you would like to do so, please provide a separate introduction to this module.**

Magna is more than one of the world's largest suppliers in the automotive space. We are a mobility technology company with a global, entrepreneurial-minded team of over 171,000 employees and an organizational structure designed to innovate like a startup. Our global network includes 341 manufacturing operations and 88 product development, engineering and sales centres spanning 29 countries. We are positioned to support advancing mobility in a transforming industry, with 65+ years of expertise, and a systems approach to design, engineering and manufacturing that touches nearly every aspect of the vehicle, including: body, chassis, exterior, seating, powertrain, active driver assistance, electronics, mechatronics, mirrors, lighting and roof systems. We also have electronic and software capabilities across many of these areas. In addition, we are leveraging our capabilities and platform technologies in areas such as battery management, software stack and sensors to enter growing adjacent mobility markets such as micromobility. Our common shares trade on the Toronto Stock Exchange (MG) and the New York Stock Exchange (MGA). For further information about Magna, visit our website at www.magna.com.

## SC0.1

**(SC0.1) What is your company's annual revenue for the stated reporting period?**

| | |
|---|---|
| Row 1 | 37840000000 |

## SC1.1

**(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.**

**Requesting member**
BMW AG

**Scope of emissions**
Scope 1

**Scope 2 accounting method**
<Not Applicable>

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Facility

**Allocation level detail**

**Emissions in metric tonnes of CO2e**
34541

**Uncertainty (±%)**
20

**Major sources of emissions**
Comfort and process heat

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

5903000000

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
BMW AG

**Scope of emissions**
Scope 2

**Scope 2 accounting method**
Market-based

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Facility

**Allocation level detail**

**Emissions in metric tonnes of CO2e**
102827

**Uncertainty (±%)**
20

**Major sources of emissions**
Indirect emissions from electricity usage

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**
5243000000

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Daimler Truck AG

**Scope of emissions**
Scope 1

**Scope 2 accounting method**
<Not Applicable>

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Company wide

**Allocation level detail**
<Not Applicable>

**Emissions in metric tonnes of CO2e**
2199

**Uncertainty (±%)**
20

**Major sources of emissions**
Comfort and process heat

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**
5243000000

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Daimler Truck AG

**Scope of emissions**
Scope 2

**Scope 2 accounting method**
Market-based

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Company wide

**Allocation level detail**
<Not Applicable>

**Emissions in metric tonnes of CO2e**
609

**Uncertainty (±%)**
20

**Major sources of emissions**
Indirect emissions from electricity usage

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Faurecia

**Scope of emissions**
Scope 1

**Scope 2 accounting method**
<Not Applicable>

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Company wide

**Allocation level detail**
<Not Applicable>

**Emissions in metric tonnes of CO2e**
201

**Uncertainty (±%)**
20

**Major sources of emissions**
Comfort and process heat

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Faurecia

**Scope of emissions**
Scope 2

**Scope 2 accounting method**
Market-based

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Company wide

**Allocation level detail**
<Not Applicable>

**Emissions in metric tonnes of CO2e**
543

**Uncertainty (±%)**
20

**Major sources of emissions**
Indirect emissions from electricity usage

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Ferrari

**Scope of emissions**
Scope 1

**Scope 2 accounting method**
<Not Applicable>

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Facility

**Allocation level detail**

**Emissions in metric tonnes of CO2e**
618

**Uncertainty (±%)**
20

**Major sources of emissions**
Comfort and process heat

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Ferrari

**Scope of emissions**
Scope 2

**Scope 2 accounting method**
Market-based

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Facility

**Allocation level detail**

**Emissions in metric tonnes of CO2e**
172520

**Uncertainty (±%)**

**Major sources of emissions**
Indirect emissions from electricity usage

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Ford Motor Company

**Scope of emissions**
Scope 1

**Scope 2 accounting method**
<Not Applicable>

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Facility

**Allocation level detail**

**Emissions in metric tonnes of CO2e**
61178

**Uncertainty (±%)**
20

**Major sources of emissions**
Comfort and process heat

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**
4904000000

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Ford Motor Company

**Scope of emissions**
Scope 2

**Scope 2 accounting method**
Market-based

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Please select

**Allocation level detail**
<Not Applicable>

**Emissions in metric tonnes of CO2e**
141396

**Uncertainty (±%)**
20

**Major sources of emissions**
Indirect emissions from electricity usage

**Verified**
No

**Allocation method**

Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**
4904000000

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
General Motors Company

**Scope of emissions**
Scope 1

**Scope 2 accounting method**
<Not Applicable>

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Facility

**Allocation level detail**

**Emissions in metric tonnes of CO2e**
99835

**Uncertainty (±%)**
20

**Major sources of emissions**
Comfort and process heat

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**
5903000000

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
General Motors Company

**Scope of emissions**
Scope 2

**Scope 2 accounting method**
Market-based

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Facility

**Allocation level detail**

**Emissions in metric tonnes of CO2e**
180859

**Uncertainty (±%)**
20

**Major sources of emissions**
Indirect emissions from electricity usage

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**
5903000000

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

Energy usage - metered data

**Requesting member**
Jaguar Land Rover Automotive plc

**Scope of emissions**
Scope 1

**Scope 2 accounting method**
<Not Applicable>

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Facility

**Allocation level detail**

**Emissions in metric tonnes of CO2e**
12437

**Uncertainty (±%)**
20

**Major sources of emissions**
Comfort and process heat

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Jaguar Land Rover Automotive plc

**Scope of emissions**
Scope 2

**Scope 2 accounting method**
Market-based

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Facility

**Allocation level detail**

**Emissions in metric tonnes of CO2e**
12056

**Uncertainty (±%)**
20

**Major sources of emissions**
Indirect emissions from electricity usage

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Lear

**Scope of emissions**
Scope 1

**Scope 2 accounting method**
<Not Applicable>

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Company wide

**Allocation level detail**
<Not Applicable>

**Emissions in metric tonnes of CO2e**
1093

**Uncertainty (±%)**
20

**Major sources of emissions**
Comfort and process heat

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Lear

**Scope of emissions**
Scope 2

**Scope 2 accounting method**
Market-based

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Company wide

**Allocation level detail**
<Not Applicable>

**Emissions in metric tonnes of CO2e**
2946

**Uncertainty (±%)**
20

**Major sources of emissions**
Indirect emissions from electricity usage

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Mercedes-Benz Group AG

**Scope of emissions**
Scope 1

**Scope 2 accounting method**
<Not Applicable>

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Facility

**Allocation level detail**

**Emissions in metric tonnes of CO2e**

34113

**Uncertainty (±%)**
20

**Major sources of emissions**
Comfort and process heat

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**
4953000000

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Mercedes-Benz Group AG

**Scope of emissions**
Scope 2

**Scope 2 accounting method**
Market-based

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Facility

**Allocation level detail**

**Emissions in metric tonnes of CO2e**
106969

**Uncertainty (±%)**
20

**Major sources of emissions**
Indirect emissions from electricity usage

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**
4953000000

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Mitsubishi Motors Corporation

**Scope of emissions**
Scope 1

**Scope 2 accounting method**
<Not Applicable>

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Company wide

**Allocation level detail**
<Not Applicable>

**Emissions in metric tonnes of CO2e**
30

**Uncertainty (±%)**
20

**Major sources of emissions**
Comfort and process heat

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Mitsubishi Motors Corporation

**Scope of emissions**
Scope 2

**Scope 2 accounting method**
Market-based

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Company wide

**Allocation level detail**
<Not Applicable>

**Emissions in metric tonnes of CO2e**
0.025

**Uncertainty (±%)**
20

**Major sources of emissions**
Indirect emissions from electricity usage

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Nissan Motor Co., Ltd.

**Scope of emissions**
Scope 1

**Scope 2 accounting method**
<Not Applicable>

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Facility

**Allocation level detail**

**Emissions in metric tonnes of CO2e**
10536

**Uncertainty (±%)**
20

**Major sources of emissions**
Comfort and process heat

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Nissan Motor Co., Ltd.

**Scope of emissions**
Scope 2

**Scope 2 accounting method**
Market-based

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Facility

**Allocation level detail**

**Emissions in metric tonnes of CO2e**
23326

**Uncertainty (±%)**
20

**Major sources of emissions**
Indirect emissions from electricity usage

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Renault Group

**Scope of emissions**
Scope 1

**Scope 2 accounting method**
<Not Applicable>

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Facility

**Allocation level detail**

**Emissions in metric tonnes of CO2e**
4299

**Uncertainty (±%)**
20

**Major sources of emissions**
Comfort and process heat

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Renault Group

**Scope of emissions**
Scope 2

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Facility

**Allocation level detail**

**Emissions in metric tonnes of CO2e**
6204

**Uncertainty (±%)**
20

**Major sources of emissions**
Indirect emissions from electricity usage

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Stellantis N.V.

**Scope of emissions**
Scope 1

**Scope 2 accounting method**
<Not Applicable>

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Facility

**Allocation level detail**

**Emissions in metric tonnes of CO2e**
70305

**Uncertainty (±%)**
20

**Major sources of emissions**
Comfort and process heat

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**
5013000000

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Stellantis N.V.

**Scope of emissions**
Scope 2

**Scope 2 accounting method**
Market-based

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Facility

**Allocation level detail**

**Emissions in metric tonnes of CO2e**
78875

**Uncertainty (±%)**
20

**Major sources of emissions**
Indirect emissions from electricity usage

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**
5013000000

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Toyota Motor Corporation

**Scope of emissions**
Scope 1

**Scope 2 accounting method**
<Not Applicable>

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Facility

**Allocation level detail**

**Emissions in metric tonnes of CO2e**
6614

**Uncertainty (±%)**
20

**Major sources of emissions**
Comfort and process heat

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Toyota Motor Corporation

**Scope of emissions**
Scope 2

**Scope 2 accounting method**
Market-based

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Facility

**Allocation level detail**

**Emissions in metric tonnes of CO2e**
19218

**Uncertainty (±%)**
20

**Major sources of emissions**
Indirect emissions from electricity usage

**Verified**

No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Valeo Sa

**Scope of emissions**
Scope 1

**Scope 2 accounting method**
<Not Applicable>

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Company wide

**Allocation level detail**
<Not Applicable>

**Emissions in metric tonnes of CO2e**
552

**Uncertainty (±%)**
20

**Major sources of emissions**
Comfort and process heat

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Valeo Sa

**Scope of emissions**
Scope 2

**Scope 2 accounting method**
Market-based

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Company wide

**Allocation level detail**
<Not Applicable>

**Emissions in metric tonnes of CO2e**
156

**Uncertainty (±%)**
20

**Major sources of emissions**
Indirect emissions from electricity usage

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Volvo Car Group

**Scope of emissions**
Scope 1

**Scope 2 accounting method**
<Not Applicable>

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Facility

**Allocation level detail**

**Emissions in metric tonnes of CO2e**
998

**Uncertainty (±%)**
20

**Major sources of emissions**
Comfort and process heat

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
Volvo Car Group

**Scope of emissions**
Scope 2

**Scope 2 accounting method**
Market-based

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Facility

**Allocation level detail**

**Emissions in metric tonnes of CO2e**
9468

**Uncertainty (±%)**
20

**Major sources of emissions**
Indirect emissions from electricity usage

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
Energy usage - metered data

---

**Requesting member**
British American Tobacco

**Scope of emissions**
Scope 1

**Scope 2 accounting method**

<Not Applicable>

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Company wide

**Allocation level detail**
<Not Applicable>

**Emissions in metric tonnes of CO2e**
0

**Uncertainty (±%)**
0

**Major sources of emissions**
None - Magna does not have business with British American Tobacco

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**
0

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
None - Magna does not have business with British American Tobacco. This request appears to have been made in error.

---

**Requesting member**
British American Tobacco

**Scope of emissions**
Scope 2

**Scope 2 accounting method**
Market-based

**Scope 3 category(ies)**
<Not Applicable>

**Allocation level**
Company wide

**Allocation level detail**
<Not Applicable>

**Emissions in metric tonnes of CO2e**
0

**Uncertainty (±%)**
0

**Major sources of emissions**
None - Magna does not have business with British American Tobacco. This request appears to have been made in error.

**Verified**
No

**Allocation method**
Allocation based on the market value of products purchased

**Market value or quantity of goods/services supplied to the requesting member**
0

**Unit for market value or quantity of goods/services supplied**
Currency

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**
None - Magna does not have business with British American Tobacco

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## SC1.2

**(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).**

Magna adheres to the GHG Protocol for CDP Scope 1 and 2 reporting. As such commonly accepted emission factors such as those available from the GHG Protocol, International Energy Association (IEA), United States EPA, United States EGrid as well as other local or regional based references. Magna International Scope 1 and Scope 2 data reporting is 3rd Party verified (ISO 14064-3: 2019). Customer emissions allocations are typically based on site level data aggregated based on site level conditions (primary data such as energy invoices; purchasing records etc) and customer sales proportions. In some instances customer emission data may be based on a company wide level allocation.

## SC1.3

**(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?**

| | |
|---|---|
| Diversity of product lines makes accurately accounting for each product/product line cost ineffective | Direct measurements on specific processes. |

## SC1.4

**(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?**
Yes

## SC1.4a

**(SC1.4a) Describe how you plan to develop your capabilities.**

Improved data collection processes and increased measurement points.

## SC2.1

**(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.**

**Requesting member**
BMW AG

**Group type of project**
Change to provision of goods and services

**Type of project**
Other, please specify (Increased use of "green" (low-carbon) steel into products supplied to requesting member)

**Emissions targeted**
Actions that would reduce both our own and our customers' emissions

**Estimated timeframe for carbon reductions to be realized**
3-5 years

**Estimated lifetime CO2e savings**

**Estimated payback**
3-5 years

**Details of proposal**
BMW has entered into several supply agreements for green steel that will lower carbon emissions in their vehicles. Collaboration between Magna and BMW with respect to opportunities to for greater use of green steel would be mutually beneficial in progressing our and BMW's GHG emissions reduction targets.

## SC2.2

**(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?**
No

## SC4.1

**(SC4.1) Are you providing product level data for your organization's goods or services?**
No, I am not providing data

## Submit your response

**In which language are you submitting your response?**
English

## Please confirm how your response should be handled by CDP

| | | |
|---|---|---|
| Please select your submission options | Yes | Public |

## Please confirm below

I have read and accept the applicable Terms

# Magna International Inc. - Water Security 2023

## W0. Introduction

### W0.1

**(W0.1) Give a general description of and introduction to your organization.**

Magna is more than one of the world's largest suppliers in the automotive space. We are a mobility technology company with a global, entrepreneurial-minded team of over 171,000 employees and an organizational structure designed to innovate like a startup. Our global network includes 341 manufacturing operations and 88 product development, engineering and sales centres spanning 30* countries. We are positioned to support advancing mobility in a transforming industry, with 65+ years of expertise, and a systems approach to design, engineering and manufacturing that touches nearly every aspect of the vehicle, including: body, chassis, exterior, seating, powertrain, active driver assistance, electronics, mechatronics, mirrors, lighting and roof systems. We also have electronic and software capabilities across many of these areas. In addition, we are leveraging our capabilities and platform technologies in areas such as battery management, software stack and sensors to enter growing adjacent mobility markets such as micromobility. Our common shares trade on the Toronto Stock Exchange (MG) and the New York Stock Exchange (MGA). For further information about Magna, visit our website at www.magna.com.

*29 countries in the reporting year.

### W0.2

**(W0.2) State the start and end date of the year for which you are reporting data.**

| | Start date | End date |
|---|---|---|
| Reporting year | January 1 2022 | December 31 2022 |

### W0.3

**(W0.3) Select the countries/areas in which you operate.**

Argentina
Austria
Belarus
Brazil
Canada
China
Czechia
France
Germany
Hungary
India
Ireland
Italy
Japan
Mexico
Morocco
Poland
Republic of Korea
Romania
Russian Federation
Serbia
Slovakia
Slovenia
Spain
Sweden
Thailand
Turkey
United Kingdom of Great Britain and Northern Ireland
United States of America

### W0.4

**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

## W0.5

**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

Companies, entities or groups over which operational control is exercised

## W0.6

**(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?**

No

## W0.7

**(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

| Indicate whether you are able to provide a unique identifier for your organization. | Provide your unique identifier |
|---|---|
| Yes, a Ticker symbol | MG (Toronto Stock Exchange) |
| Yes, a Ticker symbol | MGA (New York Stock Exchange) |

# W1. Current state

## W1.1

**(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.**

| | Direct use importance rating | Indirect use importance rating | Please explain |
|---|---|---|---|
| Sufficient amounts of good quality freshwater available for use | Important | Important | Water is used in our manufacturing processes as well as for human consumption/ hygiene. We do not anticipate the current level of importance attributed to the direct or indirect water usage will change in the short or medium term. |
| Sufficient amounts of recycled, brackish and/or produced water available for use | Important | Neutral | Recycled or "produced" water is not commonly used by our facilities; however, it is considered important in water-stressed regions such as Mexico and India where some of our facilities have implemented water reduction and re-use activities such as the use of treated wastewater for irrigation of green areas on-site. Brackish and/or produced water is not used indirectly at our facilities and considered not important. We do not anticipate the current level of importance attributed to sufficient amounts of recycled or produced water available for use will change in the short or medium term. |

## W1.2

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

| | % of sites/facilities/operations | Frequency of measurement | Method of measurement | Please explain |
|---|---|---|---|---|
| Water withdrawals – total volumes | 76-99 | Monthly | Utility meter read | The majority of our production, R&D sites, and support operations participate in Magna's HSE Program and report their data in our global reporting database.<br><br>Data is collected on a monthly basis and aggregated for annual reporting. |
| Water withdrawals – volumes by source | 76-99 | Monthly | Utility or onsite meter read | The majority of our production, R&D sites, and support operations participate in Magna's HSE<br>Program and report their data in our global reporting database.<br><br>Data is collected on a monthly basis and aggregated for annual reporting. |
| Entrained water associated with your metals & mining and/or coal sector activities - total volumes [only metals and mining and coal sectors] | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector] | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Water withdrawals quality | 1-25 | Monthly | Sample analysis | Water withdrawal quality is monitored at some of our facilities on a monthly basis or more<br>frequently as required by local regulations. |

| | % of sites/facilities/operations | Frequency of measurement | Method of measurement | Please explain |
|---|---|---|---|---|
| Water discharges – total volumes | 1-25 | Yearly | As a part of our Environmental Standards, wastewater discharge quality is assessed yearly (or more frequently as required by local regulations) at manufacturing sites with a simple grab sample taken where flow leaves the site. Results compared to applicable local regulatory standards or our internal Guidelines in jurisdictions where there are no available standards & evaluated for the appropriate course of corrective action to ensure discharge concentrations are within permissible ranges. | Water discharge is tracked at a facility level only where required. Water discharge volumes are not measured in many of our facilities.<br><br>Water use is the only metric currently collected in our global database and is often the measure used by the local municipality to assess sewer use as most sites are discharging to municipal sewer systems. |
| Water discharges – volumes by destination | Less than 1% | Yearly | As a part of our Environmental Standards wastewater discharge quality is assessed yearly (or more frequently as required by local regulations) at manufacturing sites with a simple grab sample taken where flow leaves the site. Results compared to applicable local regulatory standards or to our internal Guidelines in jurisdictions where there are no available standards & evaluated for the appropriate course of corrective action to ensure discharge concentrations are within permissible ranges. | Water discharge is tracked at a facility level only where required. Water discharge volumes are not measured in many of our facilities. Water use is the only metric currently collected in our global database and is often the measure used by the local municipality to assess sewer use as most sites are discharging to municipal sewer systems. |
| Water discharges – volumes by treatment method | 1-25 | Yearly | As a part of our internal Environmental Standards wastewater discharge quality assessed yearly (or more frequently as required by local regulations) at manufacturing sites with a simple grab sample taken where flow leaves the site. Results compared to applicable local regulatory standards or our internal Guidelines in jurisdictions where there are no available standards & evaluated for the appropriate course of corrective action to ensure discharge concentrations are within permissible ranges. | Water discharge is tracked at a facility level only where required. Water discharge volumes are not measured in many of our facilities. Water use is the only metric currently collected in our global database and is often the measure used by the local municipality to assess sewer use as most sites are discharging to municipal sewer systems. |
| Water discharge quality – by standard effluent parameters | 76-99 | Monthly | Sample analysis | Water discharge quality is monitored locally on an as-needed basis for sites where additional monitoring parameters are required for legal reasons, and are not aggregated at the Magna Corporate level. Usually this indicator is monitored on a monthly basis, although some locations may monitor more frequently depending on legal requirements |
| Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances) | Not relevant | <Not Applicable> | <Not Applicable> | |
| Water discharge quality – temperature | 76-99 | Monthly | Sample analysis | Water discharge quality is monitored locally on an as-needed basis for sites where additional monitoring parameters are required for legal reasons, and are not aggregated at the Magna Corporate level. Usually this indicator is monitored on a monthly basis, although some locations may monitor more frequently depending on legal requirements. |
| Water consumption – total volume | 1-25 | Monthly | Meter reads | Water consumption is monitored locally for sites where additional monitoring parameters are required for legal reasons, and are not aggregated at the Magna Corporate level. Usually this indicator is monitored on a monthly basis, although some locations may monitor more frequently depending on legal requirement. |
| Water recycled/reused | 1-25 | Continuously | Internal tracking of number of sites with re-use activities/projects | Some of our manufacturing Divisions, particularly in Mexico and India, are located in water scarce regions. We seek to mitigate the impact of water scarcity through water reduction and re-use activities, including the use of treated wastewater for irrigation of green areas on site. |
| The provision of fully-functioning, safely managed WASH services to all workers | 100% | Yearly | HSE system of inspections and audits. | Magna's Health, Safety and Environmental Program and policies require that all facilities provide sanitization services to all workers. As part of Magna's HSE Program, these standards are audited on at minimum an annual basis. |

## W1.2b

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?**

| | Volume (megaliters/year) | Comparison with previous reporting year | Primary reason for comparison with previous reporting year | Five year forecast | Primary reason for forecast | Please explain |
|---|---|---|---|---|---|---|
| Total withdrawals | 6361 | Lower | Investment in water-smart technology/process | Lower | Investment in water-smart technology/process | Over the next five years, volumes are expected to be lower (assuming no substantive change in business operations such as material acquisitions/divestitures) due to implementation of internal efficiency measures, including those undertaken in connection with achieving our 1.5% annual water reduction target (15% reduction of water use by 2030 target). |
| Total discharges | | Please select | Please select | Please select | Please select | Not tracked |
| Total consumption | 6361 | Lower | Investment in water-smart technology/process | Lower | Investment in water-smart technology/process | Over the next five years, volumes are expected to be lower (assuming no substantive change in business operations such as material acquisitions/divestitures) due to implementation of internal efficiency measures, including those undertaken in connection with achieving our 1.5% annual water reduction target (15% reduction of water use by 2030 target). |

## W1.2d

**(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.**

| | Withdrawals are from areas with water stress | % withdrawn from areas with water stress | Comparison with previous reporting year | Primary reason for comparison with previous reporting year | Five year forecast | Primary reason for forecast | Identification tool | Please explain |
|---|---|---|---|---|---|---|---|---|
| Row 1 | Yes | 11-25 | About the same | Investment in water-smart technology/process | Lower | Investment in water-smart technology/process | WRI Aqueduct | We maintain a Property Risk Mitigation (PRM) program which includes risk engineering with support from a third-party property risk engineering consulting firm. The PRM program includes, but is not limited to, the following elements to promote the resiliency of Magna's facilities and minimize the risk of disruption to operations from extreme weather events: pre-screening of facility site selection; acquisition risk assessments; periodic facility inspections; facility construction design review and recommendations; and training and education. Extreme weather events such as floods, windstorms, wildfires, tornados, tsunamis, hailstorms and other natural weather hazards may cause significant destruction to our own, our customers' or our sub-suppliers' facilities, which could in turn disrupt our production and/or prevent us from supplying products to our customers. As part of our PRM program we conducted an assessment of water security risk. Water security suggests the reliability/security of an acceptable quantity and quality of water; water is a critical input in many production processes as well as the lifeblood of sprinkler protection systems. A reduction or failure of water supply could cause a significant impact on operations in the affected region. With respect to regions deemed to have "low" water security, this represents only 14% of locations (61 sites) and total insured value ("TIV") for Magna, with exposure locations in China, Germany, India, Italy, Mexico, Spain and the United States.<br><br>Mexico is however the most significant region for us in terms of exposure to water security risk as 50% of those locations represent nearly 70% of the TIV at risk. Our methodology for determining water security exposure is based on the "Baseline Water Stress" 4 of the World Resources Institute (WRI) Aqueduct Global Maps 3.0, that measures the ratio of water withdrawals to available renewable surface and groundwater at the catchment scale. Water withdrawals include domestic, industrial, irrigation, and livestock consumptive and non-consumptive uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. The indicator used is calculated by inverting the "Baseline Water Stress" scores and converted to a 0-100 scale to represent "Water Availability" as a percentage. Low values represent water stressed areas, due to either high water withdrawals or low water supplies. The analysis of water stressed regions is expected to be used for additional discussions with our risk engineering consultant including potential additional recommendations for actions plans to mitigate water security risks in affected regions. |

## W1.2h

**(W1.2h) Provide total water withdrawal data by source.**

| | Relevance | Volume (megaliters/year) | Comparison with previous reporting year | Primary reason for comparison with previous reporting year | Please explain |
|---|---|---|---|---|---|
| Fresh surface water, including rainwater, water from wetlands, rivers, and lakes | Relevant | 19 | Higher | Increase/decrease in business activity | Some Magna facilities withdraw fresh surface water and therefore tracking this source is relevant. Overall, freshwater withdrawal levels were 34% more than the previous year. |
| Brackish surface water/Seawater | Not relevant | <Not Applicable> | <Not Applicable> | <Not Applicable> | Brackish surface water/Seawater is not used by our organization as supplies from other sources are sufficient to meet our production needs. We do not expect withdrawals from this source in the future. |
| Groundwater – renewable | Relevant but volume unknown | <Not Applicable> | <Not Applicable> | <Not Applicable> | Renewable groundwater is not used by our organization as supplies from other sources are sufficient to meet our production needs. We do not expect withdrawals from this source in the future. |
| Groundwater – non-renewable | Relevant | 536 | Lower | Increase/decrease in efficiency | Magna facilities withdraw non-renewable groundwater and therefore tracking this source is relevant. Overall, groundwater withdrawal levels were 12.5% lower than the previous year. |
| Produced/Entrained water | Not relevant | <Not Applicable> | <Not Applicable> | <Not Applicable> | Not relevant |
| Third party sources | Relevant | 5806 | Lower | Investment in water-smart technology/process | Magna facilities withdraw the majority of their water from third party municipal sources and therefore tracking this source is relevant.<br>Withdrawals from third party municipal sources were 1.5% lower than the previous year as a result of water efficiency projects and efforts across Magna's operating sites. |

## W1.2i

### (W1.2i) Provide total water discharge data by destination.

| | Relevance | Volume (megaliters/year) | Comparison with previous reporting year | Primary reason for comparison with previous reporting year | Please explain |
|---|---|---|---|---|---|
| Fresh surface water | Relevant but volume unknown | <Not Applicable> | <Not Applicable> | <Not Applicable> | A limited number of Magna facilities discharge water to fresh surface water sources. Water discharge volumes are not measured in many of our facilities and tracked at a facility level only where required. |
| Brackish surface water/seawater | Not relevant | <Not Applicable> | <Not Applicable> | <Not Applicable> | We do not use discharge water to brackish surface water or seawater sources. |
| Groundwater | Relevant but volume unknown | <Not Applicable> | <Not Applicable> | <Not Applicable> | Some Magna facilities discharge water to groundwater sources. Water discharge volumes are not measured in many of our facilities and tracked at a facility level only where required. |
| Third-party destinations | Relevant but volume unknown | <Not Applicable> | <Not Applicable> | <Not Applicable> | Third-party destinations represents the majority of water discharged across the company as a whole. In the future, discharge volumes are expected to remain stable with a potential decrease due to efficiency measures. |

## W1.2j

### (W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

| | Relevance of treatment level to discharge | Volume (megaliters/year) | Comparison of treated volume with previous reporting year | Primary reason for comparison with previous reporting year | % of your sites/facilities/operations this volume applies to | Please explain |
|---|---|---|---|---|---|---|
| Tertiary treatment | Relevant but volume unknown | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | We are required to meet local regulations for water effluent standards and we audit this treatment as part of our EHS Program. |
| Secondary treatment | Relevant but volume unknown | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | We are required to meet local regulations for water effluent standards and we audit this treatment as part of our EHS Program. |
| Primary treatment only | Relevant but volume unknown | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | We are required to meet local regulations for water effluent standards and we audit this treatment as part of our EHS Program. |
| Discharge to the natural environment without treatment | Relevant but volume unknown | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | We are required to meet local regulations for water effluent standards and we audit this treatment as part of our EHS Program. |
| Discharge to a third party without treatment | Relevant but volume unknown | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | We are required to meet local regulations for water effluent standards and we audit this treatment as part of our EHS Program. |
| Other | Not relevant | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | Not relevant |

## W1.3

### (W1.3) Provide a figure for your organization's total water withdrawal efficiency.

| | Revenue | Total water withdrawal volume (megaliters) | Total water withdrawal efficiency | Anticipated forward trend |
|---|---|---|---|---|
| Row 1 | 37840000000 | 6361 | 5948750.19650998 | Magna has active energy efficiency and water reduction teams at facilities.<br>Anticipated improvements as a result of water reduction (1.5% annual and 15% overall reduction by 2030 vs 2019 absolute consumption).<br><br>In 2022, our water use was approximately 18.8% less than our water use in our 2019 baseline year. |

## W1.4

### (W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

| | Products contain hazardous substances | Comment |
|---|---|---|
| Row 1 | Unknown | |

## W1.5

### (W1.5) Do you engage with your value chain on water-related issues?

| | Engagement | Primary reason for no engagement | Please explain |
|---|---|---|---|
| Suppliers | Yes | <Not Applicable> | <Not Applicable> |
| Other value chain partners (e.g., customers) | Yes | <Not Applicable> | <Not Applicable> |

## W1.5a

**(W1.5a) Do you assess your suppliers according to their impact on water security?**

**Row 1**

**Assessment of supplier impact**
Yes, we assess the impact of our suppliers

**Considered in assessment**
Supplier dependence on water

**Number of suppliers identified as having a substantive impact**
0

**% of total suppliers identified as having a substantive impact**
None

**Please explain**
Our Supplier Manual sets out expectation that suppliers have/maintain competence with respect to a number of areas, including environmental compliance & risk management. Suppliers must communicate as early as possible any pending or potential issue which they have identified & are required to have well defined business contingency plans in place to ensure continuity of supply in the event of disruption to their operations and/or supply of materials, as a result of events including those related to water issues. We also maintain a global property risk control program that includes risk assessment and mitigation strategies to address, where practical, physical risks related to applicable extreme weather events. The program extends the risk assessment by identifying and evaluating potential exposures to our direct supply chain (including natural hazards) which could disrupt business operations. A more detailed assessment may be performed where such supply chain exposures are identified.

## W1.5b

**(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?**

| | Suppliers have to meet specific water related requirements | Comment |
|---|---|---|
| Row 1 | No, but we plan to introduce water-related requirements within the next two years | Magna's global sustainability and purchasing teams are currently evaluating water and other potential sustainability-related requirements for suppliers. |

## W1.5d

**(W1.5d) Provide details of any other water-related supplier engagement activity.**

**Type of engagement**
Innovation & collaboration

**Details of engagement**
Educate suppliers about water stewardship and collaboration

**% of suppliers by number**
1-25

**% of suppliers with a substantive impact**
1-25

**Rationale for your engagement**
Magna engages the supply chain members of Automotive Industry Action Group (AIAG) in water related working group in order to educate suppliers relating to water reduction. Magna has committed to participate in an AIAG water benchmarking study to understand water use in the automotive industry and to share best practices.

**Impact of the engagement and measures of success**
The desired outcome of this study is to improve the availability of data in the areas of access, quality, and safety for water related issues and to provide additional insight to the supply chain.

**Comment**

---

**Type of engagement**
Incentivization

**Details of engagement**
Other, please specify (Suppliers Partnership for the Environment Water Stewardship Working Group)

**% of suppliers by number**
1-25

**% of suppliers with a substantive impact**
1-25

**Rationale for your engagement**
Composition of membership of Supplier's Council for the Environment.

**Impact of the engagement and measures of success**
We are members of the Suppliers Partnership for the Environment (SP) a leading forum for global automakers, their large and small suppliers, the US EPA and other government entities from around the world to work together to improve the environmental sustainability and business value of the global automotive supply chain, including efforts to advance water stewardship. SP is working to educate automotive suppliers in developing and progressing their water stewardship programs, with support of subject-matter experts from SP member companies as well as government and non-profit collaborators. In 2022, SP announced a collaboration with The Water Council (TWC) to support the organization in
the development of a new water stewardship program for the automotive supply chain. SP's objective in this new effort is to build an industry-supported leadership framework to help companies in the automotive value chain identify and prioritize water-related risks and understand potential water stewardship strategies and actions they can implement based on those prioritized risks and opportunities.

Given the stage of this initiative, the impact cannot yet be determined.

**Comment**

---

## W1.5e

**(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.**

**Type of stakeholder**
Customers

**Type of engagement**
Education / information sharing

**Details of engagement**
Educate and work with stakeholders on understanding and measuring exposure to water-related risks

**Rationale for your engagement**
Companies in the automotive industry are encouraged to join industry associations and to support a proactive and collaborative approach to environmental responsibility by protecting the environment, conserving natural resources and reducing the environmental footprint of their production, products and services throughout their life-cycle. Magna engages the OEM members of AIAG in various working groups, including those focused on water stewardship. Most recently, Magna has committed to participate in an AIAG water benchmarking study to understand water use in the automotive industry and to share best practices. The desired outcome of this study is to improve the availability of data in the areas of access, quality, safety for water related issues and to provide additional insight for the industry.

We are also members of the Suppliers Partnership for the Environment (SP) a leading forum for global automakers, their large and small suppliers, the US EPA and other government entities from around the world to work together to improve the environmental sustainability and business value of the global automotive supply chain, including efforts to advance water stewardship. SP is working to educate automotive suppliers in developing and progressing their water stewardship programs, with support of subject-matter experts from SP member companies as well as government and non-profit collaborators.

**Impact of the engagement and measures of success**
In 2022, SP announced a collaboration with The Water Council (TWC) to support the organization in the development of a new water stewardship program for the automotive supply chain. SP's objective in this new effort is to build an industry-supported leadership framework to help companies in the automotive value chain identify and prioritize water-related risks and understand potential water stewardship strategies and actions they can implement based on those prioritized risks and opportunities.

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## W2. Business impacts

### W2.1

**(W2.1) Has your organization experienced any detrimental water-related impacts?**

No

### W2.2

**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

| | Water related regulatory violations | Fines, enforcement orders, and/or other penalties | Comment |
|---|---|---|---|
| Row 1 | Yes | Fines, but none that are considered as significant<br>Enforcement orders or other penalties but none that are considered as significant | Non-significant fine in European facility described below.<br><br>We received 3 non-significant notices of violation for wastewater compliance issues from 3 state/local regulatory agencies of the United States. one of the issues was resolved in 2022; 2 of the issues are being resolved or have been resolved in 2023. |

### W2.2a

**(W2.2a) Provide the total number and financial value of all water-related fines.**

**Row 1**

**Total number of fines**

1

**Total value of fines**

689

**% of total facilities/operations associated**

0.3

**Number of fines compared to previous reporting year**

About the same

**Comment**

Non-significant fine relating to an exceedance in wastewater for Chemical Oxygen Demand (COD), Biochemical Oxygen Demand (BOD) and soluble inorganic salts in 1 European facility. The root cause was identified in the scrubber of a painting line where effluent from the scrubber discharged in wastewater without proper treatment. Corrective action: the painting line is being equipped with an additional membrane filter unit for treatment of the effluents of the scrubber.

## W3. Procedures

### W3.1

**(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?**

| | Identification and classification of potential water pollutants | How potential water pollutants are identified and classified | Please explain |
|---|---|---|---|
| Row 1 | Yes, we identify and classify our potential water pollutants | We classify and identify potential water pollutants based on regulatory requirements and definitions.<br><br>Magna has also developed minimum corporate environmental standards that are applied globally, whether or not regulation exists. For example, if regulation in one jurisdiction limits pollutants to a certain amount, Magna typically would require that same limit even in a jurisdiction that does not regulate the amount of such pollutant. | <Not Applicable> |

### W3.1a

**(W3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.**

**Water pollutant category**
Oil

**Description of water pollutant and potential impacts**
Oil has a detrimental impact on water quality and fish/wildlife habitat.

**Value chain stage**
Direct operations

**Actions and procedures to minimize adverse impacts**
Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
Beyond compliance with regulatory requirements
Implementation of integrated solid waste management systems
Industrial and chemical accidents prevention, preparedness, and response
Provision of best practice instructions on product use

**Please explain**
We have standard operating procedures for all of our facilities to prevent the discharge of oil, oily water or other contaminants from reaching sanitary/storm sewers, surface water and/or groundwater. Our operating procedures are supplemented by training and best practice sharing. Our program also includes a robust system of audits and inspections by our Environmental and Health & Safety (HSE) department, including oversight, performance tracking and periodic reporting to a Board-level committee.

## W3.3

**(W3.3) Does your organization undertake a water-related risk assessment?**
Yes, water-related risks are assessed

## W3.3a

**(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.**

**Value chain stage**
Direct operations

**Coverage**
Partial

**Risk assessment procedure**
Water risks are assessed as part of an established enterprise risk management framework

**Frequency of assessment**
Annually

**How far into the future are risks considered?**
1 to 3 years

**Type of tools and methods used**
Tools on the market
Enterprise risk management
International methodologies and standards
Databases

**Tools and methods used**
WRI Aqueduct
Enterprise Risk Management
IPCC Climate Change Projections

**Contextual issues considered**
Water availability at a basin/catchment level
Implications of water on your key commodities/raw materials

**Stakeholders considered**
Customers
Employees
Investors

**Comment**
We utilize a third-party risk control and engineering services provider that utilizes a variety of data sources (including their own in-house data as they are also a global property insurance company) to identify potential exposures. For example, their mapping may include government flood maps (e.g. FEMA in the US) or their own internally developed mapping, global wind maps, etc. In conducting an analysis for Magna related to water security and flooding/sea level risk, our third party engineering firm employs the WRI Aqueduct Global Maps 3,0, as well as the IPCC AR5 Fifth Assessment Report and Annex 1.

Through our property risk management program we conducted an assessment of water security risk. A reduction or failure of water supply could cause a significant impact on operations in affected regions. Regions deemed to have "low" water security, represent only 14% of locations (61 sites) and total insured value ("TIV") for Magna. Mexico is the most significant region for us in terms of exposure to water security risk representing 50% of affected locations and nearly 70% of the TIV at risk. Our methodology is based on the "Baseline Water Stress" 4 of the World Resources Institute (WRI) Aqueduct Global Maps 3.0, that measures the ratio of water withdrawals to available renewable surface and groundwater at the catchment scale. Water withdrawals include domestic, industrial, irrigation, and livestock consumptive and non-consumptive uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. The indicator used is calculated by inverting the "Baseline Water Stress" scores and converted to a 0-100 scale to represent "Water Availability" as a percentage. Low values represent water

stressed areas, due to either high water withdrawals or low water supplies. The analysis of water stressed regions is expected to be used for additional discussions with our risk engineering consultant including potential additional recommendations for actions plans to mitigate water security risks in affected regions.

**Value chain stage**
Supply chain

**Coverage**
Partial

**Risk assessment procedure**
Water risks are assessed as part of an established enterprise risk management framework

**Frequency of assessment**
Annually

**How far into the future are risks considered?**
1 to 3 years

**Type of tools and methods used**
Tools on the market
Enterprise risk management
International methodologies and standards
Databases

**Tools and methods used**
WRI Aqueduct
Enterprise Risk Management
IPCC Climate Change Projections

**Contextual issues considered**
Water availability at a basin/catchment level
Implications of water on your key commodities/raw materials

**Stakeholders considered**
Suppliers

**Comment**
Magna's property risk program extends the risk assessment to our direct suppliers by identifying and evaluating potential exposures to our direct supply chain (including natural hazards) which could disrupt business operations. Where such supply chain exposures are identified, a more detailed assessment may be performed to better understand the supply chain risk, including further on-site assessment, where practicable.

**Value chain stage**
Direct operations

**Coverage**
Full

**Risk assessment procedure**
Water risks are assessed in an environmental risk assessment

**Frequency of assessment**
Annually

**How far into the future are risks considered?**
Up to 1 year

**Type of tools and methods used**
Other

**Tools and methods used**
Internal company methods
External consultants

**Contextual issues considered**
Access to fully-functioning, safely managed WASH services for all employees

**Stakeholders considered**
Employees
Regulators

**Comment**
Magna’s HSE Program and policies require that all facilities provide sanitization services to all workers. As part of Magna’s HSE Program, these standards are audited on an annual basis.

## W3.3b

**(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

| | Rationale for approach to risk assessment | Explanation of contextual issues considered | Explanation of stakeholders considered | Decision making process for risk response |
|---|---|---|---|---|
| Row 1 | We maintain a global property risk control program that includes risk engineering with support from a third party property risk engineering consulting firm. The program climate-related exposures, including: storm surge, precipitation and water security.<br><br>As part of this risk management program we conducted an assessment of water security risk. Water security suggests the reliability/security of an acceptable quantity and quality of water; water is a critical input in many production processes as well as the lifeblood of sprinkler protection systems. A reduction or failure of water supply could cause a significant impact on operations in the affected region. With respect to regions deemed to have "low" water security, this represents only 14% of locations (61 sites) and total insured value ("TIV") for Magna, with exposure locations in China, Germany, India, Italy, Mexico, Spain and the United States. Mexico is however the most significant region for us in terms of exposure to water security risk as 50% of those locations represent nearly 70% of the TIV at risk. | Our methodology for determining water security exposure is based on the "Baseline Water Stress" 4 of the World Resources Institute (WRI) Aqueduct Global Maps 3.0, that measures the ratio of water withdrawals to available renewable surface and groundwater at the catchment scale.<br><br>Water withdrawals include domestic, industrial, irrigation, and livestock consumptive and non-consumptive uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. The indicator used is calculated by inverting the "Baseline Water Stress" scores and converted to a 0-100 scale to represent "Water Availability" as a percentage. Low values represent water stressed areas, due to either high water withdrawals or low water supplies. | Because disruptions of our facilities relating to water risks could affect our operations and profitability, we consider our employees, suppliers, customers and investors. | The analysis of water stressed regions is expected to be used for additional discussions with our risk engineering consultant including potential additional recommendations for actions plans to mitigate water security risks in affected regions |

## W4. Risks and opportunities

### W4.1

**(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes, only within our direct operations

### W4.1a

**(W4.1a) How does your organization define substantive financial or strategic impact on your business?**

A substantive financial impact in our business imposed by water risk would consist of a disruption in our operations or in the supply of components from our suppliers and/or the delivery of product to our customers for an indeterminate period of time that could have an adverse effect on our profitability.

At the corporate level, we approach the definition of "substantive impact" for water-related risks in a manner consistent with our approach to other potential risks. Starting reference point is determination if a water-related risk may be "material" in the context of risk disclosure for securities law purposes. While materiality is determined on a subjective basis taking into account a range of factors, one general objective reference point for materiality is 10% of earnings, a threshold which Magna also uses to determine whether an impairment charge is considered a substantive financial impact. For the 2022 reporting year, the 10% threshold would translate to approximately USD$59 million based on Magna's net income that year. Where a water-related risk is not "material" for securities law purposes, we determine its potential significance by reference to a range of factors, which may include its ability to: impact the implementation of our strategy; disrupt our manufacturing operations; eliminate or significantly reduce future business prospects for, cash flows expected from or returns generated by, company assets; impair the company's ability to secure capital; harm our ability to attract and retain necessary human talent; diminish our reputation; aggravate other risks faced by the company, as a result of risk interdependencies; or otherwise cause significant destruction of economic value.

At the Division level, a substantive strategic impact is a low score on our Magna Factory Concept or "MAFACT" system – the primary operational assessment audit tool used to support our World Class Manufacturing initiative. The MAFACT system establishes World Class standards for achieving operational efficiencies, identifies benchmarks and promotes best practice sharing among Divisions in Magna. The integration of energy management elements into a core operational assessment tool such as MAFACT is intended to reinforce the importance of energy management throughout the organization and help realize potential cost savings. Our global operating units strive toward this goal which aims to achieve ''best in class'' performance in all areas of manufacturing. Resource efficiency, including water usage, is a key concept that shapes our business and product strategy, and as part of our sustainability and operational efficiency efforts, we are focused on optimizing water usage, which may result in savings in overall costs. To drive continuous improvement, we monitor our progress in achieving World Class Manufacturing through the MAFACT assessment process, which is similar to the method used by our customers in their own plants and to evaluate their suppliers. The MAFACT program establishes minimum standards for achieving operational efficiencies and allows Divisions to benchmark their activities against other Divisions in Magna. Although there is no formal mechanism to trigger an action plan for low aggregate scores, low scores are internalized to key in on lacking areas and focus on improvement.

Part of Magna's Global Environmental Program is to conduct Audits and Inspections to assess all relevant regulatory, corporate environmental and industry best practice requirements. Any deficiencies identified are assessed for risk on a scale of OFI (Opportunity For Improvement) up to severe or critical. Failure to address severe environmental issues result in a Red Flag designation that requires senior Operating Group management involvement until resolved. Accountability for closure of red flag items is managed through regular review of red flags by the CEO with Operating Group management. These red flags can be considered substantive impacts if not properly mitigated. An quantitative example of a red flag is if Magna were impacted by either an increase or decrease of 1 million USD across our operations.

## W4.1b

**(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?**

| | Total number of facilities exposed to water risk | % company wide facilities this represents | Comment |
|---|---|---|---|
| Row 1 | 61 | 1-25 | As part of our property risk management program we conducted an assessment of water security risk. Water security suggests the reliability/ security of an acceptable quantity and quality of water; water is a critical input in many production processes as well as the lifeblood of sprinkler protection systems. A reduction or failure of water supply could cause a significant impact on operations in the affected region. With respect to regions deemed to have "low" water security, this represents only 14% of locations (61 sites) and total insured value ("TIV") for Magna, with exposure locations in China, Germany, India, Italy, Mexico, Spain and the United States. Mexico is however the most significant region for us in terms of exposure to water security risk as 50% of those locations represent nearly 70% of the TIV at risk.<br><br>Our methodology for determining water security exposure is based on the "Baseline Water Stress" 4 of the World Resources Institute (WRI) Aqueduct Global Maps 3.0, that measures the ratio of water withdrawals to available renewable surface and groundwater at the catchment scale. Water withdrawals include domestic, industrial, irrigation, and livestock consumptive and non-consumptive uses. Available renewable water supplies include the impact of upstream consumptive water users and large dams on downstream water availability. The indicator used is calculated by inverting the "Baseline Water Stress" scores and converted to a 0-100 scale to represent "Water Availability" as a percentage. Low values represent water stressed areas, due to either high water withdrawals or low water supplies.<br><br>The analysis of water stressed regions is expected to be used for additional discussions with our risk engineering consultant including potential additional recommendations for actions plans to mitigate water security risks in affected regions. |

## W4.1c

**(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?**

### Country/Area & River basin

| | |
|---|---|
| Mexico | Bravo |

### Number of facilities exposed to water risk
7

### % company-wide facilities this represents
1-25

### Production value for the metals & mining activities associated with these facilities
<Not Applicable>

### % company's annual electricity generation that could be affected by these facilities
<Not Applicable>

### % company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

### % company's total global revenue that could be affected
1-10

### Comment
See loss scenario potential financial impact analysis conducted by our Property Risk Management group which examined risk related to our operations in the Ramos Arizpe/Saltillo region of Mexico.

## W4.2

**(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

### Country/Area & River basin

| | |
|---|---|
| Mexico | Bravo |

### Type of risk & Primary risk driver

| | |
|---|---|
| Acute physical | Flood (coastal, fluvial, pluvial, groundwater) |

### Primary potential impact
Closure of operations

### Company-specific description
Magna operates in 341 manufacturing operations and 88 product development, engineering and sales centres spanning 29 countries. As a result, our operations

experience a range of climates. As part of our risk management activities, we routinely conduct analyses relating to certain areas in which our facilities are concentrated to determine potential financial impacts relating to water-related events, such as flooding that have become more frequent and severe as a result of climate change. In such an event, we face the risk that such an event could cause significant damage to one or more of our facilities or those of our sub-suppliers. While our primary concern in an water-related climate event affecting one of our facilities would be the safety and well-being of our employees, property damage and business interruption would represent the primary financial risk. An acute event that significantly damages one of our facilities, could disrupt our production and/or prevent us from supplying products to our customers. Such an event could lead to us incurring a number of costs, many of which may be unrecoverable, including: costs related to the physical repair of any damage to our facility; costs related to premium freight or re-sourcing of supply; penalties or business interruption claims by our customers; loss of future business and reputational damage; and higher insurance costs going forward.

A loss scenario potential financial impact analysis was conducted by our Risk Management group which examined risk related to our operations in the Ramos Arizpe/Saltillo region of Mexico. This area is a dry and arid region susceptible to flooding in the event of rapid rainfall. Rainfall is expected to intensify in the region as a result of climate change which could have a financial impact on Magna Divisions concentrated in the area resulting from flooding conditions. Impacts may include rainfall overwhelming local critical infrastructure, with ground conditions unable to sufficiently absorb the excess water - resulting in floods. Damages may include the loss of critical infrastructure such as roadways, railways, electrical distribution, sanitary water and other key systems could delay recovery response including competition over finite recovery resources. Direct damages and business interruption may result to Magna facilities, critical suppliers or local customers.

**Timeframe**
1-3 years

**Magnitude of potential impact**
Medium

**Likelihood**
Unlikely

**Are you able to provide a potential financial impact figure?**
Yes, an estimated range

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure - minimum (currency)**
59706954

**Potential financial impact figure - maximum (currency)**
256644535

**Explanation of financial impact**
Estimated potential loss of sales for 7 Magna Divisions concentrated in the Ramos Arizpe/Saltillo region in Mexico (Bravo river basin) in the event of flooding as a result of rapid rainfall directly impacts all such Divisions, or impacts local critical infrastructure. The range represents the aggregate potential lost sales for the 7 Divisions in the event the flooding prevents operation of the facilities for a specified period (1 week in a best case scenario or 1 month in a worst case scenario). The calculation is based on determining an estimated sales per shift at each facility. This figure was calculated by using 2022 sales reported for each of the 7 facilities ($ 2,766,243,977 billion in aggregate) divided by the estimated number of total shifts per year for each facility (978 shifts for 4 facilities; 666 for 1 facility; and 444 shifts for 2 facilities). The estimated annual total shifts for each of the 7 facilities took into account statutory holidays, planned seasonal shutdowns (typically summer and Christmas), as well as the number of days with shifts (30 days for 4 Divisions operating shifts 7 days a week; and 22 days for 3 Division operating shifts 5 days a week).

**Primary response to risk**
Develop flood emergency plans

**Description of response**
We maintain a global property risk control program to support our efforts to mitigate risks to our employees' safety, physical property risks and potential for business interruption due to extreme weather events. The program, which includes risk engineering with support from a third party property risk engineering consulting firm, includes, but is not limited to, the following elements to promote the physical resiliency of our facilities and minimize the risk of disruption to our operations: pre-screening of facility site selection; acquisition risk assessments; periodic facility inspections; facility construction design review and recommendations; and training and education. In certain circumstances, the program extends the risk assessment to our direct suppliers by identifying and evaluating potential exposures to our direct supply chain (including natural hazards) which could disrupt business operations. Where such supply chain exposures are identified, a more detailed assessment may be performed to better understand the supply chain risk, including further on-site assessment, where practicable. Our advisor engages in 200+ physical on-site surveys annually to evaluate various risks, including pertaining to natural hazards. Using the Swiss Re NatCat database, the advisor analyzed 400+ unique Magna locations to assess climate related exposures, including: flood, wind, storm surge, wildfire, tornado. tsunami, hailstorm, lightning, temperature change, precipitation, sea level rise risk and water security. The results of the analysis form the basis of discussions with the risk engineering advisor regarding potential risk control recommendations in our facilities, including the recommendations detailed above.

**Cost of response**
1093000

**Explanation of cost of response**
Risk Response: We maintain a global property risk control program (PRC program) to support our efforts to mitigate risks to our employees' safety, physical property risks & potential for business interruption due to extreme weather events. The program includes risk engineering with support from a 3rd party property risk engineering firm & includes these elements to promote physical resiliency of our facilities & minimize the operations disruption risk: facility site selection pre-screening; acquisition risk assessments; periodic facility inspections; facility construction design review & recommendations; & training/education. The 3rd party conducts 200+ physical on-site surveys yearly to evaluate various risks, including for natural hazards & also conducts targeted analysis of areas of concern such as the Ramos Arizpe, Mexico analysis above. Using the Swiss Re NatCat database, the 3rd party also analyzes 400+ unique Magna locations to assess climate related exposures, including: flood, wind, storm surge, wildfire, tornado. tsunami, hailstorm, lightning, temperature change, precipitation, sea level rise risk and water security. The analyses result in risk control recommendations in our facilities.

- Response Timeline: The PRC program is annual & ongoing. Financial impact analyses are conducted annually (or more frequently if an area of concern is identified). Recommendations are implemented on an ongoing basis, but typically within 1 year.

- Response Case Study: To augment our analysis of potential natural hazards that could impact our operations/supply chains in between our annual impact analysis efforts, we implemented in 2022, a 3rd party supply chain risk monitoring tool that monitors and provides real-time alerts relating to natural disasters.

Risk Cost Calculation: aggregate of 2022 costs for (i) evaluation of natural hazard/climate related risks by 3rd party risk engineering firm, including analysis relating to the Mexican facilities in the scenario analysis discussed above (approx. USD727,000), (ii) supply chain risk monitoring tool (approx. USD216,000), & (iii) completion of risk control recommendations in our Mexican operations in the potentially affected region, including enhancement of flood emergency response plans (approx. USD150,000).

## W4.2c

**(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?**

| | Primary reason | Please explain |
|---|---|---|
| Row 1 | Risks exist, but no substantive impact anticipated | Magna's Supplier Manual sets out the company's expectation that suppliers have and maintain competence with respect to a number of areas, including environmental compliance and risk management. All suppliers must communicate as early as possible any pending or potential issue which the supplier has identified and are required to have well defined business contingency plans in place to ensure continuity of supply in the event of disruption to their operations and/or supply of materials, as a result of events including those related to water issues. These contingency plans shall be reviewed on a regular basis. |

## W4.3

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities, and some/all are being realized

## W4.3a

**(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.**

**Type of opportunity**

Efficiency

**Primary water-related opportunity**

Cost savings

**Company-specific description & strategy to realize opportunity**

Magna's Formex facility in Mexico is replacing several cooling towers and implementing a water recycling system. This opportunity is considered strategic for the company because it serves as a model of significant upgrades for water efficiency that allows for other Magna facilities to evaluate its relevance.

**Estimated timeframe for realization**

More than 6 years

**Magnitude of potential financial impact**

Low-medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

135000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

Current cooling towers at Magna's Formex facility are outdated and considered inefficient . By implementing a new system, the expected savings through efficiency (reduced water use) as well as reduced maintenance costs will provide a return on investment just under 6 years.

Annual expected savings are estimated to be $135K as a result of the implementation of this initiative. The conservative estimation of life of this initiatives is 15 years, which brings the expected total savings related to this project to be greater than $1M. These total savings amount are aligned with our threshold for a substantive positive impact for our organization.

# W5. Facility-level water accounting

## W5.1

**(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.**

**Facility reference number**

Facility 1

**Facility name (optional)**

**Country/Area & River basin**

| | |
|---|---|
| Mexico | Bravo |

**Latitude**
25.59032

**Longitude**
-100.89702

**Located in area with water stress**
Yes

**Primary power generation source for your electricity generation at this facility**
<Not Applicable>

**Oil & gas sector business division**
<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**
65.38

**Comparison of total withdrawals with previous reporting year**
Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**
0

**Withdrawals from brackish surface water/seawater**
0

**Withdrawals from groundwater - renewable**
0

**Withdrawals from groundwater - non-renewable**
0

**Withdrawals from produced/entrained water**
0

**Withdrawals from third party sources**
0

**Total water discharges at this facility (megaliters/year)**
20.72

**Comparison of total discharges with previous reporting year**
Higher

**Discharges to fresh surface water**
0

**Discharges to brackish surface water/seawater**
0

**Discharges to groundwater**
0

**Discharges to third party destinations**
0

**Total water consumption at this facility (megaliters/year)**
65.38

**Comparison of total consumption with previous reporting year**
Lower

**Please explain**
Discharge by location is not available.

---

**Facility reference number**
Facility 2

**Facility name (optional)**

**Country/Area & River basin**

| | |
|---|---|
| Mexico | Bravo |

**Latitude**
20.55204

**Longitude**
-100.79868

**Located in area with water stress**
Yes

**Primary power generation source for your electricity generation at this facility**
<Not Applicable>

**Oil & gas sector business division**
<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**
13.82

**Comparison of total withdrawals with previous reporting year**
Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**
0

**Withdrawals from brackish surface water/seawater**
0

**Withdrawals from groundwater - renewable**
0

**Withdrawals from groundwater - non-renewable**
0

**Withdrawals from produced/entrained water**
0

**Withdrawals from third party sources**
0

**Total water discharges at this facility (megaliters/year)**
1.38

**Comparison of total discharges with previous reporting year**
Lower

**Discharges to fresh surface water**
0

**Discharges to brackish surface water/seawater**
0

**Discharges to groundwater**
0

**Discharges to third party destinations**
0

**Total water consumption at this facility (megaliters/year)**
13.82

**Comparison of total consumption with previous reporting year**
Lower

**Please explain**
Discharge by location is not available.

---

**Facility reference number**
Facility 3

**Facility name (optional)**

**Country/Area & River basin**

| | |
|---|---|
| Mexico | Bravo |

**Latitude**
25.4004

**Longitude**
-100.93623

**Located in area with water stress**
Yes

**Primary power generation source for your electricity generation at this facility**
<Not Applicable>

**Oil & gas sector business division**
<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**
22.24

**Comparison of total withdrawals with previous reporting year**
Higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**
0

**Withdrawals from brackish surface water/seawater**
0

**Withdrawals from groundwater - renewable**
0

**Withdrawals from groundwater - non-renewable**
0

**Withdrawals from produced/entrained water**
0

**Withdrawals from third party sources**
0

**Total water discharges at this facility (megaliters/year)**
6.71

**Comparison of total discharges with previous reporting year**
Lower

**Discharges to fresh surface water**
0

**Discharges to brackish surface water/seawater**
0

**Discharges to groundwater**
0

**Discharges to third party destinations**
0

**Total water consumption at this facility (megaliters/year)**
0

**Comparison of total consumption with previous reporting year**
Higher

**Please explain**
Discharge by location is not available.

---

**Facility reference number**
Facility 4

**Facility name (optional)**

**Country/Area & River basin**

| | |
|---|---|
| Mexico | Bravo |

**Latitude**
25.58997

**Longitude**
-100.91219

**Located in area with water stress**
Yes

**Primary power generation source for your electricity generation at this facility**
<Not Applicable>

**Oil & gas sector business division**
<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**
16.86

**Comparison of total withdrawals with previous reporting year**
Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**
0

**Withdrawals from brackish surface water/seawater**
0

**Withdrawals from groundwater - renewable**
0

**Withdrawals from groundwater - non-renewable**
0

**Withdrawals from produced/entrained water**
0

**Withdrawals from third party sources**
0

**Total water discharges at this facility (megaliters/year)**
5.71

**Comparison of total discharges with previous reporting year**
Lower

**Discharges to fresh surface water**
0

**Discharges to brackish surface water/seawater**
0

**Discharges to groundwater**
0

**Discharges to third party destinations**
0

**Total water consumption at this facility (megaliters/year)**
16.86

**Comparison of total consumption with previous reporting year**
Lower

**Please explain**
Discharge by location is not available.

---

**Facility reference number**
Facility 5

**Facility name (optional)**

**Country/Area & River basin**

| | |
|---|---|
| Mexico | Bravo |

**Latitude**
25.5858

**Longitude**
-100.90951

**Located in area with water stress**
Please select

**Primary power generation source for your electricity generation at this facility**
<Not Applicable>

**Oil & gas sector business division**
<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**
3.37

**Comparison of total withdrawals with previous reporting year**
Higher

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**
0

**Withdrawals from brackish surface water/seawater**
0

**Withdrawals from groundwater - renewable**
0

**Withdrawals from groundwater - non-renewable**
0

**Withdrawals from produced/entrained water**
0

**Withdrawals from third party sources**
0

**Total water discharges at this facility (megaliters/year)**
3.37

**Comparison of total discharges with previous reporting year**
Higher

**Discharges to fresh surface water**
0

**Discharges to brackish surface water/seawater**
0

**Discharges to groundwater**
0

**Discharges to third party destinations**
0

**Total water consumption at this facility (megaliters/year)**
3.37

**Comparison of total consumption with previous reporting year**
Higher

**Please explain**
Discharge by location is not available.

---

**Facility reference number**
Facility 6

**Facility name (optional)**

**Country/Area & River basin**

| | |
|---|---|
| Mexico | Bravo |

**Latitude**
25.42622

**Longitude**
-100.95565

**Located in area with water stress**
Yes

**Primary power generation source for your electricity generation at this facility**
<Not Applicable>

**Oil & gas sector business division**
<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**
5.63

**Comparison of total withdrawals with previous reporting year**
Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**
0

**Withdrawals from brackish surface water/seawater**
0

**Withdrawals from groundwater - renewable**
0

**Withdrawals from groundwater - non-renewable**
0

**Withdrawals from produced/entrained water**
0

**Withdrawals from third party sources**
0

**Total water discharges at this facility (megaliters/year)**
0

**Comparison of total discharges with previous reporting year**
About the same

**Discharges to fresh surface water**
0

**Discharges to brackish surface water/seawater**
0

**Discharges to groundwater**
0

**Discharges to third party destinations**
0

**Total water consumption at this facility (megaliters/year)**
5.63

**Comparison of total consumption with previous reporting year**
Lower

**Please explain**
Discharge by location is not available.

---

**Facility reference number**
Facility 7

**Facility name (optional)**

**Country/Area & River basin**

| | |
|---|---|
| Mexico | Bravo |

**Latitude**
25.59513

**Longitude**
-100.9043

**Located in area with water stress**
Yes

**Primary power generation source for your electricity generation at this facility**
<Not Applicable>

**Oil & gas sector business division**
<Not Applicable>

**Total water withdrawals at this facility (megaliters/year)**
140.8

**Comparison of total withdrawals with previous reporting year**
Lower

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**
0

**Withdrawals from brackish surface water/seawater**
0

**Withdrawals from groundwater - renewable**
0

**Withdrawals from groundwater - non-renewable**
0

**Withdrawals from produced/entrained water**
0

**Withdrawals from third party sources**
0

**Total water discharges at this facility (megaliters/year)**
304.92

**Comparison of total discharges with previous reporting year**
Higher

**Discharges to fresh surface water**
0

**Discharges to brackish surface water/seawater**
0

**Discharges to groundwater**
0

**Discharges to third party destinations**
0

**Total water consumption at this facility (megaliters/year)**
304.92

**Comparison of total consumption with previous reporting year**
Higher

**Please explain**
Discharge by location is not available.

## W5.1a

**(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?**

**Water withdrawals – total volumes**

**% verified**
Not verified

**Verification standard used**
<Not Applicable>

**Please explain**

**Water withdrawals – volume by source**

**% verified**
Not verified

**Verification standard used**
<Not Applicable>

**Please explain**

**Water withdrawals – quality by standard water quality parameters**

**% verified**
Not verified

**Verification standard used**
<Not Applicable>

**Please explain**

**Water discharges – total volumes**

**% verified**
Not verified

**Verification standard used**
<Not Applicable>

**Please explain**

**Water discharges – volume by destination**

**% verified**
Not verified

**Verification standard used**
<Not Applicable>

**Please explain**

**Water discharges – volume by final treatment level**

**% verified**
Not verified

**Verification standard used**
<Not Applicable>

**Please explain**

**Water discharges – quality by standard water quality parameters**

**% verified**
Not verified

**Verification standard used**
<Not Applicable>

**Please explain**

**Water consumption – total volume**

**% verified**
Not verified

**Verification standard used**
<Not Applicable>

**Please explain**

## W6. Governance

## W6.1

**(W6.1) Does your organization have a water policy?**
Yes, we have a documented water policy that is publicly available

## W6.1a

### (W6.1a) Select the options that best describe the scope and content of your water policy.

| | Scope | Content | Please explain |
|---|---|---|---|
| Row 1 | Company-wide | Commitment to prevent, minimize, and control pollution<br>Commitment to reduce water withdrawal and/or consumption volumes in direct operations<br>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace<br>Commitment to water stewardship and/or collective action<br>Commitments beyond regulatory compliance | Magna's Health, Safety and Environmental Policy commits us to, among other things: regularly evaluating and monitoring past and present business activities impacting on health, safety and environmental matters; improving the efficient use of natural resources, including energy and water; minimizing waste streams and emissions; implementing effective recycling in manufacturing operations, in each case, through the use of locally set continuous improvement targets. |

## W6.2

### (W6.2) Is there board level oversight of water-related issues within your organization?

Yes

## W6.2a

### (W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

| Position of individual or committee | Responsibilities for water related issues |
|---|---|
| Board-level committee | Magna's Board carries out its duties in part through standing committees, composed solely of independent directors. One such committee, the Governance, Nominating and Sustainability Committee ("GNSC") supports the Board's oversight of Magna's approach to sustainability and environmental, social and governance (ESG) factors (including water-related issues generally) is aligned with the Corporation's strategy, stakeholder expectations, regulatory and voluntary frameworks, as well as market norms and best practices. This oversight responsibility includes assessing the effectiveness of Magna's environmental compliance program, as well as Magna's actions to identify, monitor and mitigate any material risk exposures relating to such areas. The GNSC is tasked with periodically reviewing Magna's policies, practices and public disclosures relating to sustainability topics and makes recommendations to the Board regarding such items. During 2022, the GNSC received updates on Magna's evolving sustainability strategy. The CGCNC also reviewed, provided input into and approved the organization's Sustainability Report and presented its recommendations to the Board regarding the Board's approval of the Sustainability Report. Additionally, the CGCNC received semi-annual reporting relating to the performance of Magna's environmental compliance and management program. In 2022, the GNSC received an update on Magna's sustainability activities, including progress relating to our water reduction target. |

## W6.2b

### (W6.2b) Provide further details on the board's oversight of water-related issues.

| | Frequency that water related issues are a scheduled agenda item | Governance mechanisms into which water related issues are integrated | Please explain |
|---|---|---|---|
| Row 1 | Scheduled - some meetings | Monitoring implementation and performance<br>Monitoring progress towards corporate targets<br>Reviewing and guiding business plans<br>Reviewing and guiding corporate responsibility strategy<br>Reviewing and guiding risk management policies<br>Reviewing and guiding strategy<br>Reviewing innovation/R&D priorities | The Director, Environmental Compliance - Global, is responsible for briefing Magna's Board of Directors Corporate Governance, Compensation and Nominating Committee (and going forward the Governance Nominating and Sustainability Committee) on Magna's top environmental priorities, including water related programs, initiatives and emerging priorities. |

## W6.2d

### (W6.2d) Does your organization have at least one board member with competence on water-related issues?

| | Board member(s) have competence on water related issues | Criteria used to assess competence of board member(s) on water related issues | Primary reason for no board level competence on water related issues | Explain why your organization does not have at least one board member with competence on water related issues and any plans to address board level competence in the future |
|---|---|---|---|---|
| Row 1 | Not assessed | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## W6.3

### (W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

**Name of the position(s) and/or committee(s)**

Other committee, please specify (Director, Environment Compliance, Global)

**Water-related responsibilities of this position**

Setting water-related corporate targets
Monitoring progress against water-related corporate targets

**Frequency of reporting to the board on water-related issues**

Annually

**Please explain**

Magna's Director, Environment Compliance, Global is responsible for ensuring compliance of environmental issue and policies on a global basis. The Director is also responsible for managing , updating and providing oversight of Magna's Environmental Principles which detail procedures and guidance related to environmental issues, including water stewardship, related target-setting, and compliance with all local and regulations.

Magna's Director, Environment Compliance, Global, reports to Magna's Board of Directors through its Governance Nominating and Sustainability Committee) on the top Environmental priorities - which includes water - at minimum on an annual basis, and more frequently if appropriate or necessary. The Director, Environment Compliance, Global, is responsible for addressing the Committee's questions and recommendations for improvement or new direction in any related matters.

## W6.4

### (W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

| | Provide incentives for management of water related issues | Comment |
|---|---|---|
| Row 1 | Yes | Our profit-based compensation system for management directly links short-term incentive compensation to the operational performance of a business unit, as measured by profitability. Profitability is influenced by water-related initiatives taken on by a business unit impacted by factors including water-related issues. Business unit profitability is also driven by manufacturing productivity and efficiency, meaning that cost management and input efficiency are critical. One input cost in manufacturing is water, which, when efficiently managed has a positive impact on water consumption, as well as profitability and thus compensation. |

## W6.4a

### (W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

| | Role(s) entitled to incentive | Performance indicator | Contribution of incentives to the achievement of your organization s water commitments | Please explain |
|---|---|---|---|---|
| Monetary reward | Corporate executive team<br>Chief Executive Officer (CEO)<br>Chief Financial Officer (CFO)<br>Chief Operating Officer (COO)<br>Chief Purchasing Officer (CPO) | Reduction of water withdrawals – direct operations<br>Reduction in water consumption volumes – direct operations<br>Improvements in water efficiency – direct operations | Drive implementation of water reduction/use optimization projects | General Managers, Assistant General Managers and Controllers of each manufacturing Division are eligible to receive a percentage of the total profits generated by the facility. Decisions which maximize productivity and efficiency have a direct impact on resource use and thus resource input costs. Cost savings from efficiency projects which seek to minimize water use will have the effect of increasing Divisional profitability and thus facilities managers' compensation.<br>Water-related compensation incentives for Magna's CEO and Executive Management directly parallel those discussed above with respect to Operating Group (business unit) management, except that the incentives apply with respect to aggregate profitability of the company as a whole, instead of just one Operating Group |
| Non-monetary reward | Other, please specify (Employees) | Reduction of water withdrawals – direct operations<br>Reduction in water consumption volumes – direct operations<br>Improvements in water efficiency – direct operations | Drive implementation of water reduction/use optimization projects | In 2022, we introduced our annual Commitment to Sustainability Awards. Water-related projects qualify for submission to these awards.<br>Within Magna's manufacturing Divisions, individual employees may be recognized for superlative efforts in various areas, including product or process innovation, manufacturing efficiency, sustainability, cost management, community involvement or other. Employee efforts are often featured in employee-focused internal publications, such as the quarterly "Magna People" newsletter. Recognition may also be given through Magna's website, including the "Faces of Magna" page, which celebrates specific employee achievements and stories, including those with achievements specific to sustainability.<br>Within the Sustainability section of our website, we also highlight employee efforts relating to sustainability, including water reduction or water-related initiatives within their Division/Operating Group/Corporate Function, as well as in their personal lives, through our "Sustainability Stories" series. |

## W6.5

**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

Yes, direct engagement with policy makers

Yes, trade associations

## W6.5a

**(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?**

Magna's Government Relations teams engage with government agencies regularly on a variety of product and environmental related issues. Magna also works with various trade associations and industry groups to advocate positions on water related issues, including:

- AIAG (Automotive Industry Action Group)

- SP (Suppliers Partnership for the Environment)

- CME (Canadian Manufacturers & Exporters)

- Consumer Electronics for Automobiles

- MEMA (Motor and Equipment Manufacturers Association)

- OESA (Original Equipment Suppliers Association)

- VDA (Verband deutscher Automobilindustrie)

In order to stay consistent and coordinated throughout Magna, individuals and government relations teams responsible for policy engagement have reporting responsibilities to senior management who are involved in our overall water policy strategy. If inconsistency is recognized in our government relations individuals or teams it is corrected by senior management.

## W6.6

**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

Yes (you may attach the report - this is optional)

Magna_SustainabilityReport2022_FINAL(1).pdf

# W7. Business strategy

## W7.1

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

| | Are water related issues integrated? | Long term time horizon (years) | Please explain |
|---|---|---|---|
| Long-term business objectives | No, water-related issues were reviewed but not considered as strategically relevant/significant | 5-10 | We collect global water use data to: understand the volume of water used in our business; identify facilities with high water use; benchmarking of water use at comparable facilities; and identification of water reduction opportunities. Some of our Divisions have undertaken initiatives to reduce water usage, such as use of recycled water in the manufacturing process. In water stressed regions such as Mexico and India, some of our facilities are also implementing water reduction and re-use activities such as the used of treated wastewater for irrigation of green areas on site.<br><br>We do not evaluate water-related issues relative to our long-term objectives beyond 10 years. |
| Strategy for achieving long-term objectives | No, water-related issues were reviewed but not considered as strategically relevant/significant | 5-10 | We collect global water use data to: understand the volume of water used in our business; identify facilities with high water use; benchmarking of water use at comparable facilities; and identification of water reduction opportunities. Some of our Divisions have undertaken initiatives to reduce water usage, such as use of recycled water in the manufacturing process. In water stressed regions such as Mexico and India, some of our facilities are also implementing water reduction and re-use activities such as the used of treated wastewater for irrigation of green areas on site.<br><br>We do not evaluate water-related issues specific for strategy beyond 10 years. |
| Financial planning | No, water-related issues were reviewed but not considered as strategically relevant/significant | 5-10 | Some of our Divisions have undertaken initiatives to reduce water usage, such as use of recycled water in the manufacturing process. In water stressed regions such as Mexico and India, some of our facilities are also implementing water reduction and re-use activities such as the used of treated wastewater for irrigation of green areas on site.<br><br>We do not evaluate water-related issues specific to financial planning beyond 10 years. |

## W7.2

**(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

**Row 1**

**Water-related CAPEX (+/- % change)**
0

**Anticipated forward trend for CAPEX (+/- % change)**
-45.5

**Water-related OPEX (+/- % change)**
-1.3

**Anticipated forward trend for OPEX (+/- % change)**
-1.5

**Please explain**
General: Magna facilities invested in new equipment, systems, and processes in order to improve water efficiency and to implement water recycling processes where opportunities exist.

CAPEX: Reporting year CAPEX figure of 0 indicated as our data tracking for water-related CAPEX was not available for 2021 in order to allow for a 2022 % change calculation. Anticipated Forward CAPEX trend represents implementation costs for water-related projects completed or in progress for 2023 (as of the date of CDP submission) (compared to total 2022 CAPEX for water-related projects). This anticipated forward CAPEX may change as projects are added/reported during the remainder of 2023.

OPEX: In 2022, Magna's water-related OPEX decreased slightly (despite an increase in sales year over year), primarily as a result of the continued impacts of the implementation of our water efficiency programs/projects, as reflected in the decrease in water withdrawals year over year when comparing 2022 to 2021.

## W7.3

**(W7.3) Does your organization use scenario analysis to inform its business strategy?**

| | Use of scenario analysis | Comment |
|---|---|---|
| Row 1 | No, and we do not plan to do so within the next two years | We don't currently use climate scenario analysis as our business is based on production volumes, which are driven by consumer demand, and we are not aware of reliable data for modelling the impact of temperature increases (or water scarcity) on such demand or automotive OEM production changes.<br><br>We do plan to use climate scenario analysis in future in connection with our mandated obligation to do so under the EU Corporate Sustainability Reporting Directive.<br><br>We do currently evaluate natural hazard exposures, including coastal flooding risks, through regular modelling/mapping of risk-based scenarios. This exercise helps identify engineering solutions to our facilities located near coastal areas to help mitigate their risk/business impact should such events occur. For example, facilities in coastal areas will continue to be assessed for sea level rise & flooding. |

## W7.4

**(W7.4) Does your company use an internal price on water?**

**Row 1**

**Does your company use an internal price on water?**
No, and we do not anticipate doing so within the next two years

**Please explain**
Magna began to collect data on water consumption at a corporate level from our global operations starting in 2014. No significant risks or opportunities surrounding water management have been identified as priorities in our business strategy. It is unknown how establishing an internal price on water at this time would drive investment to manage water supplies more sustainably.

We have introduced a water use reduction target of 1.5% per year, with the aim of a 15% reduction by 2030 (against 2019 baseline year). Our facilities create their own program for addressing this target, with guidance and training provided from corporate environmental specialists. We believe our target and monitoring our progress in meeting it is an effective way for reducing water use. In 2022, our water use was approximately 17% less than our water use in our 2019 baseline year, meaning we have already met our 2030 target.

## W7.5

**(W7.5) Do you classify any of your current products and/or services as low water impact?**

| | Products and/or services classified as low water impact | Definition used to classify low water impact | Primary reason for not classifying any of your current products and/or services as low water impact | Please explain |
|---|---|---|---|---|
| Row 1 | No, and we do not plan to address this within the next two years | <Not Applicable> | No instruction from management | |

## W8. Targets

### W8.1

**(W8.1) Do you have any water-related targets?**
Yes

### W8.1a

**(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.**

| | | |
|---|---|---|
| Water pollution | No, and we do not plan to within the next two years | |
| Water withdrawals | Yes | <Not Applicable> |
| Water, Sanitation, and Hygiene (WASH) services | No, and we do not plan to within the next two years | We do not have a target in this area as 100% of our facilities are required to have water, sanitation and WASH services under our Health, Safety and Environmental Policy. |
| Other | Please select | <Not Applicable> |

### W8.1b

**(W8.1b) Provide details of your water-related targets and the progress made.**

**Target reference number**
Target 1

**Category of target**
Water withdrawals

**Target coverage**
Company-wide (direct operations only)

**Quantitative metric**
Reduction in total water withdrawals

**Year target was set**
2019

**Base year**
2019

**Base year figure**
7740

**Target year**
2030

**Target year figure**
6579

**Reporting year figure**
6361

**% of target achieved relative to base year**
118.776916451335

**Target status in reporting year**
Achieved

**Please explain**
Magna sites develop/implement strategies to minimize inefficient water use & identify opportunities for water use reduction through implementation of a water management plan that comprises the following:
- a site-specific performance metric for water use reduction
- development of a water use inventory listing the most significant & inefficient water uses, &
- completion of a water conservation assessment checklist that identifies & prioritizes potential water management actions

A documented review of the water management plan is completed on a minimum annual basis. Sites are scored a red, yellow or green status indicating their performance on the stated energy reduction target. A red-level status signals that the site is not on track to achieve the desired goal.

On a consolidated basis, Magna achieved its 15% (by 2030) target at the end of 2022 (actual reduction against baseline year approximately 18.8%), although the percentage reduction in any given future year could change due to an increase or decrease in Magna's production levels.

## W9. Verification

### W9.1

**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

Yes

Magna_CY2022_VerificationStatement_V1-0_072323_s.pdf

### W9.1a

**(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?**

| | | | |
|---|---|---|---|
| W1 Current state | Total water withdrawals detailed in W1.2b.<br><br>Withdrawals of municipal, groundwater, and surface water in W1.2h. | Other, please specify (The framework (i.e. process) utilized by SCS Global followed ISO 14064-3. Even though this framework is intended for GHG, the same verification process was applied to the water data) | The verification was completed by SCS Global and Magna received a positive verification for water data |

## W10. Plastics

### W10.1

**(W10.1) Have you mapped where in your value chain plastics are used and/or produced?**

| | | |
|---|---|---|
| Row 1 | Not mapped – and we do not plan to within the next two years | <Not Applicable> |

### W10.2

**(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?**

| | | |
|---|---|---|
| Row 1 | Not assessed – and we do not plan to within the next two years | <Not Applicable> |

### W10.3

**(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.**

| | | | |
|---|---|---|---|
| Row 1 | Not assessed – and we do not plan to within the next two years | <Not Applicable> | <Not Applicable> |

### W10.4

**(W10.4) Do you have plastics-related targets, and if so what type?**

| | | | |
|---|---|---|---|
| Row 1 | No – and we do not plan to within the next two years | <Not Applicable> | <Not Applicable> |

### W10.5

### (W10.5) Indicate whether your organization engages in the following activities.

| | |
|---|---|
| Production of plastic polymers | No |
| Production of durable plastic components | Yes |
| Production / commercialization of durable plastic goods (including mixed materials) | Yes |
| Production / commercialization of plastic packaging | No |
| Production of goods packaged in plastics | Yes |
| Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services) | No |

## W10.7

### (W10.7) Provide the total weight of plastic durable goods/components sold and indicate the raw material content.

**Row 1**

**Total weight of plastic durable goods/components sold during the reporting year (Metric tonnes)**
0

**Raw material content percentages available to report**
None

**% virgin fossil-based content**
<Not Applicable>

**% virgin renewable content**
<Not Applicable>

**% post-industrial recycled content**
<Not Applicable>

**% post-consumer recycled content**
<Not Applicable>

**Please explain**
This item is not currently tracked

## W10.8

### (W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Plastic packaging sold | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Plastic packaging used | 0 | None | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | This item is not currently tracked |

## W10.8a

### (W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.

| | | | | | |
|---|---|---|---|---|---|
| Plastic packaging sold | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Plastic packaging used | None | <Not Applicable> | <Not Applicable> | <Not Applicable> | This item is not currently tracked |

## W11. Sign off

## W-FI

### (W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

None.

## W11.1

**(W11.1) Provide details for the person that has signed off (approved) your CDP water response.**

| | | |
|---|---|---|
| Row 1 | Senior Legal Counsel | Other, please specify (Senior Legal Counsel and member of ESG/Sustainability Team) |

# SW. Supply chain module

## SW0.1

**(SW0.1) What is your organization's annual revenue for the reporting period?**

| | |
|---|---|
| Row 1 | 37840000000 |

## SW1.1

**(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?**

We do not have this data but we intend to collect it within two years

## SW1.2

**(SW1.2) Are you able to provide geolocation data for your facilities?**

| | |
|---|---|
| Row 1 | No, this is confidential data |

## SW2.1

**(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.**

**Requesting member**
Ford Motor Company

**Category of project**
Change to provision of goods and services

**Type of project**
Reduced water-related impacts

**Motivation**
To align with customer ambitions on water stewardship, as well as Magna's core sustainability values.

**Estimated timeframe for achieving project**
2 to 3 years

**Details of project**
We understand that in 2022, The Suppliers Partnership for the Environment (SP) announced a collaboration with The Water Council (TWC) to support the organization in the development of a new water stewardship program for the automotive supply chain. We also understand Ford Motor Company and Toyota Motor North America are co-chairing the SP's Water Stewardship Work Group work together with The Water Council to test the design of a sector-wide water stewardship program that is centered on a decision matrix and action plan that helps member organizations achieve excellence in their water stewardship performance.

**Projected outcome**
Sector-wide water stewardship program.

## SW2.2

**(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?**

No

## SW3.1

**(SW3.1) Provide any available water intensity values for your organization's products or services.**

## Submit your response

**In which language are you submitting your response?**
English

**Please confirm how your response should be handled by CDP**

| | | |
|---|---|---|
| Please select your submission options | Yes | Public |

**Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.**
Yes, CDP may share our Main User contact details with the Pacific Institute

**Please confirm below**
I have read and accept the applicable Terms

# Magna International Inc. - Forests 2023

## F0. Introduction

### F0.1

**(F0.1) Give a general description of and introduction to your organization.**

Magna is more than one of the world's largest suppliers in the automotive space. We are a mobility technology company with a global, entrepreneurial-minded team of over 171,000 employees and an organizational structure designed to innovate like a startup. Our global network includes 341 manufacturing operations and 88 product development, engineering and sales centres spanning 30* countries. We are positioned to support advancing mobility in a transforming industry, with 65+ years of expertise, and a systems approach to design, engineering and manufacturing that touches nearly every aspect of the vehicle, including: body, chassis, exterior, seating, powertrain, active driver assistance, electronics, mechatronics, mirrors, lighting and roof systems. We also have electronic and software capabilities across many of these areas. In addition, we are leveraging our capabilities and platform technologies in areas such as battery management, software stack and sensors to enter growing adjacent mobility markets such as micromobility. Our common shares trade on the Toronto Stock Exchange (MG) and the New York Stock Exchange (MGA). For further information about Magna, visit our website at www.magna.com.

*29 countries in the reporting year.

### F0.2

**(F0.2) State the start and end date of the year for which you are reporting data.**

| | Start Date | End Date |
|---|---|---|
| Reporting year | January 1 2022 | December 31 2022 |

### F0.3

**(F0.3) Select the currency used for all financial information disclosed throughout your response.**

USD

### F0.4

**(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.**

**Timber products**

**Commodity disclosure**

Not disclosing

**Stage of the value chain**

Manufacturing

**Are you disclosing information on embedded commodities?**

<Not Applicable>

**Explanation if not disclosing**

The main purchases of timber products in our business are wooden pallets for transport of our products (automotive parts). We do not currently collect consolidated data regarding such pallet purchases, although expect to do so in future. Our expectation is that the purchase of timber products for such purposes does not represent a material amount of our overall annual procurement spend

**Palm oil**

**Commodity disclosure**

This commodity is not produced, sourced or used by our organization

**Stage of the value chain**

<Not Applicable>

**Are you disclosing information on embedded commodities?**

<Not Applicable>

**Explanation if not disclosing**

<Not Applicable>

**Cattle products**

**Commodity disclosure**
Disclosing

**Stage of the value chain**
Manufacturing

**Are you disclosing information on embedded commodities?**
No, because we do not know if we have embedded commodities

**Explanation if not disclosing**
<Not Applicable>

**Soy**

**Commodity disclosure**
This commodity is not produced, sourced or used by our organization

**Stage of the value chain**
<Not Applicable>

**Are you disclosing information on embedded commodities?**
<Not Applicable>

**Explanation if not disclosing**
<Not Applicable>

**Other - Rubber**

**Commodity disclosure**
Not disclosing

**Stage of the value chain**
Manufacturing

**Are you disclosing information on embedded commodities?**
<Not Applicable>

**Explanation if not disclosing**
The purchase of rubber/rubber-related products represents a de minimis amount of our total rolling 12 month procurement spend.

**Other - Cocoa**

**Commodity disclosure**
This commodity is not produced, sourced or used by our organization

**Stage of the value chain**
<Not Applicable>

**Are you disclosing information on embedded commodities?**
<Not Applicable>

**Explanation if not disclosing**
<Not Applicable>

**Other - Coffee**

**Commodity disclosure**
This commodity is not produced, sourced or used by our organization

**Stage of the value chain**
<Not Applicable>

**Are you disclosing information on embedded commodities?**
<Not Applicable>

**Explanation if not disclosing**
<Not Applicable>

## F0.5

**(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported**
Operational control

## F0.6

**(F0.6) Select the countries/areas in which you operate.**

Argentina
Austria
Belarus
Brazil
Canada
China
Czechia
France
Germany
Hungary
India
Ireland
Italy
Japan
Mexico
Morocco
North Macedonia
Poland
Republic of Korea
Romania
Russian Federation
Serbia
Slovakia
Slovenia
Spain
Sweden
Thailand
Turkey
United Kingdom of Great Britain and Northern Ireland
United States of America

## F0.7

**(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?**

No

## F0.8

**(F0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)**

| Indicate whether you are able to provide a unique identifier for your organization | Provide your unique identifier |
|---|---|
| Yes, a Ticker Symbol | MG<br>(Toronto Stock Exchange) |
| Yes, a Ticker Symbol | MGA<br>(New York Stock Exchange) |

# F1. Current state

## F1.1

### (F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

**Cattle products**

**Activity**
Retailing/onward sale of commodity or product containing commodity

**Form of commodity**
Hides/leather

**Source**
Contracted suppliers (manufacturers)

**Country/Area of origin**
Unknown origin

**% of procurement spend**
<1%

**Comment**
We source leather, almost exclusively in our Seating operating Group for the production of automotive seats for Original Equipment Manufacturer (OEM) customers. A substantial majority of our leather buy is directed by such OEM customers, meaning we do not control the sourcing decision.

We do not currently have full visibility into the leather supply chain down to the farm level. Over the past 12 months, we have sourced almost all our leather from 11 entities. One such entity (representing approximately 17% of our leather buy) is a peer Tier 1 automotive parts supplier – meaning we are the Tier 2 supplier for the applicable program(s). The entities we purchase leather from are headquartered in the Canada, US, Mexico, Brazil, Italy, the UK, Bosnia & Herzegovina, and Germany.

## F1.2

### (F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

| | % of revenue dependent on commodity | Comment |
|---|---|---|
| Timber products | <Not Applicable> | <Not Applicable> |
| Palm oil | <Not Applicable> | <Not Applicable> |
| Cattle products | <1% | Purchase of leather for automotive applications represented approximately 0.4% of our total rolling 12 month procurement spend. This figure is approximately 17% lower than our prior year CDP reporting. |
| Soy | <Not Applicable> | <Not Applicable> |
| Other - Rubber | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> |

## F1.5

### (F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

| | Data availability/Disclosure |
|---|---|
| Timber products | <Not Applicable> |
| Palm oil | <Not Applicable> |
| Cattle products | Data not available |
| Soy | <Not Applicable> |
| Other - Rubber | <Not Applicable> |
| Other - Cocoa | <Not Applicable> |
| Other - Coffee | <Not Applicable> |

## F1.5e

### (F1.5e) Why is production and/or consumption data not available for your disclosed commodity(ies)?

| | Primary reason | Please explain |
|---|---|---|
| Timber products | <Not Applicable> | <Not Applicable> |
| Palm oil | <Not Applicable> | <Not Applicable> |
| Cattle products | No instruction from management | We have not received instruction from management to collect this data. |
| Soy | <Not Applicable> | <Not Applicable> |
| Other - Rubber | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> |

## F1.6

**(F1.6) Has your organization experienced any detrimental forests-related impacts?**

No

## F1.7

**(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.**

**Forest risk commodity**

Cattle products

**Have you monitored or estimated your deforestation/conversion footprint?**

No, but we plan to monitor or estimate our deforestation/conversion footprint in the next two years

**Coverage**

<Not Applicable>

**Reporting deforestation/conversion since a specified cutoff date or during the last five years?**

<Not Applicable>

**Known or estimated deforestation/ conversion footprint (hectares)**

<Not Applicable>

**Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint**

<Not Applicable>

# F2. Procedures

## F2.1

**(F2.1) Does your organization undertake a forests-related risk assessment?**

Yes, forests-related risks are assessed

## F2.1a

**(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.**

**Cattle products**

**Value chain stage**
Direct operations
Supply chain

**Coverage**
Partial

**Risk assessment procedure**
Assessed as a standalone issue

**Frequency of assessment**
Annually

**How far into the future are risks considered?**
1 to 3 years

**Tools and methods used**
Other, please specify (Review of our leather suppliers against Leather Working Group certification database.)

**Issues considered**
Impact of activity on the status of ecosystems and habitats

**Stakeholders considered**
Investors

**Please explain**
Given the fact that our annual procurement spend on leather is not material (less than 0.5%), we do not believe there is a risk of a substantive financial or strategic impact related to such product.

Based on our due diligence, excluding one Tier 1 automotive peer supplier, 7 of 10 entities from which we source leather are engaged in the Leather Working Group ("LWG") Audit protocol and have earned a Gold or Silver rating under such protocol. These 7 entities represent approximately 86% (73.5% in 2021) of our 12 month rolling leather buy. We believe the work of the LWG and the strong number of our suppliers engaged with this industry verification exercise also mitigate deforestation risk related to leather production.

As indicated, almost the entirety of our leather buy is directed by our OEM customers. Many of these customers have publicly stated initiatives or ambitions to ensure they are sourcing sustainable materials, including leather. In some cases, such customers are exploring or developing alternative products to leather. We believe such customer efforts will further mitigate any potential deforestation risk over time

## F2.2

**(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?**

| | Value chain mapping | Primary reason for not mapping your value chain | Explain why your organization does not map its value chain and outline any plans to introduce it |
|---|---|---|---|
| Timber products | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Palm oil | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Cattle products | No, but we plan to map the value chain within the next two years | Important, but not an immediate business priority | Given the fact that our annual procurement spend on leather is not material (less than 0.5%), mapping our leather supply chain is not an immediate business priority.<br><br>We intend to explore the feasibility of mapping our leather supply chain as regulatory requirements require (for example the EU's new Deforestation Regulation). However, we believe industry mapping/traceability efforts such as through the Leather Working Group are a more effective method of doing so. Moreover, we intend to have dialogue with our OEM customers on their mapping activities given that a substantial majority of our leather purchase is directed by such customers. |
| Soy | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Rubber | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## F2.3

**(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?**

| | Use of a classification system to determine deforestation and/or conversion risk of sourcing areas | Methodology used for classifying levels of risk | Use of risk classification | Attachment indicating risk classification for each sourcing area (optional) |
|---|---|---|---|---|
| 1 | No, and we do not plan to in the next two years | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## F3. Risks and opportunities

### F3.1

**(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?**

| | Risk identified? |
|---|---|
| Timber products | <Not Applicable> |
| Palm oil | <Not Applicable> |
| Cattle products | No |
| Soy | <Not Applicable> |
| Other - Rubber | <Not Applicable> |
| Other - Cocoa | <Not Applicable> |
| Other - Coffee | <Not Applicable> |

### F3.1a

**(F3.1a) How does your organization define substantive financial or strategic impact on your business?**

At the corporate level, Magna approaches the definition of “substantive impact” for commodity-related risks in a manner consistent with its approach to other potential risks. A starting reference point is determination of whether a commodity-related risk may be “material” in the context of risk disclosure required for securities law purposes. While materiality is determined on a subjective basis taking into account a range of factors, one general objective reference point for materiality is 10% of earnings, a threshold which Magna also uses to determine whether an impairment charge is considered a substantive financial impact. For the 2022 reporting year, the 10% threshold would translate to approximately USD$59 million based on Magna's net income that year. Where a commodity-related risk is not “material” for securities law purposes, we determine its potential significance by reference to a range of factors, which may include its ability to: impact the implementation of our strategy; disrupt our manufacturing operations; eliminate or significantly reduce future business prospects for, cash flows expected from or returns generated by, company assets; impair the company’s ability to secure capital; harm our ability to attract and retain necessary human talent; diminish our reputation; aggravate other risks faced by the company, as a result of risk interdependencies; or otherwise cause significant destruction of economic value.

### F3.1c

**(F3.1c) Why does your organization not consider itself to be exposed to forests-related risks with the potential to have a substantive financial or strategic impact?**

| | Primary reason | Please explain |
|---|---|---|
| Timber products | <Not Applicable> | <Not Applicable> |
| Palm oil | <Not Applicable> | <Not Applicable> |
| Cattle products | Risks exist, but no substantive impact anticipated | Given the fact that our annual procurement spend on leather is not material (less than 0.5%), we do not believe there is a risk of a substantive financial or strategic impact related to such product.<br><br>Based on our due diligence, excluding one Tier 1 automotive peer supplier, 7 of 10 entities from which we source leather are engaged in the Leather Working Group ("LWG") Audit protocol and have earned a Gold or Silver rating under such protocol. These 7 entities represent approximately 86% (73.5% in 2021) of our 12 month rolling leather buy. We believe the work of the LWG and the strong number of our suppliers engaged with this industry verification exercise also mitigate deforestation risk related to leather production.<br><br>As indicated, almost the entirety of our leather buy is directed by our OEM customers. Many of these customers have publicly stated initiatives or ambitions to ensure they are sourcing sustainable materials, including leather. In some cases, such customers are exploring or developing alternative products to leather. We believe such customer efforts will further mitigate any potential deforestation risk over time.<br><br>Over time, we expect risks related to genuine leather to be further reduced due to growing demand for synthetic leather or other genuine leather alternatives, including as a result of the cheaper manufacturing cost of synthetic leather which has led to increased investment in synthetic leather. |
| Soy | <Not Applicable> | <Not Applicable> |
| Other - Rubber | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> |

### F3.2

**(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

| | Have you identified opportunities? |
|---|---|
| Timber products | <Not Applicable> |
| Palm oil | <Not Applicable> |
| Cattle products | No |
| Soy | <Not Applicable> |
| Other - Rubber | <Not Applicable> |
| Other - Cocoa | <Not Applicable> |
| Other - Coffee | <Not Applicable> |

## F3.2b

**(F3.2b) Why does your organization not consider itself to have forests-related opportunities?**

**Cattle products**

**Primary reason**

Opportunities exist, but none with potential to have a substantive financial or strategic impact on business

**Please explain**

Given the de mininis amount of our annual leather buy and the directed nature of substantially the substantial majority of such buy, we do not believe opportunities relating to the supply of automotive leather seats would have a potential substantive financial or strategic impact on our business.

# F4. Governance

## F4.1

**(F4.1) Is there board-level oversight of forests-related issues within your organization?**

No

## F4.1c

**(F4.1c) Why is there no board-level oversight of forests-related issues and what are your plans to change this in the future?**

| | Primary reason | Board level oversight of forests related issues will be introduced in the next two years | Please explain |
|---|---|---|---|
| Row 1 | No substantive impact | No | |

## F4.1d

**(F4.1d) Does your organization have at least one board member with competence on forests-related issues?**

**Row 1**

**Board member(s) have competence on forests-related issues**

Not assessed

**Criteria used to assess competence on forests-related issues**

<Not Applicable>

**Primary reason for no board-level competence on forests-related issues**

<Not Applicable>

**Explain why your organization does not have at least one board member with competence on forests-related issues and any plans to address board-level competence in the future**

<Not Applicable>

## F4.2

**(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).**

| Name of the position(s) and/or committee(s) | Forests related responsibilities of this position | Frequency of reporting to the board on forests related issues | Please explain |
|---|---|---|---|
| Other, please specify (Seating Operating Group Management) | Managing value chain engagement on forests-related issues<br>Managing forests-related risks and opportunities<br>Assessing future trends in forest risk commodity demand | As important matters arise | As the primary forestry risk (though not material) for us relates to the use of leather for automotive seats, our Seating Operating Group manages this issue with their OEM customers who direct a substantial majority of our annual leather buy.<br><br>The issue of deforestation tied to cattle-raising has been brought forward to our Seating management as an engagement topic for discussions with their OEM customers, and our Corporate Sustainability Team also monitors the issue & industry developments at the Corporate level.<br><br>We have conducted a deeper dive into 10 of our largest direct suppliers, as well as industry efforts to tackle the issue, including their efforts to get certification by the third party Leather Working Group ("LWG") that has made this a priority focus in terms of reducing/eliminating deforestation risk thorough mapping and traceability initiatives.<br><br>The LWG is engaged with stakeholders across the leather and beef sector with a particular focus on South America, working in partnership to develop deforestation and conversion-free certification as a crucial incremental step for the leather industry.<br><br>Currently, 7 of 10 key suppliers are or have engaged in the LWG Audit protocol and have a Gold or Silver rating. These 7 represent approximately 86% (73.5% in 2021) of our 12 month leather buy (with another 17% purchased through one of our Tier 1 automotive peer suppliers).<br><br>The LWG certified suppliers have a traceability percentage ranging from 44-96%. |

## F4.3

**(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?**

| | Provide incentives for management of forests related issues | Comment |
|---|---|---|
| Row 1 | No, and we do not plan to introduce them in the next two years | |

## F4.4

**(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?**

Yes (you may attach the report – this is optional)

Magna_SustainabilityReport2022_FINAL(1).pdf

## F4.5

**(F4.5) Does your organization have a policy that includes forests-related issues?**

No, but we plan to develop one within the next two years

## F4.6

**(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?**

| Forest risk commodity | Public commitments made |
|---|---|
| Cattle products | No |

# F5. Business strategy

## F5.1

**(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

| | Are forests related issues integrated? | Long term time horizon (years) | Please explain |
|---|---|---|---|
| Long-term business objectives | No, forests-related issues were not reviewed and there are no plans to do so | <Not Applicable> | Our annual leather spend is: 1) substantially directed by our OEM customers, who determine both the sub-suppliers we are required to use, as well as the pricing for such leather - limiting our leverage to drive change; 2) represents a de minimis (less than 0.5%) of our annual procurement spend. |
| Strategy for long-term objectives | No, forests-related issues were not reviewed and there are no plans to do so | <Not Applicable> | Our annual leather spend is: 1) substantially directed by our OEM customers, who determine both the sub-suppliers we are required to use, as well as the pricing for such leather - limiting our leverage to drive change; 2) represents a de minimis (less than 0.5%) of our annual procurement spend. |
| Financial planning | No, forests-related issues were not reviewed and there are no plans to do so | <Not Applicable> | Our annual leather spend is: 1) substantially directed by our OEM customers, who determine both the sub-suppliers we are required to use, as well as the pricing for such leather - limiting our leverage to drive change; 2) represents a de minimis (less than 0.5%) of our annual procurement spend. |

## F6. Implementation

### F6.1

**(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?**

No

### F6.1b

**(F6.1b) Why do you not have target(s) for increasing sustainable production and/or consumption of your disclosed commodity(ies) and what are your plans to develop these in the future?**

| | Primary reason | Please explain |
|---|---|---|
| Timber products | <Not Applicable> | <Not Applicable> |
| Palm oil | <Not Applicable> | <Not Applicable> |
| Cattle products | No instruction from management | Our annual leather spend is: 1) substantially directed by our OEM customers, who determine both the sub-suppliers we are required to use, as well as the pricing for such leather - limiting our leverage to drive change; 2) represents a de minimis (less than 0.5%) of our annual procurement spend.<br><br>Nonetheless the issue of deforestation tied to cattle-raising has been brought forward to our Seating management team as an engagement topic for their discussions with their OEM customers with respect to the purchase of leather. Our Corporate Sustainability Team is also monitoring the issue and industry developments at the Corporate sustainability level. |
| Soy | <Not Applicable> | <Not Applicable> |
| Other - Rubber | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> |

### F6.2

**(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?**

| | Do you have system(s) in place? | Supply chain coverage | Description of traceability system | Exclusions | Description of exclusion |
|---|---|---|---|---|---|
| Timber products | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Palm oil | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Cattle products | No | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Soy | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Rubber | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |

### F6.2b

**(F6.2b) Why do you not have system(s) in place to track and monitor the origin of your disclosed commodity(ies) and what are your plans to develop these in the future?**

**Forest risk commodity**
Cattle products

**Primary reason**
No instruction from management

**Please explain**
Our annual leather spend is: 1) substantially directed by our OEM customers, who determine both the sub-suppliers we are required to use, as well as the pricing for such leather - limiting our leverage to drive change; 2) represents a de minimis (less than 0.5%) of our annual procurement spend.

Given the largely directed nature of our leather buy, as well as the de minimis amount, of our annual leather spend, we believe an industry approach to supply chain tracking of leather makes the most sense. To this end, we are monitoring the work of the third party Leather Working Group ("LWG") which has made this issue a priority focus in terms of reducing/eliminating deforestation risk thorough mapping and traceability initiatives. The LWG has developed a traceability roadmap with the aim of 100% deforestation and conversion-free leather by 2030. The roadmap is planned to include deforestation due diligence, and eventually a chain of custody system. LWG is also engaged with stakeholders across the leather and beef sector with a particular focus on South America, working in partnership to develop deforestation and conversion-free certification as a crucial incremental step for the leather industry.

A supplier's LWG traceability score represents the total percentage of material traceable to a specific slaughterhouse, or a group of slaughterhouses or region of collection for all types . Traceability is currently a scored section of the leather manufacturer audit which contributes to the overall score obtained, and can affect the medal rating achieved, however it is not currently a critical section directly affecting the overall medal rating. It is planned for traceability to become a critical section in the next major update to the leather manufacturer standard.

The supplier with which we have the largest spend on a rolling 12 month basis (representing approximately 33% of our leather buy) is Gold rated by LWG with 75% traceability. 6 of our other suppliers with an LWG Gold (4 suppliers) or Silver rating (2 suppliers) have traceability ranging from 44% to 96%.

## F6.3

**(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?**

| | Third party certification scheme adopted? | % of total production and/or consumption volume certified |
|---|---|---|
| Timber products | <Not Applicable> | <Not Applicable> |
| Palm oil | <Not Applicable> | <Not Applicable> |
| Cattle products | No, we have not adopted any third-party certification schemes for this commodity | <Not Applicable> |
| Soy | <Not Applicable> | <Not Applicable> |
| Other - Rubber | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> |

## F6.7

**(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?**

| | Are you working with smallholders? | Type of smallholder engagement approach | Smallholder engagement approach | Number of smallholders engaged | Please explain |
|---|---|---|---|---|---|
| Timber products | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Palm oil | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Cattle products | No, not working with smallholders | <Not Applicable> | <Not Applicable> | <Not Applicable> | We believe these efforts are best conducted at an industry level, such as through the Leather Working Groups, or through leather suppliers which are closer in the supply chain to smallholders. |
| Soy | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Rubber | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Cocoa | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |
| Other - Coffee | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> | <Not Applicable> |

## F6.8

**(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.**

**Forest risk commodity**
Cattle products

**Are you working with direct suppliers?**
No, not working with direct suppliers

**Action(s) on forests-related issues driven by engagement**
<Not Applicable>

**Type of engagement**
<Not Applicable>

**Details of engagement**
<Not Applicable>

**Description of engagement**
Given the directed nature of a substantial majority of our leather buy, our OEM customers who select the leather suppliers we are required to work with have significantly greater leverage to effect change with respect to this issue. We have brought this issue forward to our Seating management team as an engagement topic for their discussions with their OEM customers.

**% of suppliers engaged by procurement spend covered by engagement**
<Not Applicable>

**Explain the impact of your engagement on the selected action**
<Not Applicable>

**Is this engagement helping your suppliers engage with their suppliers on the selected action?**
<Not Applicable>

**Does this engagement contribute to achieving a reported target?**
<Not Applicable>

## F6.9

**(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.**

**Forest risk commodity**
Cattle products

**Are you working beyond first tier?**
No, not working beyond the first tier

**Action(s) on forest-related issues driven by engagement**
<Not Applicable>

**Type of engagement**
<Not Applicable>

**Details of engagement**
<Not Applicable>

**Description of engagement**

**Explain the impact of your engagement on the selected action**
<Not Applicable>

**Does this engagement contribute to achieving a reported target?**
<Not Applicable>

## F6.10

**(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?**

| | Do you engage in landscape/jurisdictional approaches? | Primary reason for not engaging in landscape and/or jurisdictional approaches | Explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future |
|---|---|---|---|
| Row 1 | No, we do not engage in landscape/jurisdictional approaches, and we do not plan to within the next two years | No instruction from management | No instruction from Management and lack of assessed substantial impact. |

## F6.11

**(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?**

**Forest risk commodity**
Cattle products

**Do you participate in activities/initiatives?**
Yes

**Activities**
Involved in multi-partnership or stakeholder initiatives

**Country/Area**
United States of America

**Subnational area**
Please select

**Initiatives**
Other, please specify (Suppliers Partnership for the Environment)

**Please explain**
Magna is a member of the Suppliers Partnership for the Environment, a leading forum for global automotive manufacturers, their large and small suppliers, the US EPA and other government entities from around the world to work together toward a shared vision of an automotive industry with positive environmental impact.

The Suppliers Partnership includes a Sustainable Materials Working Group and primary focus issues include striving to optimize use of sustainable materials in automotive operations and products.

## F6.12

**(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term protection?**
No, and we do not plan to implement project(s) within the next two years

## F7. Verification

## F7.1

**(F7.1) Do you verify any forests information reported in your CDP disclosure?**
No, we are waiting for more mature verification standards/processes

## F8. Barriers and challenges

## F8.1

**(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.**

**Forest risk commodity**
Cattle products

**Coverage**
Supply chain

**Primary barrier/challenge type**
Limited value chain engagement

**Comment**
Both the de minimis amount of our annual leather spend, as well as the fact that our leather spend is substantially directed by our OEM customers, who determine both the sub-suppliers we are required to use, as well as the pricing for such leather, limits our leverage with suppliers, and makes meaningful engagement more difficult.
As discussed, we believe raising the issue with our OEM customers, as well as monitoring industry initiatives such as the work of the Leather Working Group makes the most sense for Magna at this time.

## F8.2

**(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.**

**Forest risk commodity**
Cattle products

**Coverage**
Supply chain

**Main measure**
Development of certification and sustainability standards

**Comment**
We believe an industry wide solution to mapping and certification of the leather supply chain represents the best solution to deforestation risk relating to leather production. Accordingly, we welcome the work of the Leather Working Group in developing a detailed traceability roadmap. We believe this will enhance the audit/certification program already in
place by the LWG.

## F17 Signoff

## F-FI

**(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

None

## F17.1

**(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.**

| | Job Title | Corresponding job category |
|---|---|---|
| Row 1 | Senior Legal Counsel | Other, please specify (Senior Legal Counsel and member of ESG/Sustainability Team) |

## SF. Supply chain module

## SF0.1

**(SF0.1) What is your organization's annual revenue for the reporting period?**

| | Annual revenue |
|---|---|
| Row 1 | 37840000000 |

## SF1.1

**(SF1.1) In F6.3 you were asked "Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption". Can you also indicate, for each of your disclosed commodity(ies), the percentage of certified volume sold to each requesting CDP supply chain member?**
Don't know

## SF1.1b

**(SF1.1b) Why can you not indicate the percentage of certified volume sold to each of your requesting CDP supply chain members? Describe any future plans for adopting and communicating levels of certification to requesting members.**

**Requesting member**
Jaguar Land Rover Automotive plc

**Forest risk commodity**
Cattle products

**Primary reason**
No requirement from customers to track certification levels in the past

**Please explain**
We have not adopted a third-party certification scheme for leather, nor have we been requested to do so by OEM customers.

## SF2.1

**(SF2.1) Please propose any mutually beneficial forests-related projects you could collaborate on with specific CDP supply chain members.**

**Requesting member**
Jaguar Land Rover Automotive plc

**Commodity related to the project**
Cattle products

**Category of project**
Certification

**Type of project**
Please select

**Estimated timeframe for realization of benefits to customer**
Current - up to 1 year

**Details of project**
Customer to host training session with applicable leather suppliers to encourage participation in a mapping/certification regime such as the Leather Working Group audit protocol and traceability assessment.

**Projected outcome**
Increase in leather supply chain transparency. Increase in proportion of leather buy that is certified.

## SF2.2

**(SF2.2) Have requests or initiatives by CDP supply chain members prompted your organization to take organizational-level action to reduce or remove deforestation/forest degradation from your operations or your supply chain?**
No

## SF3.1

**(SF3.1) For your disclosed commodity(ies), do you estimate the GHG emission reductions and/or removals from land use and land use change that have occurred in your direct operations and/or supply chain?**

**Cattle products**

**Estimate GHG emissions and removals from land use and land use change**
No

**Please explain**

## Submit your response

**In which language are you submitting your response?**
English

**Please confirm how your response should be handled by CDP**

| | I understand that my response will be shared with all requesting stakeholders | Response permission |
|---|---|---|
| Please select your submission options | Yes | Public |

**Please confirm below**
I have read and accept the applicable Terms