

MAGNA STEYR GRAZ

360°

2018 Perspectives

Performance Report with
Integrated Environmental Statement

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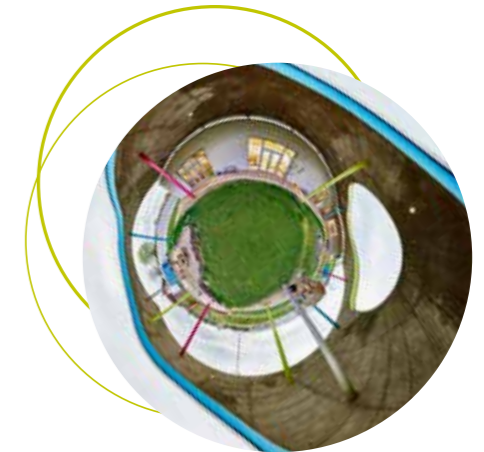
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360° PERSPECTIVES

Embedded in an environment which is continually being shaped anew by many people every day, Magna Steyr has always tried to find both the best possible and sustainable solutions for the demands of the automotive industry. Using a holistic approach, it becomes clear that many different interlocking processes are necessary to realize defined objectives together.

How can a company go easy on resources, avoid environmental pollution and at the same time take social responsibility? The current Performance Report with Integrated Environmental Statement of the Magna Steyr Graz location deals with questions like this and shows that answers are not only multifaceted, but that various perspectives are necessary to best understand the processes and procedures involved.

A 360° perspective grants wide-ranging insights into the company. The four topics of Business Performance, Environment, Social

Responsibility and Compliance form the substantial areas of focus, and the people behind our achievements will also be brought into the limelight.

Whether newcomers, project managers or company representatives – in this report, employees from different areas of the company have their say and provide a view from different perspectives. Impressive 360° images also open up new perspectives on a photographic level. After all, what is often necessary for new and innovative approaches is exactly that – a new angle of view.



WITH OUR CORPORATE POLICY,
WE ARE CLEARLY COMMITTED
TO CONTINUING ALONG OUR
CHOSEN AND SUCCESSFUL PATH
AND TO DEVELOPING FURTHER
ON AN ONGOING BASIS.

BEING A PIONEER

The Magna Steyr location in Graz not only plays an important role within the Magna Group with its complete vehicle production, but is also an important economic factor and employer for the region.

As a result of several new vehicle projects in recent months, 3,300 new employees were hired, and thus contributing to a considerable impetus in the labor market. One of the big highlights in 2017 was our renewed award for a "Great Place to Work®", i.e. one of the best employers in Austria. As the Magna Steyr Management Board, it is also very important to us to take a pioneering role in the field of environmental protection. With our corporate policy, we are clearly committed to continuing along the successful path we have chosen, with the participation of our employees, and to developing ourselves further on an ongoing basis. This Performance Report with integrated environmental statement presents the environmental performance and key environmental figures achieved in the company over the past year and at the same time underlines our efforts to make internal processes and our daily actions environmentally compatible. The topics business performance, environment, social responsibility and compliance are presented together and put in a holistic framework. Every single focus contributes significantly to the success of Magna Steyr.

Electric mobility is currently one of the central trends in the automotive industry. Magna Steyr is the first contract manufacturer to build vehicles with conventional, hybrid and all-electric drives in one site and sometimes even on one production line. Our product portfolio represents a truly unique selling point for our company. We also place clear emphasis on the area of electric mobility in our supporting processes. The use of two all-electric trucks for the internal transport of vehicle bodies, the addition of several electric vehicles to our fleet and an investigation into the electrification of our internal shuttle are just a few of the projects that have been implemented in this context in recent months.

One topic that we are currently pushing hard is the transparent presentation of the entire supply chain from the point of view of sustainability, including the entire product life cycle.

Deliberations about effective environmental protection do not just start with the car on the road: At Magna Steyr, we are aware of our social responsibility right from the development phase and strive for sustainable solutions right from the start. In terms of compliance, in recent months a central topic that our environmental team dealt with was the revision of the environmental management system standard ISO 14001 and the implementation of the new requirements at the Graz location. Being a company that is fully aware of its responsibility, we see it as our duty to be more than just an employer for our employees. For this reason, one of the main focal points was the holistic view of employee mobility, which represents a significant indirect environmental aspect. With improved infrastructure for our cyclists and new direct bus lines for our employees we offer an additional added value.

As an automotive supplier, it is also one of our tasks to orient ourselves towards the sustainability goals of the OEMs, because reducing the environmental impact at the Graz location also strengthens the environmental performance of our customers. As part of the certified environmental management system, we at Magna Steyr, together with our employees, focus on measures that are both technically possible and economically justifiable. We want to minimize the impact of our work processes on the environment and thus be one of the pioneers in the automotive industry.

Günther Apfalter
President Magna Europe & Magna Steyr



THE COMPANY

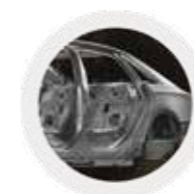
Magna International, with its four product fields, is a leading global automotive supplier with 339 production plants and 89 centers for product development, engineering and sales in 28 countries. Our work force of more than 173,000 employees worldwide contributes to higher value added in the global automotive industry thanks to innovative processes and World Class Manufacturing. No other company has such extensive knowledge of complete systems as Magna. This has made the company the most reliable partner in the automotive industry for decades. And for this reason, Magna technology is already used in two thirds of all vehicles currently produced. Magna is therefore ideally equipped to lead mobility into the future. The broad range of competencies are divided into the following core areas: body exteriors & structures, power & vision, seating systems and complete vehicles.

MAGNA INTERNATIONAL IS DIVIDED INTO 4 PRODUCT AREAS:

Body Exteriors & Structures:



Exteriors



Body & chassis



Roof systems

Power & Vision:



Powertrain



Electronics



Mechatronics



Mirrors



Lighting

Seating Systems:



Seating

Complete Vehicles:



Vehicle engineering & manufacturing



Beste
Arbeitgeber 2017
Österreich



MAGNA STEYR IN GRAZ: A LOCATION WITH TRADITION

Magna Steyr is one of 7 groups of Magna International and a global company with more than 12,000 employees at more than 25 locations distributed over three continents. Over 100 years of experience in vehicle production and a broad range of services make Magna Steyr the world's leading, brand-independent engineering and manufacturing partner for OEMs.

The extensive range of services comprises complete vehicle engineering and production. The Graz location plays a special role within the Magna Group. Apart from its 100-year history, the location is characterized by its size and complete vehicle competence. The Graz location is the biggest Magna location within Magna International worldwide and it is also the only one where complete vehicles are produced. Currently it has a workforce of approximately 9,500. It thus counts as one of the biggest employers in the region. Due to its flexibility and close proximity to the engineering services of Engineering Center Austria, which is located

on the same site, Magna Steyr can offer its customers special added value. The company can look back on the production of more than 3.3 million vehicles. Due to the new production orders from BMW and Jaguar Land Rover for several vehicle models, and thanks to the extension of the contract for the Mercedes-Benz G-Class, the Magna Steyr plant at Graz is ensured good capacity utilization over the next few years. Some 3,000 new employees had in the past few months been hired for the new production contracts in the areas of body-in-white, paint shop, assembly and logistics.

EMPLOYEE FEEDBACK THAT MAKES US PROUD

Magna Steyr is a Great Place to Work®

In 2016 and 2017, Magna Steyr Graz was named by the international benchmark study Great Place to Work® in the category for companies with more than 500 employees. The automotive supplier thus counts as one of the best employers in Austria for the second time. The participating companies were scored with the help of an employee questionnaire and a workplace culture audit. From this a total score was calculated and the participating companies ranked accordingly.

MAGNA STEYR GRAZ – COMPANY HISTORY

From the historic Voiturette up to the current range of models, a total of over 3.3 million vehicles have rolled off the lines at Magna Steyr since 1906. Among these is also the Mercedes-Benz G-Class, which has been made in Graz for nearly 40 years and has thus achieved one of the longest production runs in history worldwide.

1906



Voiturette
(1906)



Puch 500/650/700c/126
(1957 – 1975)



Alpenwagen
(1919)



Haflinger
(1959 – 1974)



VW Transporter T3 4x4
(1984 – 1992)



VW Golf Country
(1990 – 1991)



Mercedes-Benz G-Class
(since 1979)



Pinzgauer
(1971 – 2000)



Mercedes-Benz E-Class
(1996 – 2002)



Chrysler Voyager
(2002 – 2007)



Audi V8L
(1990 – 1994)



Mercedes-Benz E-Class
(2003 – 2006)



Saab 9-3 Cabrio
(2003 – 2009)



**Jeep Grand Cherokee
ZG, WG, WJ**
(1994 – 2004)



Mercedes-Benz M-Class
(1999 – 2002)



Jeep Commander
(2006 – 2010)



BMW X3
(2003 – 2010)



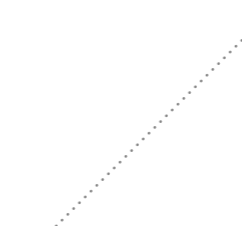
Jeep Grand Cherokee WH
(2005 – 2010)



Aston Martin Rapide
(2010 – 2012)



Peugeot RCZ
(2010 – 2015)



Chrysler 300 C
(2005 – 2010)



Mercedes-Benz SLS AMG
Painted Aluminum Body
(2009 – 2014)



MINI Countryman
(2010 – 2016)



Mercedes-Benz E-Class
(2003 – 2006)



Saab 9-3 Cabrio
(2003 – 2009)



**Jeep Grand Cherokee
ZG, WG, WJ**
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Mercedes-Benz M-Class
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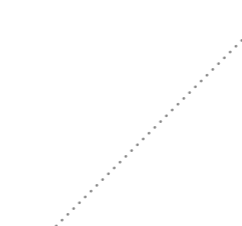
Jeep Grand Cherokee WH
(2005 – 2010)



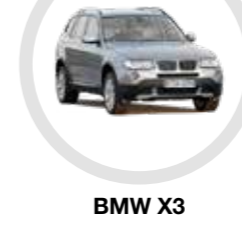
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Mercedes-Benz SLS AMG
Painted Aluminum Body
(2009 – 2014)



MINI Countryman
(2010 – 2016)



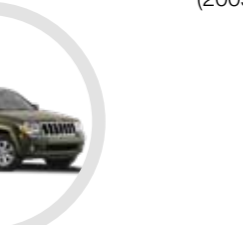
Peugeot RCZ
(2010 – 2015)



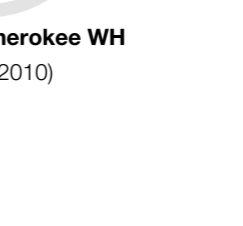
Chrysler 300 C
(2005 – 2010)



Mercedes-Benz SLS AMG
Painted Aluminum Body
(2009 – 2014)



Jeep Grand Cherokee WH
(2005 – 2010)



MINI Countryman
(2010 – 2016)



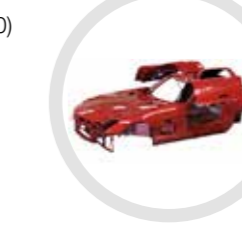
MINI Paceman
(2012 – 2016)



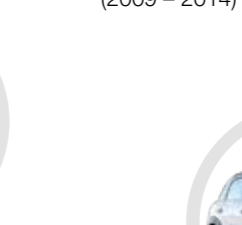
Peugeot RCZ
(2010 – 2015)



Chrysler 300 C
(2005 – 2010)



Mercedes-Benz SLS AMG
Painted Aluminum Body
(2009 – 2014)



Jeep Grand Cherokee WH
(2005 – 2010)



MINI Countryman
(2010 – 2016)



BMW 5 Series
(since 2017)



Jaguar E-PACE
(since 2017)



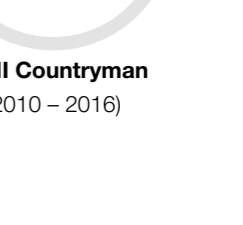
Chrysler 300 C
(2005 – 2010)



Mercedes-Benz SLS AMG
Painted Aluminum Body
(2009 – 2014)



Jeep Grand Cherokee WH
(2005 – 2010)



MINI Countryman
(2010 – 2016)

2018

INTEGRATED MANAGEMENT SYSTEM



We define our mission as the fulfillment of the needs and expectations of our stakeholders (customers, employees, owners, suppliers and partners, society) by means of customer-oriented, efficient and ethically compliant, resource-friendly, sustainable and safe processes.

“In the course of the transition to the standard revisions ISO 9001:2015, IATF 16949:2016 and ISO 14001:2015 and the amendment to the EU EMAS regulation, our way to World Class was redesigned and made visible with the requirements of our stakeholders within the WCM&E network and the updated corporate policy”.



Dr. Wolfgang Zitz,
Vice President Complete Vehicle Manufacturing
Plant Manager Magna Steyr Graz

OUR MISSION IS TO MEET REQUIREMENTS

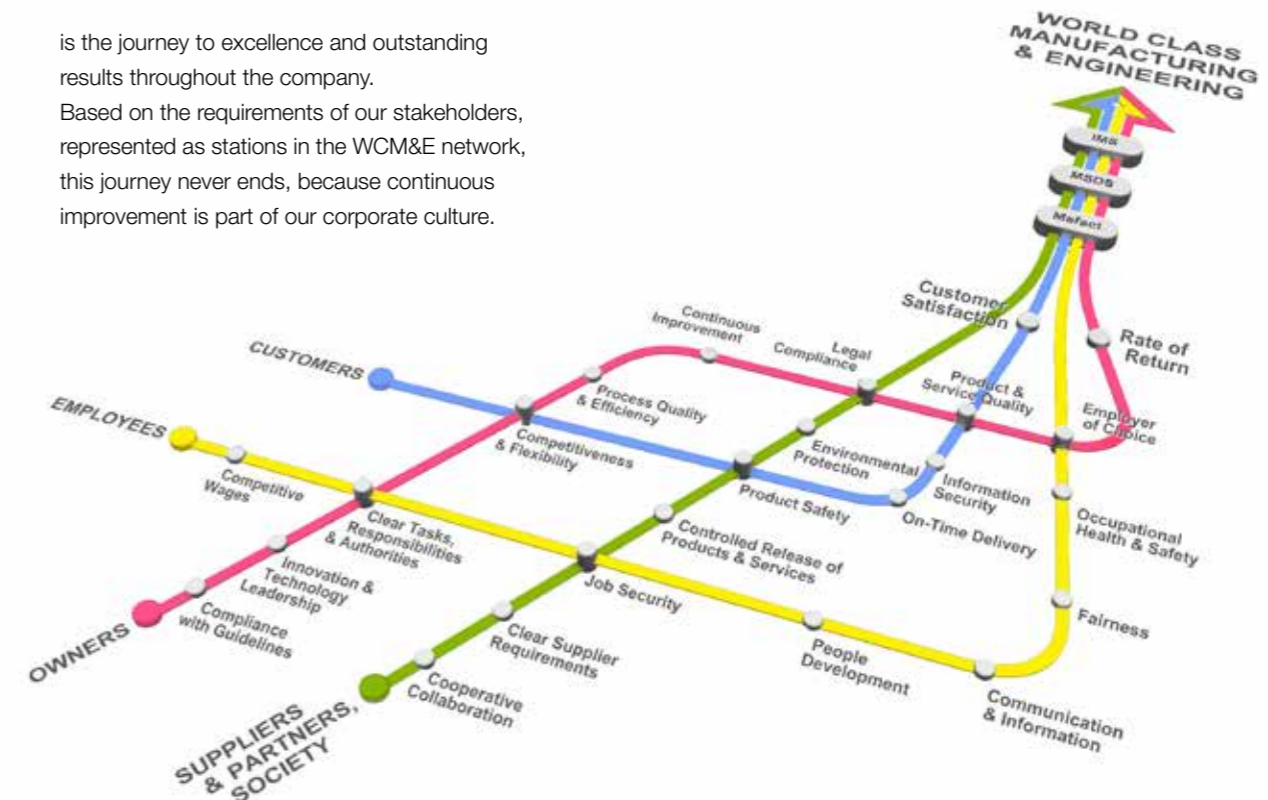
OUR GUIDELINES FOR OUR DAILY ACTIONS ARE SHOWN IN OUR CORPORATE POLICY

Our corporate policy includes our quality policy, environmental policy, safety and health policy as well as our information security policy.



WORLD CLASS MANUFACTURING & ENGINEERING

is the journey to excellence and outstanding results throughout the company. Based on the requirements of our stakeholders, represented as stations in the WCM&E network, this journey never ends, because continuous improvement is part of our corporate culture.



Implementation of the requirements of ISO 14001:2015 and EMAS

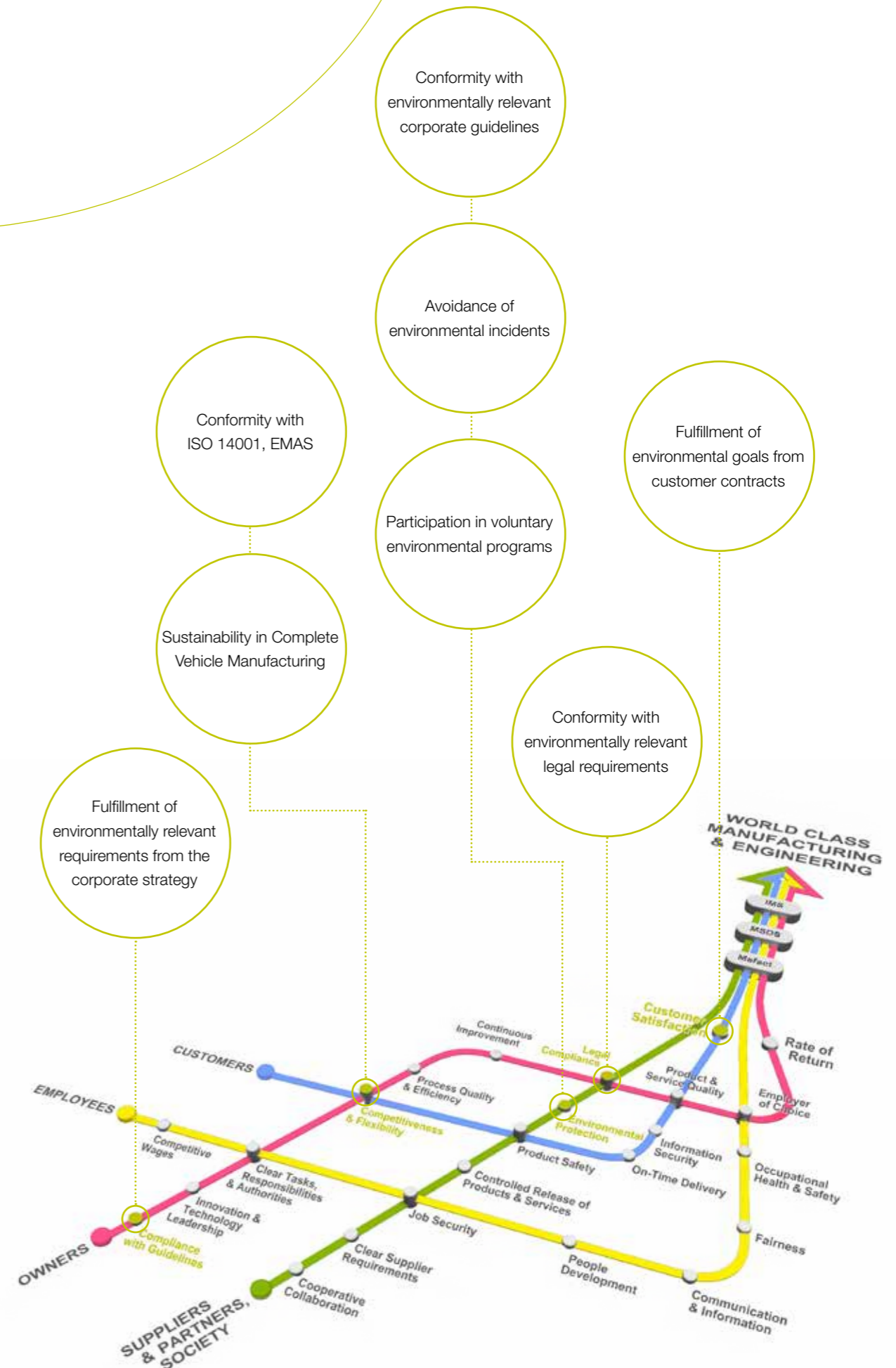
FURTHER DEVELOPMENT OF ENVIRONMENTAL MANAGEMENT AT MAGNA STEYR

For two decades now, Magna Steyr Graz has been actively committed to corporate environmental protection. With the implementation of the requirements of the EU EMAS regulation (1999) and the international standard ISO 14001 (1999), an environmental management system was introduced at that time, which has now been further developed on the basis of several changes. As part of the integrated management system, all disciplines (quality, environment, occupational safety, information security) are regularly audited by external experts for compliance with the relevant regulations.

With the updated version ISO 14001:2015 and the EU EMAS regulation version 2017, some fundamental changes and innovations have been published which are now to be implemented by the organizations. In the environmental management of Magna Steyr Graz, the new requirements were fundamentally analyzed and measures for implementation were initiated.

A major innovation concerns the identification and consideration of the needs and expectations of interested parties (stakeholders) within the framework of context analysis. In order to determine the requirements of the stakeholders, a requirements analysis was carried out within the framework of the integrated management system and with the participation of the various company divisions.

The relevant requirements based on this for the Environmental management system (e.g. compliance with guidelines) were subsequently substantiated (see figure). The benefit of context analysis lies in the opportunity to look at one's own organization more comprehensively and to recognize and consider potential internal and external factors of influence, as well as environmental conditions.





***BUSINESS
PERFORMANCE***

Joint togetherness

CLEAR GUIDELINES FOR GOOD COOPERATION

Magna Steyr Graz employs 9,500 people from 74 nations. It is not so easy to combine so many people in a smooth cooperation with a regulated procedure. The company faces this everyday operational challenge through responsible, equal and fair treatment of each individual employee. A separate Code of Conduct summarizes the essential basic rules for a harmonious coexistence of the entire Magna Steyr family.

"Clear guidelines, good cooperation" – under this motto Magna Steyr reacts to its very own melting pot of nations and focuses on three rules that were discussed together with the employees and are now part of the working guidelines: The working language is German for all to ensure better communication. If required, German language skills can be improved in courses offered by the company. Equal rights of men and women is a matter of course, everyone is treated respectfully throughout all

hierarchical levels. The last rule is: No religion in the workplace – the practice of religious rites is reserved for personal leisure. These principles are lived by all those involved and thus ensure successful work.

Whether man or woman, native or foreigner, young or old: At Magna Steyr, all employees and their colleagues are united in their shared enthusiasm for cars!





3 out of 3,000

RECRUITING INITIATIVE FOR THE MAGNA STEYR FAMILY

In 2017, Magna Steyr set out in search of an incredible 3,000 new employees to handle the numerous new vehicle programs at the Graz location. As finding so much active support for Magna Steyr is not an easy feat, the company developed a large-scale recruiting initiative with various focal points. Martina Goger, Marko Ilic and Mohammad Kutaini are three of the 3,000 new employees who started their careers at Magna Steyr as part of this initiative. Today, they are already in the middle of their working lives and are actively involved in bringing the latest vehicle models onto the road.



THE RECRUITING AND QUALIFICATION INITIATIVE ALSO INCLUDED INTENSIVE EMPLOYEE TRAINING

“I HEARD FROM A FRIEND OF MINE THAT MAGNA WAS LOOKING FOR EMPLOYEES AND I APPLIED RIGHT AWAY. WORKING HERE IS THE CHANCE OF A LIFETIME FOR ME.”

Marko Ilic, employee in Business Unit J, Assembly JLR

In 2016, Magna Steyr faced an unprecedented challenge: The goal was to bring several new vehicle models on the road within a period of just under two years. A real challenge that demanded not only the proven overall vehicle competence of the company, but also the employees. There was a shortage of around 3,000 workers to cope with such a large number of orders.

The Magna Steyr Human Resources team therefore developed a new concept under the motto “Get on at Magna – The job with the best standard equipment,” a multi-faceted recruiting & qualification campaign. The campaign started early 2017 with the “AMS Roadshow”. Together with the Public Employment Service, Magna Steyr went on a tour of Styria and at 15 information events, more than 4,000 job seekers were able to learn more about the jobs offered in body-in-white, paint shop, assembly and logistics as well as Magna Steyr’s additional services and the application process.

The participants included people without specialist training, many of them from immigrant backgrounds, people over 50, the long-term unemployed and women.

In the next step, suitable candidates were invited to “Job Days” directly at Magna Steyr and were able to get an idea of the jobs themselves. A total of almost 100 such Job Days were held, each

with 80–100 participants. In March 2017 the time had come and the first new employees joined the foundation “Automotive Styria”, which was set up especially for this purpose, where they were qualified for activities in production.

Another focus of recruiting was intensive training, in which 300 existing employees completed an apprenticeship within the framework of the foundation and were thus able to qualify internally for new jobs. In addition to these measures, Magna Steyr also motivated people on the job market to pursue a career in the automotive industry.

Today Magna Steyr can look back on a large-scale recruiting initiative with numerous activities, many different people and exciting encounters:

“EVEN WHEN I VISITED THE JOB DAY I KNEW THAT WORKING IN ASSEMBLY WAS THE RIGHT THING FOR ME.”

Martina Goger, employee in Business Unit H, Assembly BMW

30,000 applications have been received and 13,000 interviews have been conducted. But did the company meet the challenge? Yes! More than 3,000 new employees were recruited or qualified, who make a significant contribution to the success of the company with their daily work.

“WHEN I APPLIED, AT FIRST I THOUGHT I DIDN’T HAVE A CHANCE. I WAS VERY PLEASED ABOUT THE JOB OFFER. WORKING AT MAGNA STEYR MEANS A NEW LIFE FOR ME.”

Mohammad Kutaini, employee in Business Unit J, Materials Management JLR

ACHIEVEMENTS AND AWARDS

OPENING OF THE NEW PLANT ENTRANCE

Modern appearance & increased safety

On October 12, 2017, the new plant entrance Liebenauer Hauptstrasse was officially opened on a beautiful sunny day. The redesign was the last major milestone in the extensive conversion work at the Graz location, which

became necessary due to the construction of the new body-in-white hall outside the factory premises. After just 22 weeks of construction time, the plant entrance with the new visitor center is now presented in a modern look. Special attention was paid to the unbundling of the traffic and pedestrian flows to increase the safety of all road users.



SIGNING CEREMONY & GROUND-BREAKING CEREMONY IN SLOVENIA

New paint shop near Marburg starts operations in 2019

The construction of the new Magna Steyr plant in Slovenia officially began on October 17, 2017, with the signing of the investment and grant agreements and the symbolic ground-breaking ceremony. Thanks to the new vehicle programs for BMW and Jaguar Land Rover and the extension of the contract for the Mercedes-Benz G-Class, the Graz plant is enjoying good

capacity utilization. With the new production site, the existing capacities will be expanded additionally. By the end of 2018, a new paint shop will be built at Hoče-Slivnica, near Maribor and about 75 km south of Graz, which is scheduled to start operation in the first quarter of 2019 and will work closely with the Graz plant. Magna will invest more than 100 million euros in the new paint shop, creating 400 new jobs.



ÖKOPROFIT® AWARD FOR GRAZ PLANT

Two decades of excellent environmental protection

In 2017, Magna Steyr Graz was named an ÖKOPROFIT® company of the city Graz for the 20th time. ÖKOPROFIT® stands for "Ecological project for integrated environmental technology" and is the environmental program of the city of Graz, with which measures are taken to preserve resources and profit from them.

Thanks to numerous measures and investments at the Graz location, a total heat and electricity energy reduction of 2,836 MWh and a CO₂ reduction of 107 tons were achieved in 2016. The saved heat and power corresponds to the

average annual consumption of approx. 250 single-family households.

The highlight of 2016 is a project in the facility management for the reduction of heat energy consumption: By networking all heat supply facilities in Hall 1, a savings of 570 MWh of heat energy will be generated.

A number of measures and investments enable us each year to reduce the need for resources and emissions significantly. The associated environmental protection has been an integral part of Complete Vehicle Manufacturing for 20 years now.

FIRST JAGUAR E-PACE VEHICLE PRODUCED

Clear the way for the new Brit car

In September 2017, the time had come: The first vehicle of the new Jaguar E-PACE rolled off the production lines in Graz. This new SUV is not only a completely new generation of

vehicles, but also the first vehicle model Magna Steyr manufactures for Jaguar Land Rover, a customer based in England. On this special occasion, the project and production team met with management to pay tribute to this important milestone.





EMAS EXCHANGE OF EXPERIENCE 2017 AT MAGNA STEYR IN GRAZ

Initiative of the Federal Ministry for Sustainability and Tourism

EMAS stands for Eco-Management and Audit Scheme and serves as a guideline for organizations that want to continuously improve their environmental performance and actively communicate it based on the environmental statement. The Graz location has been participating in EMAS since 1999.

After the official welcoming by Dr. Wolfgang Zitz, Vice President Complete Vehicle Manufacturing, and Dipl.-Ing. Andreas Tschulik, Head of the Department of Operational Environmental Protection and Technology in the

Federal Ministry for Sustainability and Tourism, specialist lectures and workshops specifically addressed changes in the environmental management system regulations EMAS and ISO 14001. One focus was the newly demanded consideration of the life cycle for determining environmental aspects and their implementation in the organization.

Finally, the participants were offered an insight into the range of services of the location: The programme included a guided tour of G-Class production, an introduction to the innovation topic of the Smart Factory, visits to the learning factory and learning line, and a live exercise by the company fire brigade.

PLANNED NUMBER OF UNITS ACHIEVED: PRODUCTION PEAK CELEBRATION BMW 5 SERIES

BMW sedan made in Graz

After the start of production of the BMW 5 Series in March 2017, the company could already look forward to the next big step in this exciting project in June: The second major milestone was successfully reached when the planned number of units, the so-called peak, was reached. To mark this occasion, Business

Unit H issued an invitation on 13 June to the Peak celebration in Graz. More than 2,000 employees celebrated this highlight together with the Magna Steyr Management Board and guests of honor of the customer BMW. Magna Steyr and BMW have been working together for many years – from the BMW X3 and MINI models to the BMW 5 Series.

300,000TH G-CLASS ROLLED OFF THE PRODUCTION LINE

A legend on the road to success

Since 1979, Magna Steyr has been manufacturing the legendary Mercedes-Benz G-Class. In 2017, the three hundred thousandth vehicle rolled off the production line – a special moment for the customer and the entire Magna Steyr team, who work on this special vehicle with passion and commitment every day. The off-road vehicle icon is more successful today than ever before. Sales of the G-Class have been growing steadily since 2009 and in 2016, with just under 20,000 units sold, have achieved a new record.



AUTOMOTIVE INNOVATIONS AWARD FOR NEW TECHNOLOGY

Innovative material composition saves weight in vehicle construction

For the second time in three years, Magna was awarded the Automotive INNOVATIONS Award in 2017, which is presented by the Center of Automotive Management and PricewaterhouseCoopers Germany for the best innovations of automobile manufacturers and suppliers. At this year's award ceremony, Magna took first place in the "Chassis, Body and Exterior" category for an innovative new technology to combine steel and aluminum components and thus save weight compared

to a conventional steel structure in vehicle construction.





70 YEARS COMPANY FIRE BRIGADE

Invitation to the “Open House”

On November 9, 2017, numerous employees at the Graz plant were able to become acquainted with the fire brigade and the security center during tours on-site and experienced a spectacular deployment simulation. Since its foundation in 1947, the company fire brigade has been operational around the clock and recorded approx. 21,000 operating hours in 2016 alone. A milestone in the company's history was the construction of the fire station in 2002 at its current location. In addition to fire and technical operations, focus is placed on prevention. In this context, evacuation exercises and training courses are carried out on an ongoing basis for Magna Steyr employees and

external companies. The annual highlight are the visits to the kindergartens St. Christophorus and Magna Kids World, where even the very youngest can get a whiff of firefighting air. The company fire brigade consists of a four-man command, volunteers and plant security. For the first time in the history, there are three women of the altogether approx. 80 Volunteers are deployed. Outstanding training, physical fitness and camaraderie characterize the members of the company fire brigade. Cooperation with site planning, environmental management, medical services and employee representatives plays a key role in ensuring that the plant is always optimally protected against the most diverse impairments and hazards.



MAGNA STEYR SIGNS ALP.LAB SHAREHOLDER AGREEMENT

Together to a comprehensive range of tests for autonomous vehicle technology

The large Styrian research institutes for the automotive sector and industrial companies have joined forces to realize Europe's most diverse test area for automated vehicles in Styria. Magna Steyr is a leading partner on board and the corresponding contract was signed in September 2017. ALP.lab – “Austrian Light Vehicle Proving Region for Automated Driving” – is to combine real and virtual tests,

analyses, simulations and a wide range of public test tracks into a comprehensive range of tests for autonomous vehicle technology.



GREAT SUCCESS AT THE HERMES.WIRTSCHAFTS.GALA AWARD CEREMONY

Magna Steyr awarded as leading Austrian company

On October 18, 2017 Magna Steyr received an award at the Hermes Economic Gala of the Vienna Chamber of Commerce in the Hofburg for its role as Austrian leading company. Exemplary companies that are committed to sustainable corporate success, innovation and social and ecological responsibility are honored in this framework as leading companies. The

network partners include small and medium-sized enterprises, family businesses as well as large companies and groups across all sectors.



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ENVIRONMENT

FOCUS ON THE ENVIRONMENT

Each one of us affects the environment through our actions in daily life – so-called environmental issues. A stable, functioning and competitive location must reduce or keep as low as possible the consumption of raw materials and energy as well as the environmental impacts caused by the company.

Due to a range of measures and investments in 2017, heat and power demand was able to be reduced by 3,000 MWh at the Graz location. This energy saving is equivalent to the annual power consumption of approx. 130 single-family houses. Furthermore, a number of non-quantifiable measures were implemented (see Environmental Achievements 2017 in the Appendix).

The **direct environmental aspects** of Magna Steyr Graz, which will be reported in detail below, result from the following:

- Consumption of resources (raw materials, energy, land)
- Release of waste materials in solid, liquid and gaseous form.

The assessment of direct environmental aspects was made in accordance with the criteria quantity, environmental hazard, legal requirements and stakeholder requirements.

The **indirect environmental aspects** represent environmental impacts that Magna Steyr Graz can influence to a certain extent. They result from interaction with third parties (e.g. employees, suppliers, customers).

ENVIRONMENTAL ASPECTS OF MAGNA STEYR GRAZ

DIRECT ENVIRONMENTAL ASPECT	SHORT DESCRIPTION
Air emissions	Odor, volatile organic compounds (VOC) released by solvents, organic carbon emissions, carbon dioxide, carbon monoxide, nitrogen oxide, dust, greenhouse gases
Wastewater	Fecal water, industrial wastewater, wastewater from oil separators, wastewater from grease separators, unpurified surface water, surface water from meteor water purification plants
Soil contamination	Contamination of unsealed surfaces during abnormal conditions
Water consumption	Municipal and well water
Material consumption	Direct and indirect production material
Energy consumption	Power, heat and natural gas
Noise	Internal traffic, facilities, personnel and visitors
Waste generation	Hazardous and non-hazardous waste
Land consumption	Built-up and fortified areas

INDIRECT ENVIRONMENTAL ASPECT	SHORT DESCRIPTION
Product development	Environmentally compatible product development for vehicles and components
Innovation development	Environmentally relevant innovations for mobility solutions
Production process development	Environmental performance improvements in production processes and plants
Procurement	Environmental requirements for suppliers and service providers
Packaging planning	Environmentally relevant requirements with regard to packaging
Transport	Environmentally relevant requirements regarding transport and transport planning
Staff mobility	Environmental impact caused by employees on their way to work and on business assignments (business trips)

INPUT/OUTPUT BALANCE

86,145 vehicles were produced at the Graz location in 2017 (reference value for calculation of the core indicators) and approx. 9,500 persons employed. The site area comprises 848,002 m² (incl. rented spaces).

INPUT	UNITS	2017
Absolute indicators		
Direct production material	t	157,911
Indirect production material	t	546
Water consumption ¹	m ³	325,388
Energy consumption		
Power ¹	MWh	93,733
District heat ¹	MWh	76,652
Natural gas ²	Nm ³	6,313,281

- 1) Incl. consumption of service providers and tenants working on site
- 2) Excl. output to external heat supplier
- 3) Incl. SKD (Semi Knocked Down) and CKD (Completely Knocked Down) production
- 4) Mega odor units
- 5) Excl. amounts from construction activities and service providers and tenants active on site

OUTPUT	UNITS	2017
Absolute indicators		
Complete vehicles incl. painted bodies ³	pcs.	86,145
Components from aerospace sector	t	9
Air emissions		
Odor emissions	MGE ⁴	1,168
Solvent emissions	t	112.9
of which are organic carbon emissions	t	78.5
Carbon dioxide	t	30,934
Carbon monoxide	t	10.0
Nitrogen oxide	t	21.6
Dust	t	4.5
Wastewater ²		
Discharge into sewage system	m ³	286,471
Pipe bursts, losses, evaporation and test-track irrigation	m ³	38,267
Waste ⁵	t	8,950
Hazardous waste	t	1,677
Non-hazardous waste	t	7,272





Activities of environmental management for competence acquisition and awareness raising

ENVIRONMENTAL PROTECTION CONCERNS US ALL!

To ensure compliance with the binding obligations and improvement of environmental performance at the site, it is essential that all employees have the same understanding of environmental protection. Target group-oriented training courses are held regularly to acquire competence and raise awareness of topics such as environmental policy, environmental impacts and the contribution of employees to the effectiveness of the environmental management system.



Every day, Magna Steyr employees make a significant contribution to the successful implementation of corporate environmental protection at the site. It is important here that activities with significant environmental impacts are carried out by sufficiently competent personnel. Employees who have been assigned special responsibility for the environmental management system (such as conducting internal audits, responding to emergency situations, determining and assessing binding obligations) often also have to fulfill additional competence requirements. This required competence can be acquired through education, training and experience.

The communication of environmentally relevant topics to various target groups has always been an essential part of environmental management. Depending on the expected learning objectives and the areas of activity and the previous knowledge of the participants, training courses are set up as required. The training courses are

designed to provide a high degree of practical relevance based on examples as well as on the experience and previous knowledge of the participants. Fixed points in the environmental management training calendar are the first working day of the apprentices and the management training courses held several times a year. In the course of the Recruiting & Qualification Campaign in 2017 alone, around 150 managers were trained in 10 sessions on environmentally relevant topics.

In addition to building up basic knowledge, it is important to create a general awareness for operational environmental protection – above all for environmental policy – among all employees. In addition to conducting training courses, the publication of the “Topic of the Month”, which contains environmentally relevant topics at least twice a year, and the distribution of the Environmental Statement to employees are important measures for increasing environmental awareness.

MATERIAL CONSUMPTION

Material consumption includes the consumption of raw, auxiliary and operating materials as well as semi-finished products in industrial production. Magna Steyr Graz divides these input materials into direct and indirect production material.

All materials which are built into the vehicle directly count as direct production material. Among these count e.g. raw materials (metal

sheeting, leather, etc.), auxiliary materials (welding wire, adhesives, rivets, coatings, etc.) and semi-finished products (engines, axles, gearboxes, wheels, windows, trim, etc.) All materials which are not built into the vehicle directly count as indirect production material. These include e.g. work equipment (gloves, cleaning cloths, etc.) and auxiliary materials (oils, grease, cleaning agents, various chemicals, etc.).

MATERIAL CONSUMPTION	UNIT	2017	2016	2015	2014
Core indicator					
Material efficiency ¹	kg per vehicle	1,835 ²	1,627	1,467	1,380

¹ Input value: consumption of direct and indirect production material
² The raised value is a result of the higher share of larger vehicles in the overall production volume.

MATERIAL CONSUMPTION: ACHIEVEMENTS IN 2017

- Reduction of batteries used in the forklift-battery pool by 10 % (Supply Chain Management)
- Reduction of the environmental risk when manipulating hazardous substances (Business Unit Painted Body)

WATER CONSUMPTION

Water consumption describes the use of amounts of water by humans.

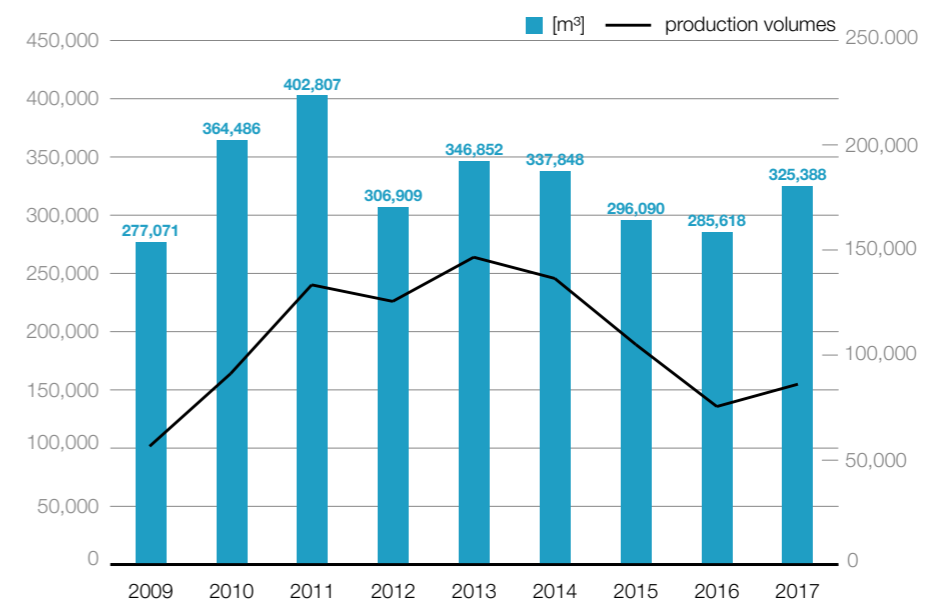
The water demand of the Graz location is mainly covered by water taken from the company wells. Additional municipal water is

provided for the drinking water supply. The water supply for the social areas consists of a blend of well water and municipal water. The quality of the drinking water is ensured by regular inspections.

WATER CONSUMPTION	UNIT	2017	2016	2015	2014
Core indicator					
Water ¹	m ³ per vehicle	3.77	3.78	2.82	2.48

¹ Input value: water consumption

Water consumption



The key influential factors in water consumption are the consumption of sanitary water (employee dependent) and process water (production dependent). A linear relation between water consumption and production numbers is therefore not necessarily given.



GERALD GERMITSCH & FLORIAN EISNER

EWALD GUTJAHR (AGES GMBH) & PHILIPP SCHERR

Water is not just water:

WATER SUPPLY AND DRINKING WATER QUALITY AT THE GRAZ SITE

As a manufacturing company with a large number of employees, water plays an important role for Magna Steyr Graz. The maintenance of the water supply and the inspection of the drinking water quality are connected with a multitude of activities such as sampling and maintenance, which often go unnoticed in the background during operation and are carried out by the central maintenance staff.

Magna Steyr Graz covers the required water requirements mainly by extracting water from four of its own wells on the plant premises. Three wells provide service water for the production-related processes and a fourth well provides drinking water for the site. The water from the drinking water well is measured online and checked for the parameter nitrate. Depending on the measurement result, water from the municipal water supply is added and the current measured value is monitored by the central control system.

Why is the nitrate value relevant and how does it get into our groundwater?

Nitrate in higher concentrations is mainly produced by intensive agricultural use (overfertilization) and seepage of waste water. It can be directly absorbed and utilized by plant organisms as a nitrogen source. Excess nitrate, which cannot be absorbed by the plants, accumulates in the soil. When snow melts or during periods of rain, the nitrate is finally washed out into deeper soil layers and thus into the groundwater. Even if no more nitrate enters the soil it can take a long time for the nitrate content of groundwater to decrease again due to the regional differences in groundwater renewal times. In order to achieve the required

quality with regard to nitrate content, an automatic mixing device is installed in the well house, which releases the water from the drinking water well and the water from the public supply together into the drinking water supply network.

Regular sampling by external testing institutes

The quality of the groundwater is assessed quarterly by a certified testing institute; the testing of the drinking water well is carried out in accordance with the requirements of the Drinking Water Ordinance. Sampling is carried out by a trained sampler who takes a qualified sample directly in the drinking water well. Parameters such as water temperature and conductivity are also measured directly on site. Each quarter, another sample is taken from a defined number of taps in social rooms and canteens. These test reports are then sent to the Health Department of the City of Graz. A summary of the analysis results is available on the Magna Steyr intranet for all Magna employees and is updated once a year. The annually updated test report is also available for inspection at the plant's occupational medicine center.

ENERGY CONSUMPTION

Energy consumption indicates the amount of energy required to meet the current energy demand to ensure ongoing operation.

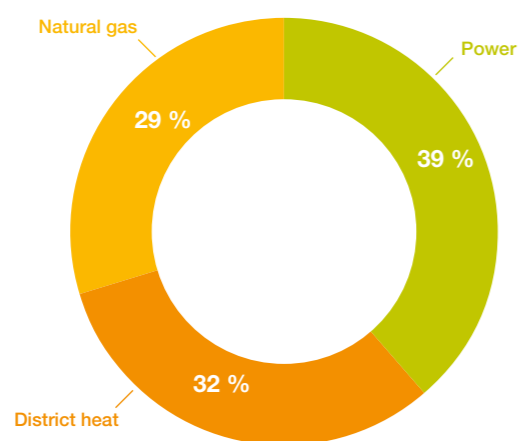
At Magna Steyr Graz, the sources of energy used are power, district heat and natural gas. The power supply is provided entirely by an

external supplier. The heat supply is also provided externally via the on-site boiler house. The detailed production-related metering structure is being constantly expanded to ensure a transparent picture of energy consumption per business unit.

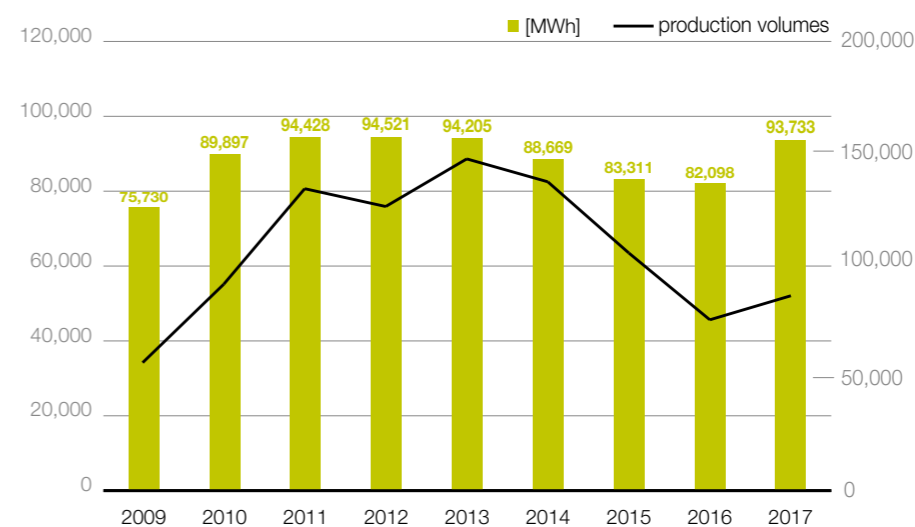
ENERGY CONSUMPTION	UNIT	2017	2016	2015	2014
Core indicators					
Energy efficiency ¹	MWh per vehicle	2.81	2.75	1.98	1.64
Energy efficiency of renewable energies ²	MWh per vehicle	1.09	1.09	0.79	0.65

¹ Input value: power, district heat, natural gas consumption
² Input value: Electricity consumption (100 % green electricity) and heat consumption from renewable energy sources

Distribution of energy demand in 2017

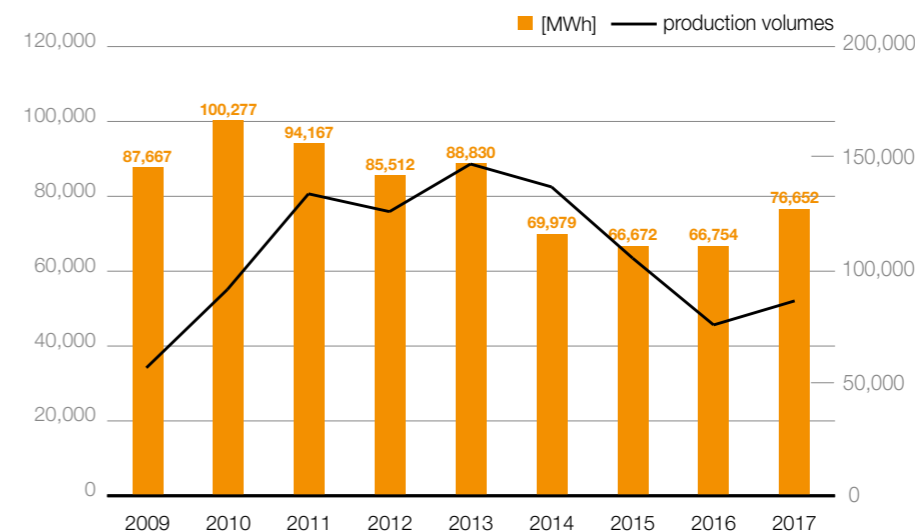


Power consumption



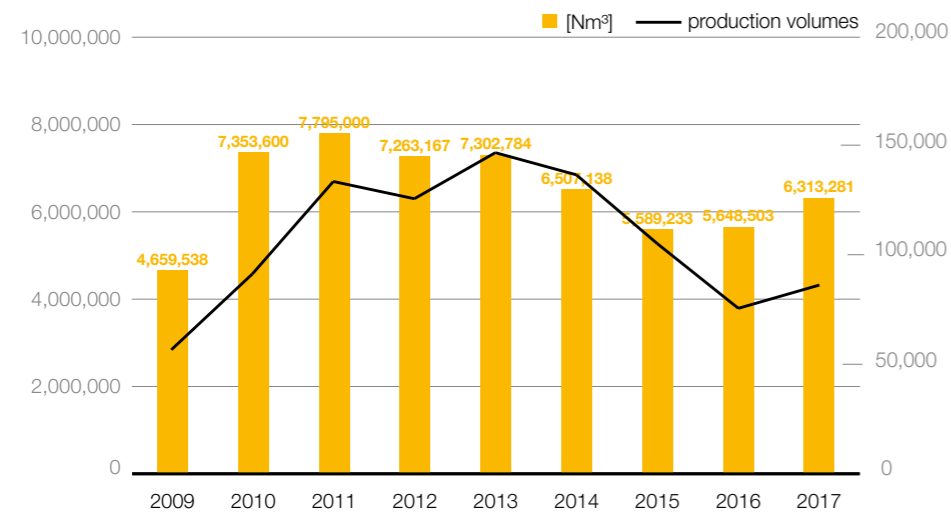
Power consumption is determined by production volume, degree of automation and number of employees.

Heat consumption



Heat consumption is influenced by the size of the areas to be heated. Climatic conditions also influence the heating periods.

Natural gas consumption

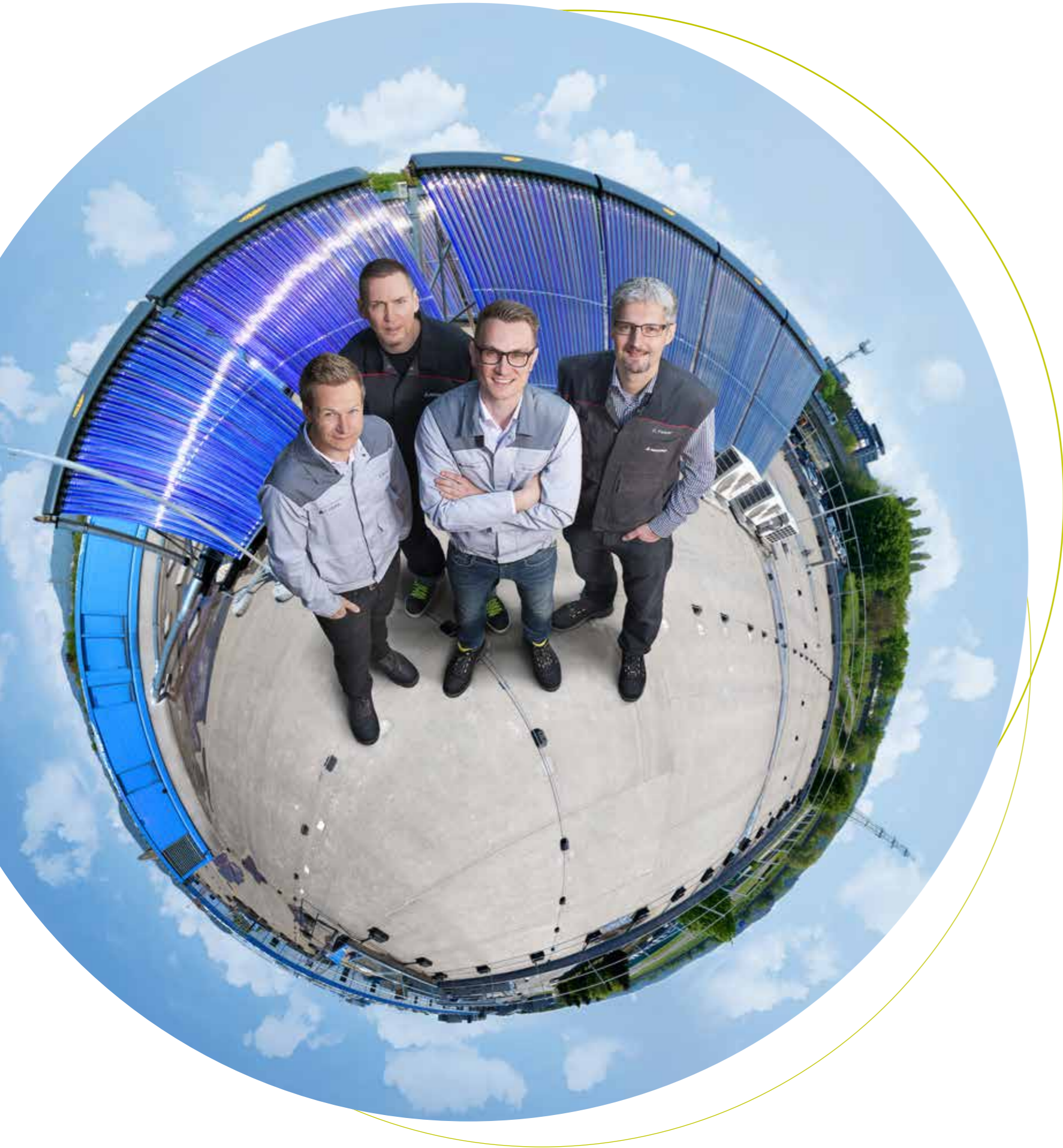


The amount of natural gas consumption is influenced by process and climatic conditions.

ENERGY CONSUMPTION - ACHIEVEMENTS IN 2017

- Reduction of energy consumption by installing a solar-powered hot water system in Hall 84 (Business Unit H)
- Reduction of heat energy consumption in Hall 1 by approx. 24 % (Business Unit J)
- Reduction of heat energy consumption in Hall 2 by approx. 3 % (Business Unit J)
- Reduction of natural gas consumption in the dryers of the primer paint coat by approx. 5 % (Business Unit Painted Body)
- Reduction of natural gas consumption in the dryers of the CDP (cathodic dip painting)-coat by approx. 5 % (Business Unit Painted Body)
- Reduction of heat energy consumption in Halls 10 and 13 by approx. 5 % (Engineering Center Austria)
- Reduction of heat energy consumption in Hall 20 by approx. 22 % (Facility Management)
- Reduction of heat energy consumption in Hall 3 by approx. 8 % (Facility Management)
- Reduction of heat energy consumption in Hall 82 by approx. 17 % (Facility Management)
- Reduction of electrical energy consumption in Hall 82 by approx. 5 % (Facility Management)
- Reduction of electrical energy consumption in Hall 22 by approx. 5 % (Facility Management)
- Reduction of energy consumption for the air conditioning of the cleanroom at Aerospace Puchstrasse (Aerospace)

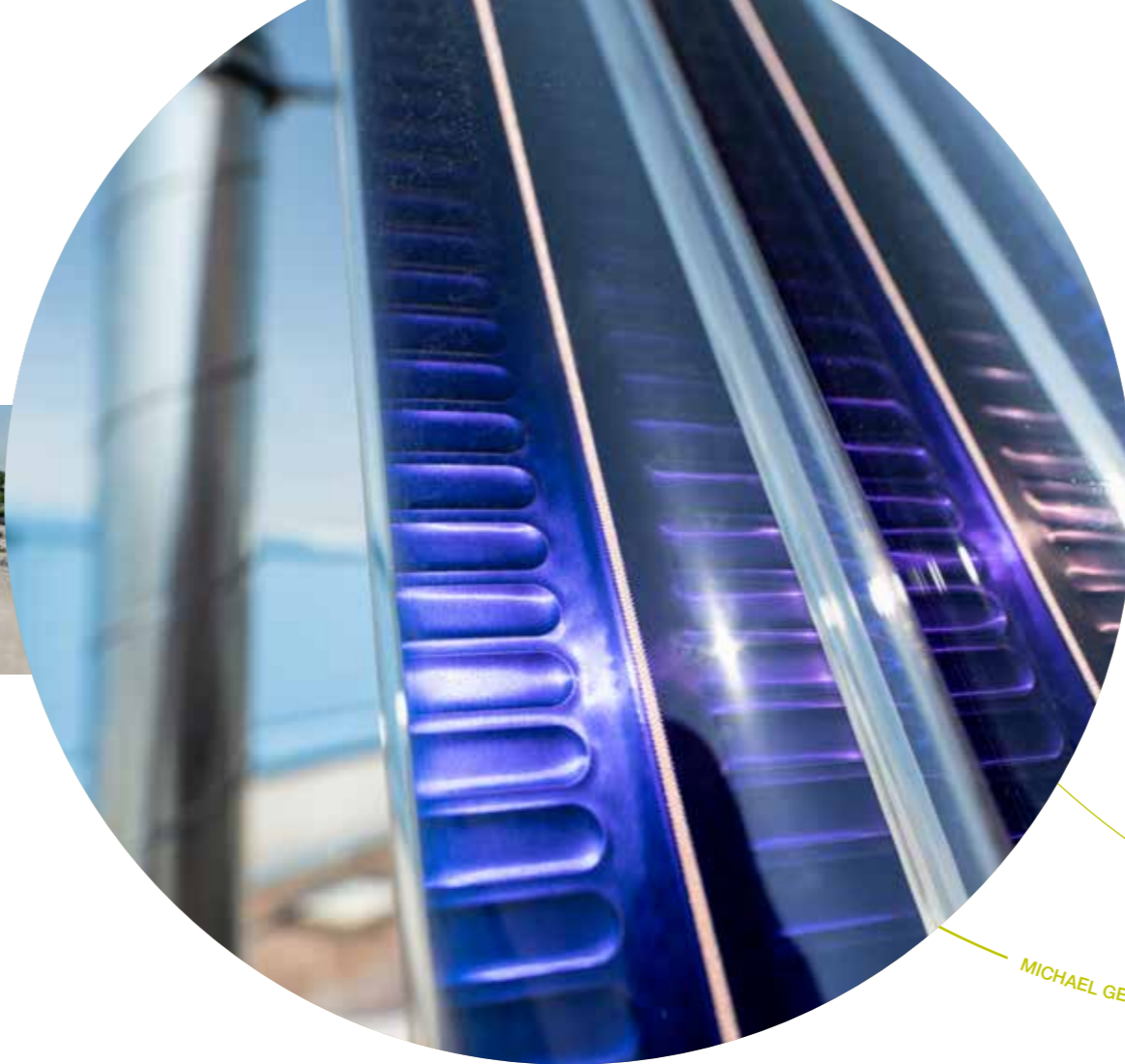




Magna Steyr focuses on renewable energy

INNOVATIVE SOLUTIONS FOR REDUCING ENERGY CONSUMPTION

In 2017, numerous energy-saving projects were implemented, with high savings being achieved in particular in heat supply. A project to reduce energy consumption by producing hot water using an innovative solar thermal system on the roof of an administration building is a particular highlight.



MARKUS BINDER & DIETMAR CAS

MICHAEL GERHOLD & CHRISTIAN FELLNER

Solar systems are particularly suitable for heating domestic hot water for the supply of hot water to the shower facilities. The idea of using this sustainable technology arose during the renovation of the changing rooms and the partial renewal of the water heating systems in the administration building of the Business Unit H.

Ten vacuum tube collectors with a total area of 41.5 square meters were installed on the roof of the building. The core of every solar collector is the absorber surface, which converts the incident sunlight into heat and transfers it

to a heat circuit. A "heat pipe", in which the absorber is integrated, ensures the transfer of heat from the absorber to the heat circuit and dissipates the heat to the heat circuit. This way, the heat transfer medium does not flow through the collectors itself. The advantages are very simple installation and maintenance-friendly operation. If individual tubes are damaged, the operation of the plant must also not be interrupted.

This type of collector has high efficiency even in unfavorable light incidence or diffuse light. The heat medium is isolated from the outside

environment by a vacuum. In contrast to conventional flat-plate collectors, higher yields are also achieved in the winter months.

The calculated saving of this system amounts to approx. 32,000 kWh per year (at 5,000 liters consumption per day). This means a solar coverage ratio of 38 %. This can save about five tons of CO₂ per year. Allocated to energy sources, this results in savings of 9,600 kWh electricity and 22,400 kWh district heat.



"THE DECISION TO BUILD THIS SOLAR PLANT SHOWS THE LIVING STATEMENT FOR RENEWABLE ENERGY AND REPRESENTS A GREEN COMPONENT IN THE PRODUCTION OF THE BMW 5-SERIES."

Michael Gerhold, Factory Planner Buildings & Infrastructure

LAND CONSUMPTION

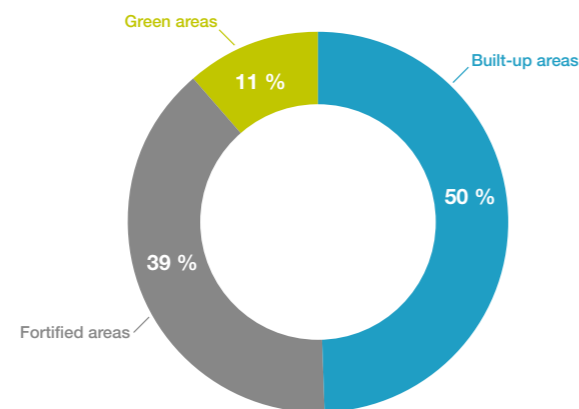
The integration of the new vehicle and engineering projects through the best possible use of existing land and buildings at the location can be regarded as a substantial challenge in space management. If land and space capacities are not sufficient, additional areas in the close vicinity will be leased and counted

towards designated land usage. Areas are subdivided into built-up areas, fortified areas and green areas; fortified areas also include all asphalted and graveled areas.

LAND CONSUMPTION	UNIT	2017	2016	2015	2014
Core indicator					
Land consumption ¹	m ² per vehicle	8.73	9.43	6.42	4.94

¹) Input value: Built-up and fortified areas

Distribution of land utilization in 2017



The green areas amount to about a tenth of the overall space at the location.

AIR EMISSIONS

Air emissions are air pollutants which can have an effect on the environment. The origin of an air emission can have a natural or a human (anthropogenic) cause.

carbon dioxide and nitrogen oxides come from the combustion of natural gas for heating the supply air of the painting booths, from the operation of the drying ovens and the location heat supply.

Airborne emissions from the location come primarily from the paint shop. Emissions of

AIR EMISSIONS	UNIT	2017	2016	2015	2014
Core indicators					
Solvent emissions ¹	kg per vehicle	1.31	1.30	1.10	1.06
Carbon dioxide ²	kg per vehicle	359	364	251	214
Nitrogen oxide ³	kg per vehicle	0.25	0.25	0.23	0.20
Dust ⁴	kg per vehicle	0.05	0.05	0.05	0.06

¹) Input value: solvent emissions
²) Input value: carbon dioxide emissions (incl. heat supply)
³) Input value: emissions of nitrogen oxides (incl. heat supply)
⁴) Input value: dust emissions

Sulfur dioxide is not relevant as an air emission (only sulfur-free energy sources are used). Hydrochlorofluorocarbons, chlorofluorocarbons and sulfur hexafluoride are only used in closed plants (refrigerators and electrical switchboards) and therefore not relevant as air emissions.

AIR EMISSIONS - ACHIEVEMENTS IN 2017

Use of an electrically powered truck in the internal logistics system associated with CO₂ savings (Supply Chain Management)



Sustainable transport logistics at the Graz plant

FIRST E-SEMI-TRAILER IN AUSTRIA REDUCES CO₂ & TRANSPORT NOISE

Magna Steyr is bringing environmentally friendly mobility solutions to the streets of the world – and since 2017, thanks to a very special project, to the streets of the Graz plant: The company has implemented a unique ecological overall concept with an all-electric truck shuttle especially designed for the site's transport logistics. The innovative logistics concept makes a significant contribution to minimizing local CO₂ emissions and reduces transport noise. This demonstrates Magna's commitment to the environment, but also to social responsibility for the region.



RAINER SCHRUTH, GERHARD JARITZ & EDWIN REITER

At Magna Steyr, environmental protection starts right at the front door, or rather at the factory gates: Austria's first e-semitrailer connects the new body-in-white hall, which was built next to the company site due to additional vehicle programs, with the paint shop in the plant in an environmentally friendly and neighbor-friendly manner. The idea behind this innovative concept is told by those responsible for the project.

How did this project come about? What was the challenge for logistics?

Edwin Reiter: The new body-in-white hall is connected to the paint shop via a short stretch on the edge of a residential area with several stops and a low speed limit. This route profile is predestined for the use of an electric truck. The challenge was to ensure short turnaround times in a 24-hour operation, but no transport service provider could offer such a concept "off the shelf". We really had very special requirements: a special vehicle with a shortened wheelbase, a shortened trailer with automated conveyor technology, a hermetically sealed lock

and automated loading/unloading & battery charging.

Why did Magna Steyr choose an electric truck shuttle? What are the advantages over a conventional truck?

Rainer Schruth: Alternative drive solutions have always been a central topic at Magna Steyr. Diesel vehicles can only be used inefficiently at low speeds and many stops, and maintenance work and refueling times must also be taken into account. By contrast, fully automated battery charging during the loading and unloading process means that electric trucks can be used without idle times and at the same time save energy and reduce noise emissions.

What is the overall concept?

Rainer Schruth: With the electric truck shuttle, we create a 20-minute cycle between the body-in-white hall and paint shop in 24-hour operation. Discharging and charging of the drive battery lasting a maximum of 3 minutes takes place simultaneously in the dock to avoid

idle times. In general, the process flow in the dock is fully automated. The entire concept is designed to ensure a continuous supply for production, even taking into account possible failure scenarios.

How did Magna Steyr contribute to the implementation?

Gerhard Jaritz: The project required a large number of partners, which we coordinated. From the technical side, Magna Steyr was responsible for the integration of a combined power supply for the trailer conveyor technology and battery charging in the car body transfer stations, both in the body-in-white hall and in the paint shop.

What are the savings achieved by using the electric truck shuttle?

Edwin Reiter: We achieve an energy saving of 67 %. The concept is also TCO (total cost of ownership) neutral. This

means that the total costs, calculated over the entire service life, are comparable to those of a conventional truck. The environmental aspect is supplemented by reduced noise emissions, which enables a high level of neighbor protection.

"WITH THIS SUSTAINABLE SHUTTLE OPERATION, WE ARE MAKING A SIGNIFICANT CONTRIBUTION TO MINIMIZING LOCAL CO₂ EMISSIONS AND REDUCING TRANSPORT NOISE. WE ARE VERY PLEASED TO BE THE FIRST COMPANY IN AUSTRIA IN THIS WEIGHT CLASS TO USE AN ELECTRIC TRUCK FOR TRANSPORTING ELECTRIC VEHICLE BODIES, THUS TAKING A SIGNIFICANT STEP TOWARDS CO₂-NEUTRAL PRODUCTION."

Alfons Dachs-Wiesinger, Director Logistics Services



NOISE

Noise designates sounds which on account of their volume and structure disturb people and the environment or have a detrimental effect. Noise-relevant areas, such as internal traffic and operating plants, are taken into account during the process of planning and approval by regulatory authorities.

The relevant areas and sources of emissions are authorized in the permit of the operating plant under commercial law. The on-site noise situation is primarily determined by traffic noise from the A2 freeway, the freeway feeder, and

Liebenauer Hauptstrasse. Noise emissions from the operating plant do not stand out in the noise situation of the whole area. Named transport carriers predominantly determine the noise level in the immediate neighborhood.

To check compliance with emission values, immission points were defined. The approved values for the specific noise emissions are different, depending on day or night. In 2015 compliance with specific emission levels approved by the authorities were confirmed by an external expert.



WASTEWATER

The individual wastewater collection points are divided into industrial, fecal and surface water. All wastewater from the location is fed into the Graz-Gössendorf purification plant (indirect discharger) exclusively by means of the combination sewage system.

Industrial wastewater, which are primarily generated in the body pretreatment area, is

mostly polluted with heavy metals (zinc, nickel, manganese) and organic contaminants (oils, grease, etc.). This is cleaned in the company's own wastewater purification plant before being discharged into the combined sewage system. Compliance with thresholds is periodically checked by independent, external experts.

Wastewater limit values laid down by the authorities and measured values in 2017

<i>SUBSTANCES IN WASTEWATER AND WASTEWATER VOLUMES</i>	<i>UNIT</i>	<i>LIMIT</i>	<i>MEASURING RESULTS ¹</i>
Adsorbable organically bound halogens (AOX)	mg/l	1	0.21
Nickel	mg/l	0.4	0.05
Zinc	mg/l	1.1	0.05
Manganese	mg/l	0.9	0.37
Fluoride	mg/l	20	7.7
Sulfates	mg/l	400	77.9
Sulfites	mg/l	10	0.31
Hydrocarbons ²	mg/l	15	0.28
Industrial wastewater quantities per day	m ³	456	246
Industrial wastewater quantities per year	m ³	139,000	60,105

1) Mean values from external monitoring
2) Measured as hydrocarbon index

In the case of emissions into wastewater, most of the values are considerably lower than the limits laid down by the authorities.

WASTE GENERATION

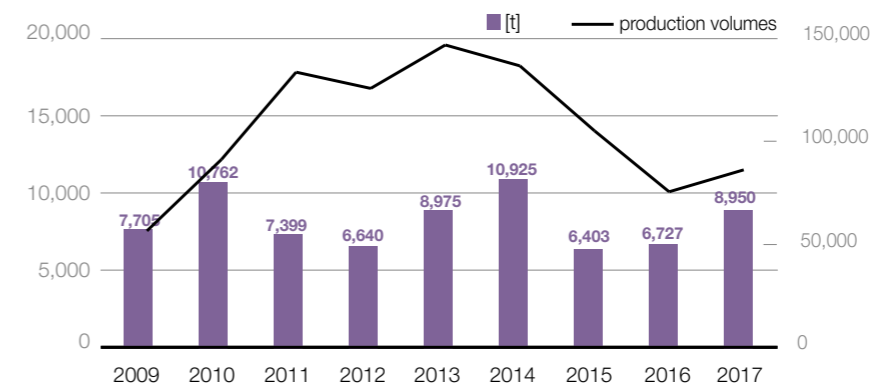
The variety of the accruing waste fractions from the development and production of different cars made at the site confer a special importance on waste management. The requirements made by the proper collection and weighing at the respective waste collection points of the plant are fulfilled in cooperation with Saubermacher Outsourcing GmbH. 45 employees of the waste-disposal service provider are engaged at the location. At the Graz plant there are three internal company

waste collection centers – so-called “waste yards” – which are operated with 35 large-volume containers, compactors, a fleet of vehicles including a waste-compactor vehicle (Multicar) and several forklifts and tractors. Collection and separation stations and waste collection containers have been set up at strategic points all over the plant. The respective size of the containers is determined by the amount of waste generated and the type of fractions.

WASTE GENERATION	UNITS	2017	2016	2015	2014
Core indicators					
Hazardous waste for disposal ¹	kg per vehicle	10.8	12.8	9.7	9.44
Hazardous waste for recovery ²	kg per vehicle	8.68 ⁵	4.96	2.91	2.18
Non-hazardous waste for disposal ³	kg per vehicle	0.07	0.04	0.09	0.9
Non-hazardous waste for recovery ⁴	kg per vehicle	84.35 ⁶	71.26	48.27	67.54

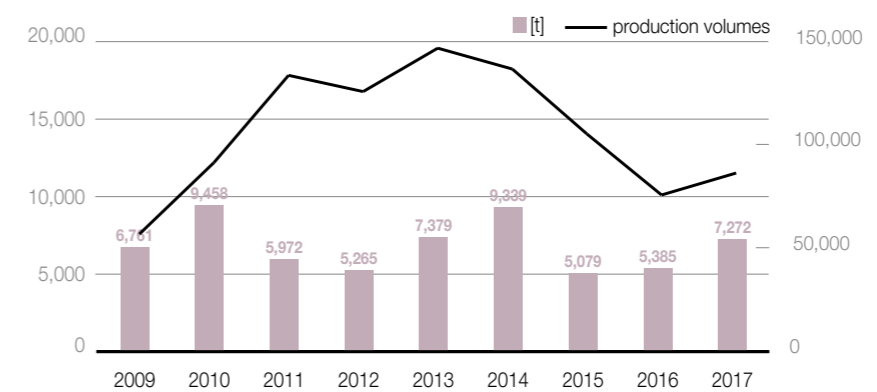
1) Input value: generation of hazardous waste for disposal
 2) Input value: generation of hazardous waste for recovery
 3) Input value: generation of non-hazardous waste for disposal
 4) Input value: generation of non-hazardous waste for recovery
 5) The increased specific value results from the increased volume of waste from product startups and the reduction of waste for disposal.
 6) The increased specific value results from the increased volume of waste from product startups and the production of larger vehicles with a comparatively high generation of waste.

Waste volumes – total

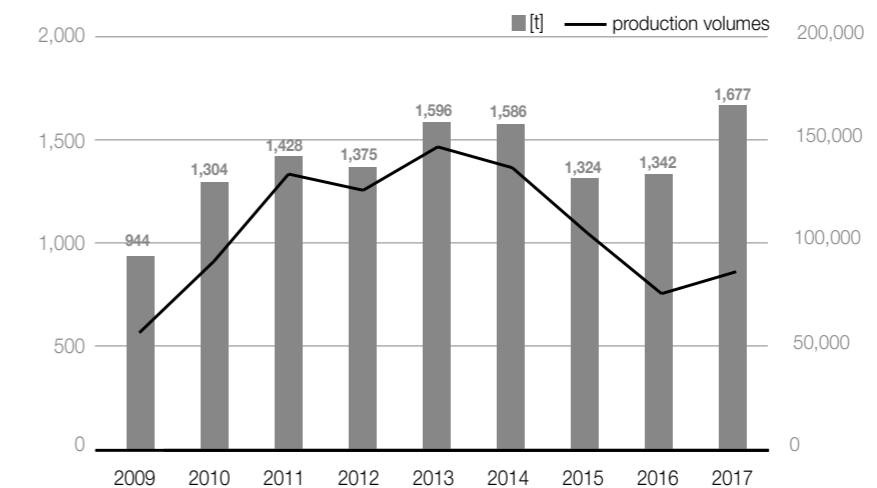


Waste volumes increased in 2017 due to higher volumes and product launches. Waste from construction activities is not included in these statistics.

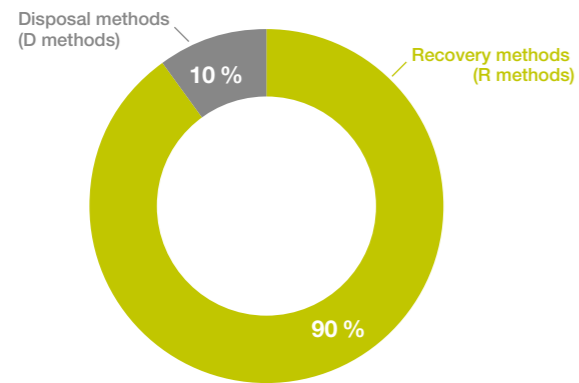
Waste volumes – non-hazardous waste



Waste volumes – hazardous waste



Share of recovery and disposal methods in 2017



In 2017 the amount of waste which was eliminated by means of recovery processes was raised to 90 % due to improvement measures. Waste from construction activities is not included in these statistics.



WASTE GENERATION - ACHIEVEMENTS IN 2017

- Increase in waste separation discipline of employees in Business Unit G (Business Unit G)
- Reduction of costs for waste disposal in Hall 12 by approx. 5 % (Business Unit G)
- Reduction of waste generation from circulation parts (Business Unit H)
- Logistics-specific analysis for the definition of concrete savings potentials in waste management of Business Unit J (Business Unit J)
- Reduction of the use of packaging at Aerospace Puchstrasse (Aerospace)



“Zero Waste” project:

RESIDUAL MATERIALS AS VALUABLE MATERIALS – NOTHING IS WORTHLESS

Magna Steyr Graz pursues the goal of recycling 100 % of the residual materials in the long term. “Zero Waste” stands for the use of residual materials as a resource, both as a source of material and energy. This project is not only an early response to European targets (Waste Framework Directive, Circular Economy Package) or global megatrends, but also reflects our commitment to being a world-class producer.



“ALL RESIDUES THAT CANNOT BE AVOIDED ARE SENT TO AN ENVIRONMENTALLY SOUND TREATMENT PROCESS. DUE TO THE ‘ZERO WASTE’ PROJECT, THE MAJORITY OF THE WASTE CAN ALREADY BE HANDED OVER TO A RECYCLING PROCESS IN ORDER TO ENSURE THE MOST EFFICIENT AND ENVIRONMENTALLY FRIENDLY DISPOSAL POSSIBLE”.



Sebastian Freiberger, Waste Representative

The EU Waste Framework Directive provides for a 5-level hierarchy for dealing with waste. As a result, prevention and reuse are at the top of the list, followed by recycling and other uses such as thermal use. Disposal in a landfill or incineration is seen as the last possible solution, which is to be avoided. In addition to economic and social components (e.g. scarcity of resources, dependence on imports, value creation), the efficient handling of residual materials and operational environmental protection is a central issue for Magna Steyr Graz.

Since the start of the “Zero Waste” project, organizational and technical measures have enabled a large number of the residual materials produced to be separated from D processes (disposal) and integrated into R processes (recycling). Examples of materials that have already been successfully removed include solvent-based polishing cloths, oil separator contents, drilling and grinding emulsions, putty and filler waste as well as paint-covered equipment. As a result, a recycling rate of 90 % was already achieved in 2017 – the successful implementation of these individual improvement measures is an incentive to take further steps towards complete recycling.

*SOCIAL
ENGAGEMENT*





SPECIAL OLYMPICS
WORLD WINTER GAMES
AUSTRIA 2017

Graz | Schladming | Ramsau | Styria

Heartbeat for the world

A contribution for people who don't always have it easy in life

CORPORATE SOCIAL RESPONSIBILITY IN ACTION

Magna Steyr stands for competent vehicle engineering and production. But the company is also highly involved far away from the fast-paced world of concept cars, sports cars and the like: Social responsibility is very important to Magna Steyr – and to its employees – and is an integral part of our corporate culture. Every year, various corporate social responsibility projects are supported. One of the big highlights in 2017 was the World Winter Games of the Special Olympics. Under the motto “Heartbeat for the world”, Magna Steyr was the main sponsor of the celebrated initial spark for a new culture of encounter, characterized by openness, warmth and community!

From March 14 to 25, 2017 there was a social “heartquake” throughout Styria: Around 10,000 spectators cheered every day for the great performances at the World Winter Games of the Special Olympics. 2,600 athletes from 107 nations competed in the friendly competition for medals, which were awarded in around 1,000 awards ceremonies. And Magna Steyr was right in the middle of it. As the main sponsor, the company supported the event with both classic sponsoring and gifts for the approx. 3,000 volunteers. The decision to support the Special Olympics, the world's largest sports movement for mentally handicapped people, was not too difficult: The World Winter Games are more than just a major sporting event. The “Heartbeat for the World” should be an impulse for the inclusion of people with intellectual disabilities and unite

athletes, trainers, family members and fans in sport.

Magna Steyr supports on a large scale, but also on a small scale. The regional leading company has local concerns at heart and is committed to organizations and projects in the communities in which its employees live and work. This regional commitment includes donations, sponsorships and grants for events, cultural events, sports and social projects as well as for various educational institutions and graduation balls. The project with alpha nova in Graz, which has been running since 2004, successfully helps with the professional integration of people with disabilities. As well as the cooperation with the Lebenshilfe Graz, within the framework of which since 2016 persons who are cognitively impaired are fully

“MAGNA STEYR IS PROUD TO BE ABLE TO MAKE A DIFFERENCE FOR SOCIETY TOGETHER WITH ITS EMPLOYEES. WHAT IS MOST BEAUTIFUL, HOWEVER, IS THE JOY OF ALL THOSE TO WHOM THIS LIVED CORPORATE SOCIAL RESPONSIBILITY CAN PROVIDE HELP: THE JOYOUS SPECIAL OLYMPICS WINNER AS WELL AS A DISABLED PERSON OR A FATE-STRICKEN FAMILY.”



*Ana Topolic-Kriechbaum,
Global Director Marketing Communications*

integrated at Magna Steyr and specially cared for in the area of spare parts packaging.

The Magna Steyr Social Fund was established in order to help members of the Magna Steyr family in emergency situations quickly and unbureaucratically. Employees in personal emergencies, such as serious illness or natural disasters, receive financial support.

Magna Steyr's social responsibility is not only a concern of the company itself. The employees themselves also become active and initiate or support individual projects with full commitment.

In the past, for example, Magna Steyr Design House sold pictures for a good cause, other teams diligently collected donations in kind for refugees, victims of weather catastrophes, etc. G-Class production has also been involved in several regional social projects, both financially and selflessly with its own free time.



The focus is on people

HEALTH & SAFETY

As a responsible employer, Magna Steyr is committed to providing a healthy and safe working environment for our employees, promoting the health of our employees and supporting them with needs-oriented programs.

With this in mind, Magna Steyr Graz once again set an example in 2017 with various health and safety campaigns: Highlights included the first Health & Safety Week, the MSG Safety Awards and the initiative “Safe Working Starts in the Mind”.



A WHOLE WEEK OF HEALTH & SAFETY AT WORK

The first Health & Safety Week at the Graz location started with the closing event on November 24, 2017 also attended by the Magna Steyr Management Board and the divisional representatives. In the course of a week, employees in all shifts had the opportunity to actively experience health and safety at work in their own units.

The interest among employees for the versatile offer was correspondingly high. The stands of the health and safety experts were busy around the clock: Healthy snacks were tasted, vital parameters were recorded, individual strength

measurements and cardio-checks were carried out and personal protective equipment was tested. In addition, the employees received first-hand tips and know-how from the nutrition and sports scientists, physiotherapists, safety specialists and doctors present. Furthermore, the Steiermärkische Gebietskrankenkasse (Styrian Regional Health Insurance Fund) was able to provide advice on the subject of "On-site preventive medical check-ups at Magna Steyr". "A successful event. It's great to be able to try everything out. Even on the night shift. Super!," one employee was enthusiastic.



"MSG SAFETY AWARD" 2017

At the closing event of Health & Safety Week, the "MSG Safety Awards" at the Graz location were awarded by by Karl Stracke, President Fahrzeugtechnik & Engineering, Dr. Wolfgang Zitz, Vice President Complete Vehicle Manufacturing, and Hansjörg Tutner, Global Director Human Resources.

The awards, which are presented in the form of a challenge cup, celebrate those divisions or working groups at Magna Steyr, which carry out special activities and extraordinary achievements with regard to occupational safety. On the initiative of the occupational

safety team at the Graz location, the evaluation criteria for the award were developed in cooperation with Dr. Wolfgang Zitz. In addition to the previous year, working groups whose contributions promote safe and healthy working conditions were also included in the evaluations in 2017.

This year, Helmut Wagner, on behalf of Business Unit H, was delighted with the award. Jürgen Heidenbauer received the award for the interdisciplinary working group on the subject of High Voltage.

mylife@Magna Steyr

FESTIVALS & EVENTS 2017

Magna Steyr employees do a great job for the company every day. In return, the “mylife @ Magna Steyr” program was launched to enable them to achieve a balanced work-life balance. This holistic concept bundles a wide range of employee activities and creates noticeable added value – both at work and in leisure time. In 2017, mylife once again organized a number of events, celebrated festivities and mastered sporting challenges. Every single action was also marked by team spirit, a sense of community and harmonious coexistence. Everything that strengthens each individual and the cohesion of everyone at Magna Steyr!

ANNIVERSARY CELEBRATION 2017: A TOAST TO OUR JUBILEES

87 people celebrating an anniversary with a combined total of almost 2,550 years of service were honored

On June 22, 2017, the Magna Steyr jubilees of 2017 were celebrated for their 25, 35 or 45 years of service during the anniversary celebrations in the ballroom of the Raiffeisenlandesbank in Raaba. The

aim was to celebrate 87 anniversaries with almost 2,550 years of experience, all of which have made a valuable contribution to Magna Steyr's corporate success for decades. In a festive setting with pleasant live music and an entertaining presentation, accompanied by pictures, videos and anecdotes of the jubilees, the guests of honor spent a memorable evening together.

BUSINESS UNIT G ORGANIZES SUMMER PARTY

300,000 produced legends are a reason to celebrate!

Magna Steyr Business Unit G took the special anniversary of 300,000 produced G-Classes as an opportunity to celebrate a joint summer party at the end of June. Around 1,100 employees accepted the invitation and

took part in the event. In addition to driving experiences with a Mercedes-Benz G-Class or a 4x42 on off-road terrain, the celebration of the legends was a special highlight: 43 employees of the G-Class team have been working at the Graz location since the start of production and with their extensive experience contribute significantly to the fact that the vehicles manufactured meet the high customer requirements.



MAGNA STEYR ANNIVERSARY 2017

Saying goodbye to the past year together

Due to the great popularity after the first two joint annual celebrations of all Magna Steyr locations in Austria in 2013 and 2015, as well as the many positive responses, the company once again celebrated together in 2017. An incredible 7,000 guests from the Magna Steyr locations in Graz, Sinabelkirchen, Weiz and

Maribor-Hoče accepted the invitation and spent a beautiful, atmospheric evening in the Stadthalle Graz on December 2, 2017 with an entertaining opening show, a varied program and numerous musical live acts.

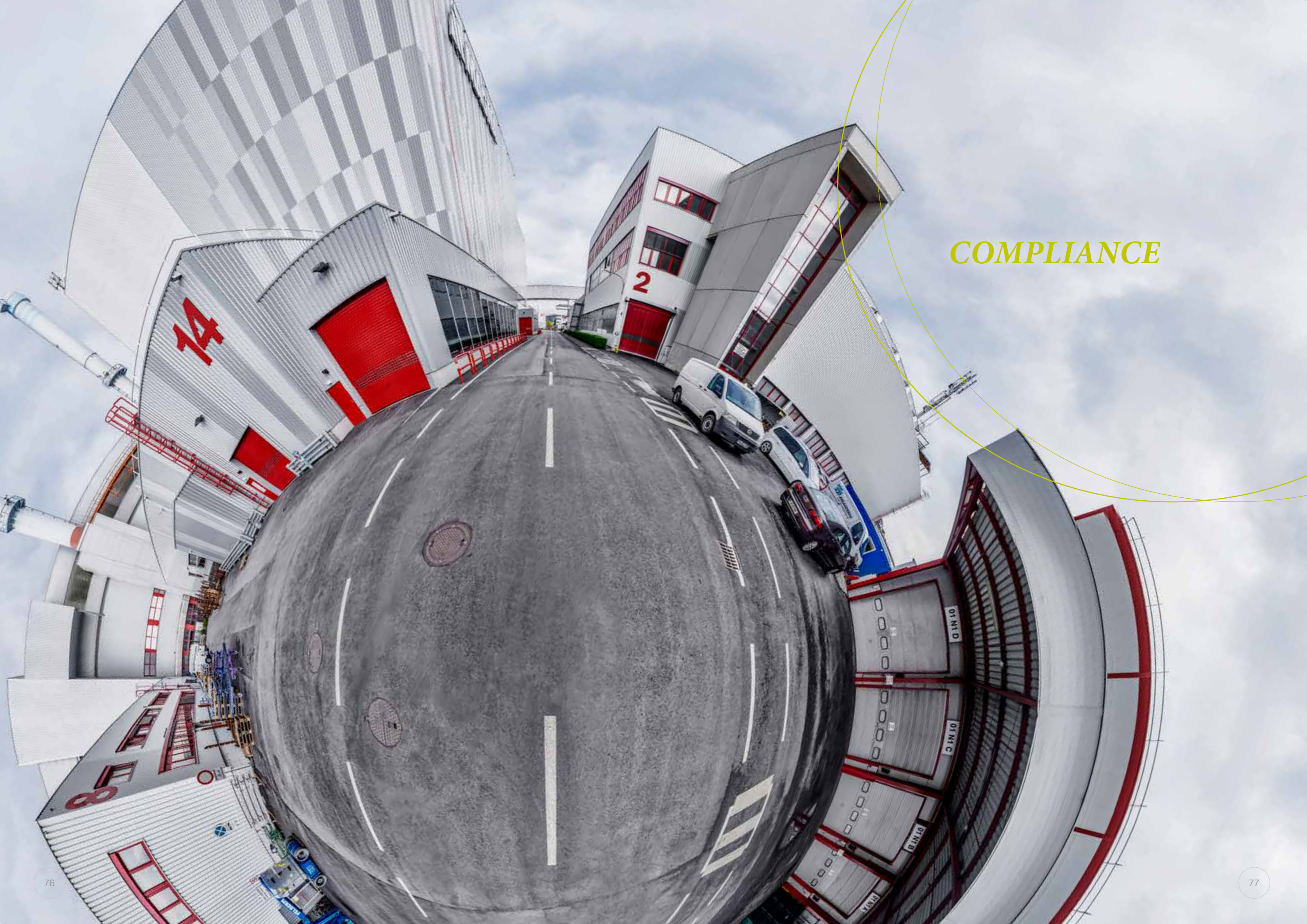
WINTER ACTION & SUMMER FUN MAGNA STEYR AKTIV

A varied program for summiteers, hikers & climbers

In the summer, Magna Steyr Aktiv took advantage of the many hours of sunshine and invited an experienced mountain guide to an extensive and varied outdoor program. The tours offered were characterized by different levels of difficulty. From hiking tours for beginners and advanced hikers to via ferratas of different levels and various other sporting activities, people of all ages and abilities were able to master their personal challenges.

Even if it is getting colder outside, Magna Steyr Aktiv will by no means go into hibernation! Quite the contrary: In the fourth quarter of 2017, for example, Magna Steyr employees had the opportunity to explore snow-covered nature together with a mountain guide. Hiking tours for beginners and advanced hikers, snowshoe hikes and guided ski tours with different levels of difficulty as well as various other outdoor experiences were on the varied program.





COMPLIANCE



Neighbor's Christmas party 2017

ACTIVE COMMUNICATION AS THE KEY TO GOOD NEIGHBORLINESS

For Magna Steyr Graz, active communication with residents and society is a special concern. Therefore, Magna Steyr Graz invited all residents of the location to a Christmas party last year. On the occasion of the expansion of the company premises to include the newly built Hall 71, the invitation was also extended to residents in this area for the first time this year.

With around 140 participants, a maximum number of residents who accepted the invitation to the Christmas party was recorded in December 2017. Dr. Wolfgang Zitz, Vice President Complete Vehicle Manufacturing, introduced Magna Steyr and informed the guests about the current and future events at the plant. Roman Pöltner, Director Facility Management, reported on the construction activities in and around the plant – above all on the new entrance to the Liebenauer Hauptstrasse plant, which

had recently been opened. Events such as the residents' Christmas party are used for active communication with residents and any concerns on the part of the neighborhood are taken up. In addition, a new e-mail address (nachbarschaft.magnasteyr@magna.com) was set up to improve the communication with residents – this additional option to establish contact was also presented at the Christmas party.



GERHARD JARITZ, HAZARDOUS MATERIALS SUPERVISOR

A key function for the safe and orderly handling of hazardous materials

THE HAZARDOUS MATERIALS SUPERVISOR

Certain substances or articles are referred to as hazardous goods because their properties during transport pose a risk to life, health or the environment. Together with Austrian legislation, extensive international agreements guarantee the safe handling of these transports. At Magna Steyr Graz, the hazardous materials supervisor also makes a significant contribution to this.

Representatives in the company are usually internal bodies, which are responsible for the company in terms of participating in independent monitoring tasks. One of these functions at Magna Steyr Graz is the hazardous materials supervisor. His tasks include in particular monitoring compliance with the regulations for the carriage of hazardous goods, advising the company in activities related to the carriage of hazardous goods and training the company's employees. A statutory quantity threshold has been defined from which a hazardous materials supervisor must be notified to the Federal Ministry of Transport, Innovation and Technology (BMVIT) in accordance with Article 11 of the Act on the transport of dangerous goods.

In contrast to private individuals or craftsmen, companies that commission transports, pack goods and offer them for transport

are obliged to treat them in accordance with hazardous goods regulations. Private individuals or craftsmen know about the goods to be transported, as they procure, load and transport them themselves. However, the transport chain in companies is much more complex. To ensure that everyone involved enjoys the same level of knowledge and thus protection, hazardous goods documentation, packaging, labeling and marking are necessary.

Classic hazardous goods in the automotive industry are solvent-based paints and paint accessories such as hardeners and thinners. Vehicle components such as gas pressure shock absorbers, airbags, seatbelt tensioners, windowbags, pedestrian protection actuators and the classic starter battery are also subject to the Act on the transport of dangerous goods, among many other products and materials.



With the electrification of vehicles and the use of high-performance batteries in electronic devices, lithium battery technology has moved into the focus of the transportation of hazardous goods. At the beginning, the relevant hazardous goods regulations were not yet designed for this, but in the meantime, there are also clear and sometimes very restrictive, internationally valid and legally binding regulations for all modes of transport.

One of the company's challenges is to identify all relevant deliveries. This cannot be overlooked for large components such as batteries for electric vehicles, which are supplied in large quantities. More critical, however, are one-off deliveries of special materials such as spray cans with brake cleaner, adhesives or lubricants, as well

as laptops, cordless screwdrivers or jump starters that may contain lithium-ion batteries. Especially in air freight, even very small quantities of dangerous goods have to be declared and can result in draconian penalties in case of disregard. It is therefore important to ask yourself the question whether all hazardous goods have also been declared before every order or handling of a transport. At the Graz location, around 1,600 shipments of hazardous goods, which are beyond the responsibility of the company, are handled every year.

The Act on the transport of dangerous goods regulates the transport of dangerous goods in Austria. The following agreements apply internationally, depending on the means of transport:

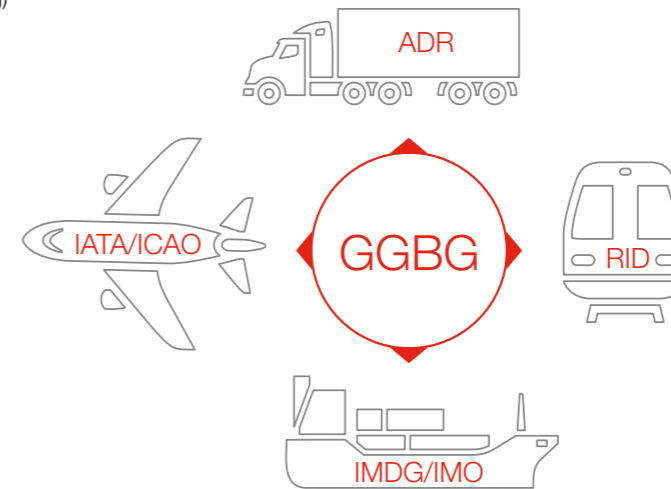
ADR: Regulations concerning the carriage of dangerous goods by road

RID: Regulations concerning the carriage of dangerous goods by rail

IMDG/IMO: Regulations concerning the carriage of dangerous goods by ships (ocean shipping)

ATA/ICAO: Regulations concerning the carriage of dangerous goods by air

GGBG: Act on the transport of dangerous goods



Regulations concerning the carriage of dangerous goods

APPENDIX

ENVIRONMENTAL ACHIEVEMENTS 2017

NO.	OBJECTIVE	MEASURE	FULFILL- MENT IN %	RESPONSIBLE AREA
Material consumption				
1	Reduction of batteries used in the forklift-battery pool by 10 %	Efficient charging and efficient use of batteries by using a battery-charging management system	100	Supply Chain Management
21	Reduction of the environmental risk when manipulating hazardous substances	Installation of a new unloading platform in the north exterior of Hall 3 for the paint store in Hall 14	100	Business Unit Painted Body
Energy consumption				
2	Reduction of energy consumption by installing a solar-powered hot water system in Hall 84	Installation of a technologically innovative solar system (vacuum tube collectors)	100	Business Unit H
3	Reduction of energy consumption by converting to non-compressed air drive technologies in Hall 82	Replacement of "compressed air" drive technologies by other technologies (electric drive). Situation analysis, procurement, definition of exceptions (changeover to decentralized compressed air production), dismantling the compressed air pipes; NB: conversion to electric drive has taken place, further measures are planned for 2018	30	Business Unit H
4	Reduction of heat energy consumption in Hall 1 by approx. 24 %	Rebuilding of the ventilation plant for utilization of exhaust air for heat recovery	39	Business Unit J
5	Reduction of heat energy consumption in Hall 2 by approx. 3 %	Insulation of the facade to lower heat loss through the building envelope	110	Business Unit J
6	Reduction of natural gas consumption in the dryers of the primer paint coat by approx. 5 %	Installation of a dynamic volume flow lowering in the dryers	100	Business Unit Painted Body
7	Reduction of natural gas consumption in the dryers of the CDP (cathodic dip painting)-coat by approx. 5 %	Installation of a dynamic volume flow lowering in the dryers	100	Business Unit Painted Body
9	Reduction of heat energy consumption in Halls 10 and 13 by approx. 5 %	Temperature reduction during the heating period by 2 Kelvin	343	Engineering Center Austria
10	Reduction of heat energy consumption in Hall 20 by approx. 22 %	Recommissioning of the timer program for reducing the operating periods of the ventilation plant	271	Facility Management
11	Reduction of heat energy consumption in Hall 3 by approx. 8 %	Joining up the heat supply systems in a network for a needs-oriented heat supply	63	Facility Management

NO.	OBJECTIVE	MEASURE	FULFILL- MENT IN %	RESPONSIBLE AREA
12	Reduction of heat energy consumption in Hall 82 by approx. 17 %	Conversion of exhaust air fans from manual to automatic operation	82	Facility Management
13	Reduction of electrical energy consumption in Hall 82 by approx. 5 %	Conversion of exhaust air fans from manual to automatic operation	53	Facility Management
14	Reduction of electrical energy consumption in Hall 22 by approx. 5 %	Repair of free back-cooling	17	Facility Management
25	Reduction of energy consumption for the air conditioning of the cleanroom at Aerospace Puchstrasse	Thermal insulation of ventilation ducts for clean room air conditioning as well as the installation of a control unit to regulate the air flow	100	Aerospace
Air emissions				
15	Use of an electrically powered truck in the internal logistics system associated with CO ₂ savings	Procurement of an electrically powered truck	100	Supply Chain Management
Waste generation				
16	Increase in waste separation discipline of employees in Business Unit G	Training of 49 masters or team leaders regarding proper waste separation	100	Business Unit G
17	Reduction of costs for waste disposal in Hall 12 by approx. 5 %	Optimization of route planning and adaptation to the frequency of waste generation on the basis of data evaluations	100	Business Unit G
18	Reduction of journeys with half-empty containers in waste logistics in Business Unit H	Optimization of the route plan as well as the type and number of collection containers; NB: Inspection of the collection containers has been completed, further measures are planned for 2018 (continuation as environmental objective for 2018)	20	Business Unit H
19	Reduction of waste generation from circulation parts	Inspection of the return of circulation parts to suppliers for the new product, for the purpose of transport protection and safety etc., deployment of collection stations	100	Business Unit H
20	Logistics-specific analysis for the definition of concrete savings potentials in waste management of Business Unit J	Detailed specification of planning data for waste generation and waste management costs	100	Business Unit J
24	Reduction of the use of packaging at Aerospace Puchstrasse	Use of reusable containers for the transport of pipelines to Magna Steyr Fuel Systems	100	Aerospace

ENVIRONMENTAL PROGRAM 2018

NO.	OBJECTIVE	MEASURE	FULFILL- MENT IN %	RESPONSIBLE AREA
Product development				
8	Increase in knowledge among 16 employees regarding the development of more energy-efficient vehicles	Conduction of training courses on the topic of energy management	125	Engineering Center Austria
22	Reduction of direct and indirect environmental impacts at the Engineering Center Austria	Conduction of 40 environmental and occupational safety tours per year	100	Engineering Center Austria
23	Introduction of an environmental key performance indicator (EPI) at the Engineering Center Austria	Definition of the EPI and the reference basis for the calculation, implementation in the product development process and training of employees on the topic of eco-design using an e-learning tool; NB: EPI has been defined and introduced, training courses are planned for 2018 (continuation as environmental objective for 2018)	60	Engineering Center Austria

The environmental achievements of 2016 are illustrated in the updated Performance Report with Integrated Environmental Statement 2017.

NO.	OBJECTIVE	MEASURE	IMPLEMENTA- TION DATE	RESPONSIBLE AREA
Material consumption				
1	Reduction of material input for the ground sealing in Hall 82	Inspection of the additional ground sealing of routes to identify reduction possibilities in the course of the semi-annual ground cleaning. Comparative analysis of the route with or without additional sealing and derivation of rules for ground cleaning activities	Jun. 2018	Business Unit H
Energy consumption				
2	Reduction of heat energy consumption in Hall 2 by approx. 7 %	Interconnection of heating facilities	Oct. 2018	Facility Management
3	Reduction of heat energy consumption in Hall 10 by approx. 5 %	Renewal of the heating facility	Oct. 2018	Facility Management
4	Reduction of electrical energy consumption in Hall 22 by approx. 3 %	Use of ambient temperature for cooling ("free cooling")	Feb. 2018	Facility Management
5	Reduction of electrical energy consumption by means of a photovoltaic system in Hall 57	Installation of a photovoltaic system	Mar. 2018	Facility Management
6	Reduction of electrical energy consumption through the optimization of plant technology and hall lighting in Hall 82	Analysis of the plant technology with regard to an optimized standby mode and the lighting control for maintenance activities during non-production times	Oct. 2018	Business Unit H
7	Reduction of energy consumption for compressed air generation by avoiding losses in the compressed air infrastructure	Checking the compressed air infrastructure for leaks	Oct. 2018	Business Unit H
8	Reduction of energy consumption for compressed air generation by avoiding losses of process compressed air in Hall 82	Checking compressed air consumers for leaks	Oct. 2018	Business Unit H
9	Reduction of electrical energy consumption of the heat lamps in Hall 12 by approx. 48 %	Switching off of the heat lamps during non-production times by means of time switches	Jun. 2018	Business Unit G
10	Reduction of electrical energy consumption of unnecessary consumers (monitors, televisions, etc.) during the off-hours in Hall 12	Cost-benefit analysis of the installation of a ring line for energy supply per line segment	Oct. 2018	Business Unit G

<i>NO.</i>	<i>OBJECTIVE</i>	<i>MEASURE</i>	<i>IMPLEMENTATION DATE</i>	<i>RESPONSIBLE AREA</i>
11	Reduction of natural gas consumption in the top coat line 3 by approx. 2 % and reduction of odor emission	Exchange of adsorption material (zeolite) at the adsorption wheel	Mar. 2018	Business Unit Painted Body
12	Reduction of electrical energy consumption for the supply air system in the cathodic dip painting by approx. 20 %	Filter change and associated switch to higher-quality filters with lower resistance	Dec. 2018	Business Unit Painted Body
13	Reduction of electrical energy consumption for the supply air system in the underbody protection line by approx. 20 %	Filter change and associated switch to higher-quality filters with lower resistance	Dec. 2018	Business Unit Painted Body
14	Reduction of electrical energy consumption for the lighting of the production rooms at Aerospace Puchstrasse	Conversion of lighting from neon tubes to LED technology	Jun. 2018	Aerospace
Air emissions				
15	Use of an electrically driven truck in logistics associated with CO ₂ savings	Use of an electrically operated truck instead of a diesel-powered truck	Feb. 2018	Supply Chain Management
Waste generation				
16	Increase in waste separation discipline of employees and external companies	Training of 20 employees in the plant planning and central maintenance with regard to proper waste separation	Aug. 2018	Facility Management
17	Increase in waste separation discipline of employees in Business Unit H	Training of all production employees with regard to proper waste separation	Oct. 2018	Business Unit H
18	Reduction of journeys with half-empty containers in waste logistics of the Business Unit H	Optimization of the route plan on the basis of the inspection (type and number) of the collection containers	Aug. 2018	Business Unit H
19	Reduction of the amount of paint sludge by approx. 5 % and the related increase of the recycling rate	Implementation of presses and press containers at the paint sludge collection stations to increase the liquid discharge	Dec. 2018	Business Unit Painted Body
20	Increase in waste separation discipline of employees of Aerospace Puchstrasse	Training of 30 employees with regard to proper waste separation and resource conservation	Apr. 2018	Aerospace
Transport				
21	Optimization of the control of truck empties transports associated with CO ₂ savings due to the reduced fuel consumption of the transport service provider	Control of empty truck transports using the "iTrace" system and creation of accompanying transport documents directly at the loading point	Mar. 2018	Supply Chain Management

<i>NO.</i>	<i>OBJECTIVE</i>	<i>MEASURE</i>	<i>IMPLEMENTATION DATE</i>	<i>RESPONSIBLE AREA</i>
Staff mobility				
22	Implementation of a concept for electric mobility for business trips to the external locations associated with CO ₂ savings	Provision of 8 electric vehicles of the BMW i3 brand including charging infrastructure at the site in cooperation with Energie Steiermark	Mar. 2018	Facility Management
23	Analysis of the mobility behavior of the employees for the way to work ("modal split") as a basis for possible follow-up activities to promote more environmentally friendly staff mobility	Creation of a questionnaire to survey employees, analysis of the collected data and evaluation of possible measures	Sep. 2018	Human Resources
24	Expansion of individual bus transport services for employees associated with CO ₂ savings, reduction of noise and congestion during shift changes as well as defusing the parking situation	Introduction of three direct bus lines from the districts of Deutschlandsberg, Leibnitz and Hartberg-Fürstenfeld to the Thondorf plant and back	Mar. 2018	Human Resources
Product development				
25	Development of an e-learning tool and increase in competence of 500 employees of the Engineering Center Austria with regard to eco-design in environmentally sound product development	Conducting training courses using an e-learning tool on the subject of eco-design	Dec. 2018	Engineering Center Austria

OCCUPATIONAL HEALTH AND SAFETY ACHIEVEMENTS 2017

NO.	OBJECTIVE	MEASURE	FULLFIL- MENT IN %	RESPONSIBLE AREA
1	Updating the overview of jobs for beneficiaries	Ongoing layout updates for each production area in consultation with the company physician and human resources department	50	Business Unit Painted Body
2	Equipping employees with new state-of-the-art workwear/personal protective equipment	Provision of affected areas with adequate workwear	100	Business Unit Painted Body
3	Reduction of accidents at work by increasing the safety mindset	Discussing all accidents and raising awareness at EHS meetings, developing the topic of the "big five in occupational safety" in group discussions and special campaign of the company suggestion scheme on the topic of "occupational safety and ergonomics"	100	Business Unit Painted Body
4	Conduction of safety checks	Conduction and documentation of daily safety checks at the beginning of each shift	100	Business Unit Painted Body
5	Evaluation of mental stress at the workplace in the area of body-in-white	Evaluation of the workplaces by an external psychologist together with occupational medicine, human resources and production managers	100	Business Unit Painted Body
6	Sensitization of new employees with regard to occupational safety at the start of work	Extraordinary training of all new employees on the subject of occupational safety and accident prevention	100	Business Unit Painted Body
7	Sensitization of employees with regard to accidents at work and improvement of ergonomics at the workplace	Implementation of a special AUVA (General Accident Insurance Commission) campaign together with occupational medicine and the safety specialist	100	Business Unit Painted Body
8	Reduction of head injuries as a result of bumping	Conduction of a key action in cooperation with AUVA	100	Business Unit G
9	Optimized support of employees with regard to the topic of occupational safety	Appointment of a Health & Safety Officer	100	Business Unit G
10	Achievement of OSHA rate targets	Stabilization of the OSHA rate in the start-up year of a new product through targeted key actions	75	Business Unit H
11	Ensuring that managers of the assembly of Business Unit H are adequately qualified	Training of additional safety trustees in the assembly of Business Unit H (all zone managers are trained as safety trustees)	100	Business Unit H

NO.	OBJECTIVE	MEASURE	FULLFIL- MENT IN %	RESPONSIBLE AREA
12	Equipment of all plants according to the Lockout Tagout (LOTO) standard	Comprehensive implementation of the LOTO standard together with the plant planning of the Center of Competence Complete Vehicle Manufacturing	60	Business Unit H
13	Improved and safe guidance of the staff flows from the car park to the entrances to administration building X or to the exits to the changing room	Renovation/optimization of access routes/crossings, marking of outdoor areas in Business Unit H	100	Business Unit H
14	Introduction of a training package "Occupational Safety Business Unit H" for strengthening the awareness of employees	Training of all employees in the onboarding process with regard to new framework conditions (new structure in Hall 82, new product launch, etc.)	100	Business Unit H
15	Implementation of more than 50 suggestions for improvement as part of a special campaign of the company suggestion scheme on the subject of occupational safety	Conduction of the special campaign after reaching the production peak of the new product	100	Business Unit H
16	Checking the markings and the signposting of the entire new hall structure Hall 82 (renovated production areas and roadways and in some cases also old stock)	Implementation on the basis of "visual management" in accordance with the specifications for the new product	100	Business Unit H
17	General soil remediation in Hall 82: Refurbished production areas and driveways, clear optical elevation of the driveways according to the requirements for the new product	Gradual implementation of floor coatings and markings	90	Business Unit H
18	Marking of outdoor areas Business Unit H	Renewal of the markings on the outside areas (parking spaces, pavements and driveways in Hall 82, footpaths in administration building X) in the course of the redesign of the forecourt	100	Business Unit H
19	Evaluation of mental stress at the workplace in Business Unit H	Evaluation of the workplaces by an external psychologist together with occupational medicine, human resources and production managers	40	Business Unit H

OCCUPATIONAL HEALTH AND SAFETY PROGRAM 2018

NO.	OBJECTIVE	MEASURE	FULLFIL- MENT IN %	RESPONSIBLE AREA
20	Reduction of accidents at the central maintenance	Evaluation of additional safety instructions for all maintenance orders for central maintenance employees	100	Facility Management
21	Evaluation of additional safety instructions for all maintenance orders for central maintenance employees Conduction of 40 environmental and occupational safety tours per year	Conduction of 40 environmental and occupational safety tours per year	100	Engineering Center Austria
22	Adherence to OSHA objectives in the apprentice workshop	Ongoing safety instructions and sensitization in group discussions; on-site visit with occupational medicine, safety specialist and training masters	100	Human Resources
23	Reduction of accidents in the first apprenticeship year	Sensitization of apprentices to the topic occupational safety/accident prevention on the first working day	100	Human Resources
24	Achieving synergies between Health & Safety	Increasing integrative consideration of Health & Safety	100	Human Resources
25	Integration of the new standard requirements in the processes	Comprehensive internal audits with regard to the new standard requirements	95	Human Resources
26	Integration of 3D pedestrian detection at the materials management	Equipping of 10 forklifts with a 3D pedestrian detection system	100	Supply Chain Management
27	Inspection and optimization of all office workplaces on the subject of ergonomics	Conduction of workplace inspections with the company physician, safety specialist and safety trustee	100	Quality Management
28	Qualification of employees with regard to the proper handling of airbags	Training of employees in the correct handling of airbags	100	Quality Management
29	Qualification of employees with regard to the proper handling of airbags	Organization of training of employees for future high-voltage battery projects (chemistry, electricity etc.)	100	Quality Management
30	Prevention of accidents at work with new staff	Additional instruction e.g. one month after entry	100	Quality Management

NO.	OBJECTIVE	MEASURE	IMPLEMENTA- TION DATE	RESPONSIBLE AREA
1	Equipment of the employees from the body-in-white areas with new, uniform personal protective equipment	Fitting, measurement and output of the adapted work clothes in the body-in-white areas	Sep. 2018	Business Unit Painted Body
2	Sensitization of employees to the topics work accidents and improvement of ergonomics at the workplace	Conduction of EHS meetings, evaluations, group discussions and safety inspections	Dec. 2018	Business Unit Painted Body
3	Reduction of hand injuries by 20 % (comparative year 2017)	Holding of a special targeted AUVA campaign ("hands well, everything well") together with safety specialist and occupational medicine	Dec. 2018	Business Unit Painted Body
4	Reduction of accidents with regard to the cause of accident "inattentiveness" by 20 % (comparative year 2017)	Conduction of group discussions in production ("safe working starts in the mind") as an initiative to avoid accidents at work	Dec. 2018	Business Unit Painted Body
5	Raising awareness of all employees in Business Unit G on the topic of occupational safety	Safety training for all employees during the start-up phase G-Class model maintenance	Sep. 2018	Business Unit G
6	Complete evaluation of all workplaces in Business Unit G	Sensitization on topics pertaining to accidents at work in Business Unit and improvement of ergonomics, safety and environment	Dec. 2018	Business Unit G
7	Equipment of all plants according to the Lockout Tagout (LOTO) Standard	Comprehensive implementation of the LOTO standard together with the plant planning of the Center of Competence Complete Vehicle Manufacturing	Jan. 2018	Business Unit H
8	Implementation of a management evaluation regarding physical workload and ergonomics	Conduction of a management evaluation with regard to physical workload and ergonomics, regular presentation of ergonomic measures by the Center of Competence Complete Vehicle Manufacturing	Sep. 2018	Business Unit H
9	Evaluation of mental stress at the workplace in Business Unit H	Conduction of the evaluation of the workplaces by an external psychologist together with occupational medicine, human resources and production managers	Feb. 2018	Business Unit H

NO.	OBJECTIVE	MEASURE	IMPLEMENTATION DATE	RESPONSIBLE AREA
10	Documented instruction of warehouse employees based on the results of a workplace evaluation	Implementation of a holistic workplace evaluation as a basis for a uniform safety instruction	Mar. 2018	Facility Management
11	Implementation of time-independent safety instructions (currently once daily at fixed times)	Conduction of an electronic security briefing using terminals for external company employees	Mar. 2018	Facility Management
12	Separation of the road and footpaths by means of floor markings in the area of Hall 8	Installation of floor markings and mechanical separations of sidewalks and roads	Mar. 2018	Facility Management
13	Improvement of cleanliness and order as well as the awareness for personal protective equipment	Weekly tours with a focus on workshops	Dec. 2018	Engineering Center Austria
14	Sensitization of managers with regard to occupational safety	Training of three further safety trustees	Dec. 2018	Engineering Center Austria
15	Improvement of at least 15 workplaces on the topic of ergonomics	Conduction of the ergonomics program	Dec. 2018	Engineering Center Austria
16	Raising awareness in the key areas of accident prevention, health at the workplace, fire protection and environmental protection	Conduction of an apprentice safety day with the aim of reducing minor accidents for all apprenticeship years	Jul. 2018	Human Resources
17	Compliance with OSHA objectives (focus on apprentice workshops)	Conduction of safety instructions and sensitization in group discussions; on-site visit with occupational medicine, safety specialist and training masters	Dec. 2018	Human Resources
18	Updating the Safety and Health Protection Database (SIGS) regarding the safety instructions for the materials management	Evaluation of all safety instructions in terms of completeness, content validity and allocation	Dec. 2018	Supply Chain Management
19	Installation of additional safety trustees and first responders	Increasing the number of first responders to 11 and the number of safety trustees to 2	Dec. 2018	Information Management
20	Advice for all employees in the course of the workplace evaluation and implementation of changes if required	Conduction of workplace evaluations	May 2018	Information Management
21	Completion of a full evaluation of all workstations including inline workstations and ergonomics of office workstations	Workplace inspections and definition of measures with the company physician, safety specialist, works council and safety trustee	Dec. 2018	Quality Management

NO.	OBJECTIVE	MEASURE	IMPLEMENTATION DATE	RESPONSIBLE AREA
22	Completion of EuP1 and EuP2 qualification of all employees working with high-voltage battery technology	Training/qualification of employees for high-voltage battery projects	Dec. 2018	Quality Management
23	Completion of the qualification of all employees working with airbags in special courses and associated with prevention of the risk of injury when handling airbags	Training of employees in the correct handling of airbags	Dec. 2018	Quality Management
24	Evaluation of all office workplaces in the upper floor of Hall 2 on the topic of ergonomics	Conduction of the ergonomics program	Dec. 2018	Center of Competence Complete Vehicle Manufacturing
25	Sensitization of managers with regard to occupational safety	Inspection of areas with managers focusing on occupational safety (once per quarter)	Dec. 2018	Center of Competence Complete Vehicle Manufacturing
26	Evaluation of office workplaces at at least three work areas	Conduction of the ergonomics program	Dec. 2018	Finance Management
27	Evacuation exercise with focus on fire prevention	Conduction of a fire protection training for employees	Dec. 2018	Finance Management
28	Redesign of the prototype building, taking into account ergonomic guidelines	Conduction of the ergonomics program	Dec. 2018	Aerospace
29	25 % reduction in accidents caused by cuts (year of comparison 2017, adjusted for performance-related injuries)	Training of employees in group discussions (cause analysis, process check, checking of personal protective equipment)	Nov. 2018	Business Unit J
30	Training of 80 % of all employees in assembly that work with hazardous materials, regarding the correct handling of these materials	Execution of the training (main focus: removal, use, disposal) in group discussions and control of personal protective equipment	Nov. 2018	Business Unit J

Environmental verifier's declaration on verification and validation activities

The undersigned, Dipl.-Ing. Peter Kroiss, Head of the EMAS-environmental verification organization of TÜV AUSTRIA CERT GMBH, 1230 Vienna, Deutschstrasse 10, EMAS-environmental verifier with registration number AT-V-0008, accredited for the

Group 29.10 "Manufacture of motor vehicles"

declares to have subjected the Magna Steyr Graz location to an environmental verification, as in the updated Environmental Statement of the organization

Magna Steyr Fahrzeugtechnik AG & Co KG

8041 Graz, Liebenauer Hauptstrasse 317

with the registration number AT-000159. All requirements of Regulation (EC) No 1221/2009 of the European Parliament and of the Council of November 25, 2009 on the voluntary participation of organizations in a Community Eco-Management and Audit Scheme (EMAS) in its version of Regulation (EU) 2017/1505 of August 28, 2017 have been fulfilled.

By signing this declaration, it is confirmed that:

- The verification and validation has been carried out in full compliance with the requirements of Regulation (EC) No 1221/2009 in its version of Regulation (EU) 2017/1505 of August 28, 2017.
- The outcome of the verification and validation confirms that there is no evidence of non-compliance with applicable legal requirements relating to the environment.
- The data and information of the updated environmental report of the organization Magna Steyr Graz reflect a reliable, credible and correct image of all the organizations activities, within the scope mentioned in the environmental report.

This document is not equivalent to EMAS registration. EMAS registration can only be granted by a competent body under Regulation (EC) No 1221/2009. This document shall not be used as a standalone piece of public communication.

Vienna, July 1, 2018

Dipl.-Ing. Peter Kroiß
Chief environmental verifier

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For reasons of readability, the language in this report is gender neutral. In the spirit of equal gender treatment, all appropriate terms in this report apply to both sexes. Thank you for your understanding.

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Read the Performance Report with Integrated Environmental Statement 2018 as well as other previous versions online on the company website.
Scan the QR code to get background information on the four topics of Business Performance, Environment, Social Responsibility and Compliance.



MAGNA STEYR GRAZ



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