



Forward. For all.

Driving Global Operational Excellence: Scaling
Efficiency and Performance Across Complex
Programs

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Operational Excellence in Action



Driving Global Operational Excellence

1. The Power of Magna
2. Magna's Approach to Global Operational Excellence
3. Lessons from Global Turnarounds and High-Risk New Facility and Program Launches
4. Building Resilient Operations Amid today's Automotive Industry Challenges
5. Empowering Plant Leadership and Frontline Teams
6. Business Results



The Power of Magna

Magna's Product Systems



BODY & CHASSIS



EXTERIORS



POWERTRAIN



ELECTRONICS



MECHATRONICS



MIRRORS



LIGHTING



SEATING



COMPLETE VEHICLES

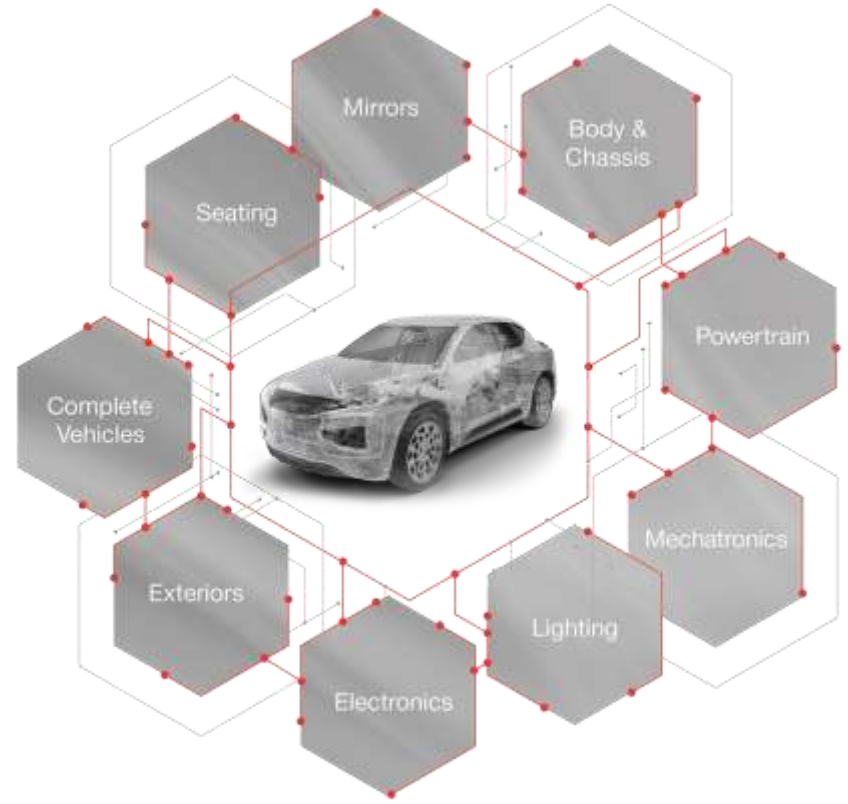
Our full-system approach is your competitive advantage in the new world of mobility.

The Power of Magna

Deep product expertise

Integrated systems level analysis and approach

Complete vehicle engineering and manufacturing



What we
value.

CORE VALUES

Guided by our Employee's Charter, our core values are a reflection of who we are as individuals and as a company.

Think Big

Empowering each to act with confidence.

Take Responsibility

Taking accountability for ourselves and others in our actions and commitments.

Never Settle

Constantly innovating, improving and asking the right questions.

Be Collaborative

We do our best when we do it together, with respect and humility.



Magna Cosma's Approach to Global Operational Excellence

How Does Magna Measure Operational Excellence?



People

- Employee satisfaction and engagement levels
- Employee suggestions
- People development metrics, such as training initiatives
- Safety Incidents

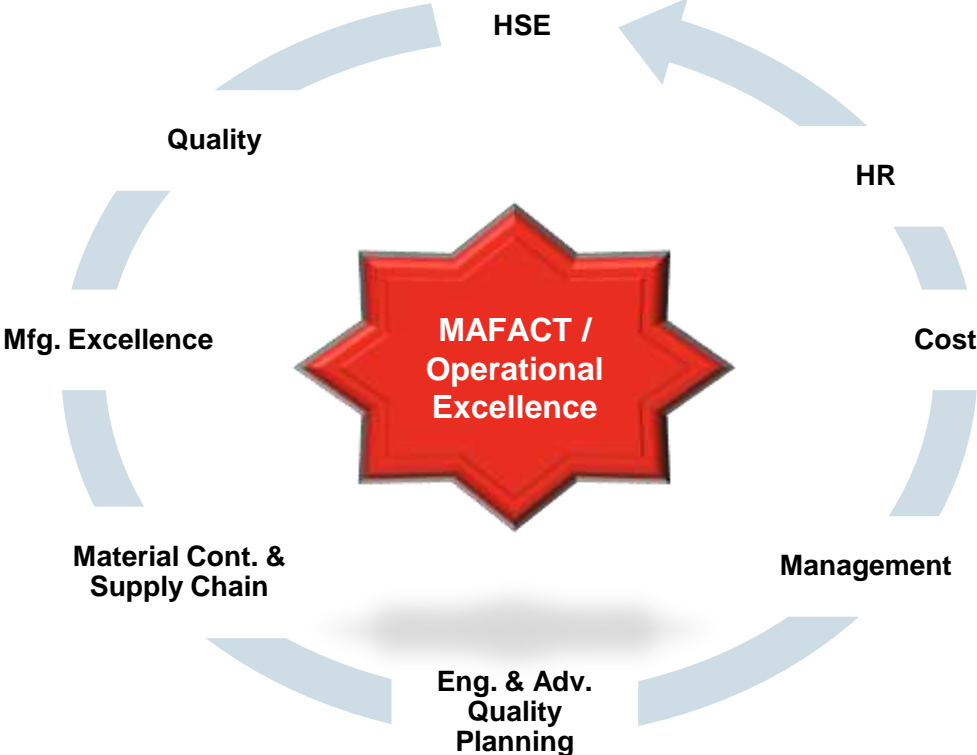
Customer

- Quality Incidents (internal and external)
- On-time Delivery
- Process and Equipment Efficiency

Investors

- New Business Awards
- Good Finance Results

Operational Excellence Through Mafact



Framework for Operational Excellence

1. Strategic Alignment

- Business plan process
- Manufacturing strategy
- MP&L risk mitigation
- Transparent KPIs

2. Launch Excellence

- Common program delivery process
- Program risk management
- Structured governance
- Global oversight

3. Quality Excellence

- Global quality systems
- Common quality standards
- Training & enforcement
- Ownership of Q-systems / MQS

4. Organizational Development

- People development process
- Transparent KPIs & rewards
- Culture of psychological safety

5. Lean Execution System (MAFACT)

- MAFACT as the lean backbone
- Standardization & stability
- Waste elimination & flow optimization

6. Business Systems Integration

- One source of truth
- Cross-functional visibility
- Industry 4.0 enablement



Lessons from Global Turnarounds and High-Risk New Facility and Program Launches

From Crisis to Control:

Lessons on Turnarounds & High-Risk Program Launches

People as the Engine of Success

1. Get the right people in the right seats—fast
2. Foster a culture of brutal honesty
3. Celebrate small victories



From Crisis to Control:

Lessons on Turnarounds & High-Risk Program Launches

Clarity & Unwavering Leadership

1. Establish a “data room” nerve center
2. Define, align & over-communicate non-negotiables
3. Empower the front-line leadership



From Crisis to Control:

Lessons on Turnarounds & High-Risk Program Launches

Fortify the External Ecosystem

1. Deep supplier integration
2. Customer-centric shielding



From Crisis to Control:

Lessons on Turnarounds & High-Risk Program Launches

Process Discipline

1. Master the fundamentals
2. Data over emotion
3. Proactive risk mitigation



KEY TAKEAWAYS

- Success is forged by a disciplined fusion of PEOPLE, PROCESS, and SENSE OF PURPOSE
- Ensure common short-term and long-term goals established
 - “Work package” process (A3 approach)
 - Structured communication
 - Fundamentals identified and fixed
 - “Lean manufacturing” approach (MAFACT)
 - Containment in place to mitigate risk to customer





Building Resilient Operations Amid Today's Automotive Industry Challenges

Strategic Alignment Through Hoshin Kanri

Enables Alignment From Corporate Vision and Goals to Plant-level Actions

Operational Excellence Strategy Process

1. Establish organization vision
2. Develop breakthrough objectives
3. Develop annual objectives
4. Deploy annual objectives
5. Implement annual objectives
6. Monthly review
7. Annual review

- Note: in a continuous cycle

Promoting Process

- Eliminate siloed approach in all levels
- Aligns all organization to the same direction
- Supports long-term transformation and operational excellence
- Create strong team relationship toward the same objectives

- Ensure people, customers and investors satisfaction

Building Resilient Operations Amid Supply Chain Disruption

Flexible, Dynamic and Decentralized Operational Excellence Approach

Challenges Faced in Recent Years

- New market scenarios, regional conflicts, Covid, tariffs, microchips

Implemented Operational Strategies

- Risk-based and diversified sourcing – reduce reliance on single sources, mitigate geopolitical risks
- Data driven operations - strong digitalization approach to accelerate reaction and team collaboration
- Global best practice sharing and implementation
- Global Red Flag process – build “psychological safety” into organization and obtain transparency early on risks



Difficult moments are opportunities to become stronger



Empowering Plant Leadership and Frontline Teams

Empowering Plant Leadership and Frontline Teams

- Foundational "fair enterprise" culture
- Magna decentralized organization
- Direct employee voice
- Advanced technology on the shop floor
- Mobile and real-time data
- Leadership development and training



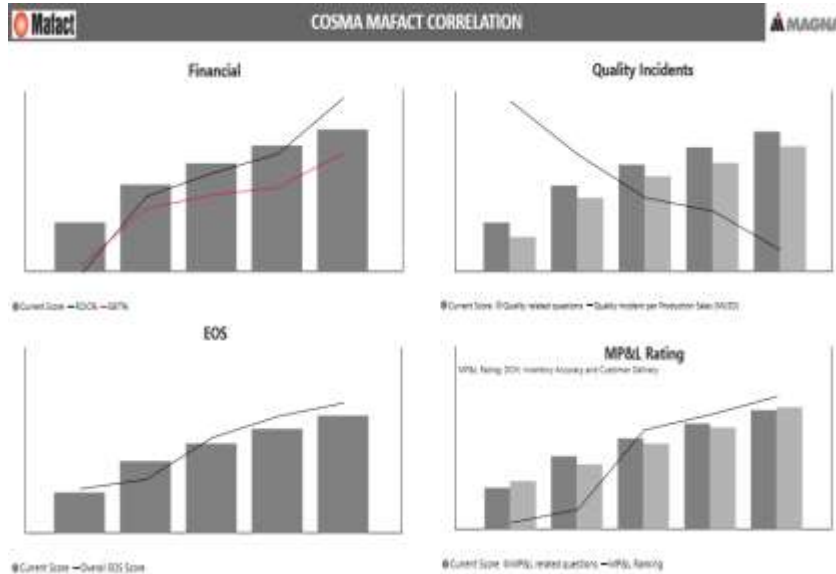


Business Results

Business Results Through Operational Excellence

Global Operational Excellence Has Direct Impact on Customer, Employee, and Financial Results

Examples How Operational Excellence Supports Company Goals



Margin Expansion

- Lean line design standardization process
- Cost saving global database
- Common metric on direct labor efficiency

Operational Excellence

- Lean manufacturing process (MAFACT)
- Problem solving process and training
- Standard management meeting structure

Flawless Launch

"One Source of Truth"

- Disciplined program delivery process
- Standard KPIs for PD process
- Standard management meeting structure

Focus on Underperformers

- Top focus (process, quality, material, MAFACT)
- Transparency, coaching, mentoring

A silhouette of a man stands on the left, looking towards a car on the right. The car's rear light bar is illuminated with a red glow. The background is a sunset sky with a large, light gray arrow pointing right. The text "Forward. For all." is centered in the upper half of the image.

Forward.
For all.