



Every Day, Striving for Better

2022 Sustainability Report
on Environmental, Social and Governance Progress

Table of Contents

- 3** Environmental, Social and Governance (ESG) at Lear
- 16** Environmental Stewardship
- 48** Social Responsibility
- 100** Governance
- 125** Appendix



2022 Report

The data presented in this report covers all operations and production facilities within Lear's operational control for calendar year 2022. We have disclosed our material topics with reference to the Global Reporting Initiative (GRI) Standards. Please refer to the [Appendix](#) for more information. Lear has historically reported our ESG strategy and performance on an annual basis. Lear reserves the right to amend data and disclosures as needed. We plan to release our next fully refreshed report in 2024.



Environmental, Social and Governance (ESG) at Lear

A Message from Our CEO



Around the world, our teams have embraced the many challenges and opportunities of building a more sustainable future. Their passion and collaboration are carrying us to new heights in product innovation, driving us toward our carbon neutrality goals, and enriching our diverse culture.

For instance, our new award-winning sustainable products, such as our Battery Disconnect Unit, are helping electric vehicles (EVs) charge faster and drive farther. Our 100% recycled and luxurious ReNewKnit™ sueded surface material supports a circular economy, where repurposed water bottles and textiles can be continuously recycled. We have also conducted reference life cycle assessments (LCAs) on most of our major product lines. This cradle-to-grave analysis will help us make more informed decisions about raw material selection, logistics, product design, production and recycling/reuse opportunities, and ultimately help us reduce our carbon footprint.

In our operations, we're also making progress and accelerating our journey to a carbon-neutral future. Nine on-site solar arrays in six countries power facilities with renewable energy, and we are evaluating other projects globally. We are sourcing 100% renewable energy for our electricity needs in Germany, Poland, Spain and the United Kingdom—and by 2024, in Brazil and Portugal, too. Our **Energy Efficiency Playbook** is empowering employees in our global manufacturing facilities to identify and execute energy efficiency improvements locally.

Always focused on our values—Be Inventive, Be Inclusive, and Get Results the Right Way—we continue to invest in the secret to our success, our people. Lear's groundbreaking **Together We Grow** career development program was piloted in 2022 with 31 high-potential and diverse participants. More than 200 employees were nominated to participate in future Together We Grow programs. Our global **Champions of Lear** program received 460 nominations from 31 countries and celebrated the best-of-the-best in our global operations with awards in 17 categories.

We also welcomed new team members through strategic acquisitions aimed at reducing supply chain risks, enabling less complex and more efficient product design, and using technology to optimize manufacturing processes and support Industry 4.0. Lear continues to bolster our supply chain, enhancing our ongoing supplier sustainability assessments to include training in sustainability and human rights.

It is incredibly inspiring to be part of a motivated and diverse team that is always seeking to do more for their colleagues, their communities and our customers. In 2022, our teams supported each other through natural disasters. We found creative ways to address mental health. We assisted refugees and funded education, economic well-being and environmental projects in our communities. Together, we have won nearly 50 industry awards and important business with new and existing customers.

We have accomplished much in 2022, and I am very proud of our progress. Every day, we are striving to make our company better so that we can Make every drive better™.

Sincerely,

Ray Scott

Lear President and Chief Executive Officer



Lear is continuing our commitment as a participant in the United Nations (UN) Global Compact, **the largest corporate sustainability initiative in the world.**

2022 ESG Highlights

ENVIRONMENTAL

9 on-site solar arrays in **6** countries

100% of electricity powering our plants in Germany, Poland, Spain and the United Kingdom is generated from renewable sources

8M metric tons of CO2 emissions avoided by EVs with the assistance of Lear's E-Systems solutions since 2019*

7 major product lines have completed reference LCAs

SOCIAL RESPONSIBILITY

Together We Grow

program launched to help future diverse leaders grow through proactive career management and leadership development

\$5.4B spent with **certified minority-owned, women-owned and veteran-owned suppliers** in the United States over the past decade

5M hours of employee training and development

68 facilities achieved **1 million hours with 0 lost time injury/illness cases**

WE SUPPORT



UN Global Compact participant

\$100,000 donated along with food and supplies to support relief efforts in Ukraine

GOVERNANCE

No Deforestation Policy

reinforces **responsible sourcing and our commitment to conserving natural resources**

14,000+ self-reported suspicious emails resulted in the **prevention of nearly 400 email-based cyberattacks**

2,800+ production supplier sites across the globe **completed sustainability assessments**

50% of Lear's Board of Directors were **women and/or minorities**

** Estimated avoided or saved CO2 emissions from product improvements were calculated based on Lear's internal methodology using industry accepted emission factors, formulas and reasonable assumptions, without fully conforming to any particular GHG emissions reporting standard. These estimates have not been verified by a third party.*

Always Ready to Respond

Supporting Ukraine

In February 2022, Russia invaded Ukraine, causing millions to flee the country. Although Lear does not have any operations in Ukraine, many colleagues from Ukraine work in our plants in neighboring countries. Lear also works with suppliers in Ukraine. Around the world, Lear employees showed their compassion and giving spirit. Some collected food, hygiene and medical supplies. Others organized charity events to raise funds. Still others opened their wallets and even their homes. We are very proud of how Lear employees are always ready to respond.



24 pallets

of supplies were donated along with artwork by local school children from Germany

employee contributions



from Poland partially funded an ambulance and power generator for a field hospital in Ukraine

265

packs of food, hygiene products for women, and supplies for babies were donated and delivered from Moldova

\$100,000

donated by Lear to the International Committee of the Red Cross

1,900 kg

of food collected by employees in Spain

\$17,000+

donated by employees from around the world



This is Lear

Who We Are | 100+ year heritage as a leading automotive supplier

SEATING



\$15.7B sales

E-SYSTEMS



\$5.2B sales



Enabling superior in-vehicle experiences for cleaner, safer, smarter, and more comfortable journeys



~168,700 employees

with industry-leading talent and technical expertise globally



253 facilities in 37 countries

with an efficient global engineering and manufacturing footprint

Committed to...

- Making every drive better™
- Living our core values: **Be Inclusive, Be Inventive** and **Get Results the Right Way**

The **largest U.S. headquartered supplier of automotive parts** with \$20.9B in annual sales

An **innovator** in automotive seating and electronic modules, connection systems and electrical distribution systems that **facilitate future sustainable mobility trends**

Lear **designs, engineers and manufactures** world-class products **for every major automaker in the world**, including **450+ nameplates**

How We are Making every drive better™



Operational Excellence

We have established a track record of **delivering billions of critical, complex components** that meet the most stringent quality and safety standards **to every major automotive market** in the world.



Customer Relationships

Over our **100-year history**, we have built **long-standing relationships with every major automotive manufacturer in the world** and are recognized for our customer service and quality.



Innovation

We are positioned to **take advantage of the industry megatrends of electrification and shared mobility**. Our future **success does not depend on the internal combustion engine**.



Differentiated Capabilities

We are the **most vertically integrated seat supplier in the world** and the **only Tier 1 supplier** with the capabilities and expertise **to offer full architecture solutions for both electrical distribution systems and power electronics**.

Don't take our word for it...



As of 2022, Lear received an MSCI ESG Rating of A.

[*MSCI Disclaimer](#)



Ranked #3 in Automobiles and Parts Industry

Our Sustainability Strategy

Lear prioritizes people and our planet, placing ESG alongside business results and operational excellence. ESG is integrated into how we do business every day.



Our Sustainability Strategy supports our overall vision of Making every drive better™ by focusing our efforts on cleaner, safer, smarter and more comfortable mobility. We accomplish our vision through environmental stewardship, social responsibility and effective governance, which aligns with our core values: Be Inventive, Be Inclusive, and Get Results the Right Way.

To learn more, see [Environmental, Social and Governance Oversight](#).

| Our Vision | | |
|---|---|--|
| <h2 style="color: red;">Making every drive better™</h2> <p>cleaner, safer, smarter and more comfortable mobility</p> | | |
| Our Core Values | | |
| <p>Be Inventive</p> | <p>Be Inclusive</p> | <p>Get Results the Right Way</p> |
| Dimensions of Sustainability | | |
|  Environmental Stewardship |  Social Responsibility |  Effective Governance |
| Key Elements | | |
| <p>Our innovative technologies are enabling electrification while propelling new mobility concepts such as shared mobility.</p> <p>We use responsibly sourced, renewable and recyclable materials to protect the environment.</p> <p>Our efficient operations conserve energy and water, while minimizing waste and reducing emissions.</p> <p>Our Renewable Energy Strategy reduces our carbon footprint and supports our climate goals.</p> | <p>Meaningful employment provides competitive pay, benefits and development for union and nonunion employees around the world.</p> <p>Our diverse and engaged global teams work together with respect, integrity and inclusion.</p> <p>Safety is at the core of everything we do, from creating safe work environments and ensuring our sites are prepared to identify and mitigate potential risks, to providing support to our communities responding to natural disasters.</p> | <p>An experienced and diverse Board of Directors provides oversight.</p> <p>Carefully crafted policies and procedures enforce our commitment to ethics, integrity and human rights.</p> <p>Our focus on cybersecurity protects our products, data, customers and enterprise.</p> <p>Partnering with suppliers ensures a joint commitment to human rights and sustainability.</p> |



Our ESG initiatives are revealing new, exciting ways to achieve our vision of Making every drive better™.

Our focus on sustainability alongside business results and operational excellence is driving, in particular, our carbon reduction targets, renewable energy initiatives, and Industry 4.0 efforts. Our latest products are aligned with increasing acceptance of EVs and supporting a circular economy. Our employees are enthusiastically taking on these challenges and opportunities, working with integrity and welcoming diversity.

Through our ESG efforts, we are
Getting Results the Right Way."

HARRY KEMP

Senior Vice President, Chief Administrative Officer
and General Counsel



Materiality Assessment

Lear has conducted a materiality assessment to further refine our ESG strategy and align it with the topics that have the greatest impact on the economy, environment and people. Cross-functional leaders and extended ESG teams analyzed sustainability topics recommended by the Global Reporting Initiative (GRI) Disclosure Standards, as well as the United Nations Sustainable Development Goals (SDGs) and targets to develop a prioritized list of our most significant impacts.

We engage with our internal and external stakeholders regularly through open discussions and targeted interviews, as well as through completing sustainability assessments and questionnaires requested by our customers, ESG raters and shareholders. Lear also monitors ESG trends through white papers, studies and other publications. As part of the materiality assessment exercise, Lear surveyed sample groups of employees and supply chain partners from around the world to gather feedback and guidance more directly.

Based on this input, Lear created the list of our most significant impacts shown below in alphabetical order. We review and adjust the assessment annually to improve our Sustainability Strategy, increase transparency and refine the content of Lear's ESG reporting.







Economic

+ 
Social

+ 
Environmental

Highest-Priority Material Topics (in alphabetical order)










| | | |
|---|--|---|
|  | <p>BUSINESS ETHICS AND COMPLIANCE</p> | <p>Getting Results the Right Way by promoting integrity, responsible and ethical corporate behavior, and abiding by Lear's Code of Business Conduct & Ethics to avoid business ethics issues such as fraud, corrupt practices, anti-trust violations, money laundering or bribery</p> |
|  | <p>CLIMATE RISK AND RESILIENCE</p> | <p>Developing strategies to address climate change across Lear's value chain, including the physical and transitional impacts of rising temperatures, climate-related policies, and emerging technologies in our changing world</p> |
|  | <p>COMPANY ECONOMIC PERFORMANCE AND COMPETITIVENESS</p> | <p>Generating revenues and managing Lear's assets, liabilities, and the financial interests of our stakeholders and stockholders</p> |

+




+

+







+

| | | |
|---|---|---|
|  | CYBERSECURITY AND OPERATIONS/PRODUCTS | <p>Providing processes and technologies to protect Lear's operations and IT systems from cyber and physical security threats, as well as developing technologies that safeguard end-use consumers from risks of threats to data security and driver safety</p> |
|  | DIVERSITY, EQUITY AND INCLUSION (DEI) | <p>Creating an environment throughout Lear's value chain that promotes and celebrates diversity as well as individuality while providing equal opportunities and outcomes for all</p> |
|  | ENVIRONMENTAL STEWARDSHIP | <p>Responsibly managing resources and mitigating the impact Lear's operations have on the environment, including the efficient use and management of energy, water and waste, as well as overall environmental compliance</p> |
|  | GHG EMISSIONS AND OPERATIONAL EFFICIENCY (SCOPES 1, 2 AND 3) | <p>Reducing greenhouse gas (GHG) emissions from Lear's operations and products. This area includes efficiently using energy at Lear facilities, transitioning to renewable energy sources, and taking actions to reduce downstream emissions created by our products and our suppliers.</p> |
|  | HUMAN RIGHTS | <p>Protecting rights that justifiably belong to all human beings, regardless of nationality, place of residence, national or ethnic origin, color, religion or any other status. For Lear and its value chain, this includes fair labor practices and the right to freedom of association.</p> |
|  | OCCUPATIONAL HEALTH AND SAFETY | <p>Ensuring safe and healthy working conditions for employees, contractors, and all people at Lear sites and operations globally by setting and enforcing health and safety standards as well as providing training, outreach and assistance</p> |
|  | PRODUCT QUALITY AND DELIVERY | <p>Taking a total quality approach to products and services to ensure that delivered products fully satisfy agreed upon customer specifications and requirements</p> |
|  | PRODUCT SAFETY | <p>Using specific procedures, designs and manufacturing processes, as well as meeting global automotive component regulations, to fulfill customer safety requirements</p> |
|  | SUSTAINABLE SUPPLY CHAIN | <p>Ensuring that Lear's global supply chain partners adhere to ethical and sustainable business practices that consider the environmental and human impact of their products, operations and services, including providing support to supplier partners to meet those expectations through monitoring, guidance, education and training</p> |



| | | |
|---|---------------------------------------|---|
|  | SUSTAINABLE PRODUCTS | Designing and developing products that leverage lightweighting and efficiency improvements, use recycled and bio/natural content, and/or have end-of-life recyclability to mitigate negative environmental and human health impacts while enabling consumer acceptance of EVs and other mobility trends |
|  | THIRD-PARTY RISKS | Managing risks related to Lear's reliance on third parties for a multitude of goods and services, including ensuring ethical business behavior on Lear's behalf |
|  | EMPLOYEE HEALTH AND WELL-BEING | Providing a welcoming, harassment-free environment that supports work-life balance and positive mental health, as well as competitive and equitable pay and benefits |

Material Topics to Continue to Manage and Monitor (in alphabetical order)

| | | |
|---|---|--|
|  | BIODIVERSITY AND DEFORESTATION | Managing and reducing the impact of Lear's operations and products on natural habitats and ecosystems, including forests |
|  | CUSTOMER SATISFACTION | Implementing programs and processes that ensure Lear's products, delivery and pricing meet or surpass customer expectations |
|  | DISASTER AND EMERGENCY PREPAREDNESS | Identifying, preparing for and effectively responding to disasters that could impact Lear's operations, customers and communities |
|  | GLOBAL COMMUNITIES | Supporting Lear's global communities through employment, localized volunteering, charitable contributions and investments, education initiatives, disaster relief and other activities |
|  | RESPONSIBLE USE OF DATA AND DATA PRIVACY | Ensuring the protection and privacy of employee, customer and consumer information through policies, information management systems and software safeguards |
|  | WORKFORCE RECRUITMENT, RETENTION, DEVELOPMENT AND ENGAGEMENT | Creating a workplace that attracts the best talent to stay competitive, while providing ongoing engagement and development opportunities to enhance employee skills and enable career growth |

Supporting the United Nations Sustainable Development Goals

Lear addresses some of the world's biggest challenges by supporting economic well-being, education and environmental conservation in the global communities where we live and work. Lear is committed to partnering with industry and society by implementing the **UN Sustainable Development Goals (SDGs)**. Adopted by all UN members in 2015, these 17 goals provide a foundation for Lear's overall Sustainability Strategy.



Here are the Sustainable Development Goals Lear prioritized in 2022 in alignment with our ESG strategy (listed in numerical SDG order):

| | | | |
|---|---|---|--|
| <p>8 DECENT WORK AND ECONOMIC GROWTH</p> | <ul style="list-style-type: none"> • 5M hours of employee training and development • 94,000+ global employees responded to 160+ surveys measuring engagement and culture • Paid vacation, holidays, overtime pay and flexible work hours • Nearly 20 years of success with high-performance self-directed work teams • 81,000+ employees participate in 60+ labor unions globally | <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> | <ul style="list-style-type: none"> • Produced from 100% recycled plastic and manufactured with 100% renewable energy, Lear's ReNewKnit™ sueded surface material is part of a global circular economy • Made from U.S. sourced soybeans, Lear's SoyFoam™ requires 60% less conversion energy to produce compared with conventional foam, which in turn creates 4 times less emissions • 2,800+ production supplier sites across the globe completed sustainability assessments • 28 facilities sent zero waste to landfills |
| <p>10 REDUCED INEQUALITIES</p> | <ul style="list-style-type: none"> • \$5.4B spent with certified minority-owned, women-owned and veteran-owned suppliers in the United States over the past decade • 52% of salaried new hires in the United States were ethnic minorities or women • 200,000+ hours of DEI and Expect Respect training, including anti-harassment, nondiscrimination and zero tolerance for retaliation • Together We Grow career development program launched to support and grow diverse leaders | <p>13 CLIMATE ACTION</p> | <ul style="list-style-type: none"> • 50% reduction goal set for carbon emissions at our sites by 2030 • Implemented detailed Renewable Energy Strategy, engaged energy procurement consultant and released our global Energy Efficiency, Waste Reduction, and Water Stewardship Playbooks • 100% of the electricity powering our plants in Germany, Poland, Spain and the United Kingdom comes from renewable sources |
| <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> | <ul style="list-style-type: none"> • Engineered to reduce size and weight, our products help improve fuel economy, reduce emissions and extend driving range • 5M EVs expected to rely on Lear's new high-voltage connection systems as the main battery to vehicle interface by 2026 • 8M metric tons of CO2 emissions avoided by EVs with the assistance of Lear's E-Systems products since 2019 | <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> | <ul style="list-style-type: none"> • Comprehensive Human Rights Policy • 2022 Human Rights Campaign Corporate Equity Index Score of 90% • 100% of salaried employees and 96% of hourly employees completed Code of Business Conduct & Ethics training • Ethics & Compliance Helpline allows employees, suppliers and business partners to anonymously report concerns in their local language |

Here are a few additional examples of how Lear supported the SDGs in 2022:

| | |
|--|---|
|  | <ul style="list-style-type: none"> • 0.30 Total Recordable Injury Rate (TRIR) demonstrates world-class safety achievements • 68 facilities achieved 1 million hours with 0 lost time injury/illness cases • Driving Wellness campaign promotes well-being in body, mind, nutrition and balance for employees globally |
|  | <ul style="list-style-type: none"> • 9 on-site solar arrays in 6 countries • 100% renewable energy goal set for electric power consumed at all our sites by 2030 • 170 energy efficiency projects completed, potentially saving nearly 6M kWh of energy globally • 13% reduction in absolute energy use since 2019 • Nearly 17% reduction in absolute Scope 1 and 2 emissions since 2019 |
|  | <ul style="list-style-type: none"> • No Deforestation Policy reinforces responsible sourcing and our commitment to conserving natural resources • Lear supports the humane treatment of every living being and the Five Freedoms for Animals • Hundreds of wildlife habitat, tree planting and pollution clean up events conducted through employee volunteer initiatives annually |
|  | <ul style="list-style-type: none"> • UN Global Compact Participant since 2020 • Participating in the U.S. Department of Energy's Better Climate Challenge, Clean Energy Buyers Alliance (CEBA), and GM Supplier Renewable Energy Solutions Program • Members of the Climate Group's RE100 • Active collaboration through industry partnerships with customers, suppliers and nongovernmental organizations (NGOs) on human rights, health and safety, responsible mineral sourcing, environmental protection, export compliance, productivity and innovation |

WE SUPPORT

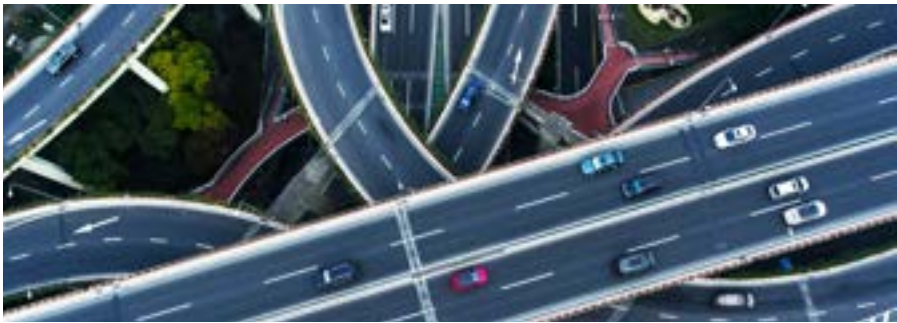


United Nations Global Compact

Lear has been a participant of the UN Global Compact since 2020 and recommitted to participate in 2022. The initiative encourages companies to align their operations with **10 Principles** supporting human rights, labor, environment and anti-corruption.

In addition, members pledge to:

- Support the UN's 17 Sustainable Development Goals
- Operate responsibly in alignment with universal sustainability principles
- Take actions to support society
- Commit to the effort at the organization's highest level, pushing sustainability throughout the organization
- Report ongoing efforts annually
- Engage locally wherever the company has a presence





HOW WE MAKE THE WORLD A BETTER PLACE

Environmental Stewardship

2022 Environmental Stewardship Highlights



Progressing toward a carbon neutral future

100% of the electricity powering our plants in Germany, Poland, Spain and the United Kingdom is generated from renewable sources



9 on-site solar arrays in 6 countries

7 major product lines have completed reference LCAs

100% of global manufacturing sites are implementing our Energy Efficiency Playbook

Future-focused technologies

8M metric tons of CO2 emissions avoided by EVs with the assistance of Lear's E-Systems solutions since 2019*

5M EVs expected to rely on Lear's new high-voltage connection systems by 2026



60% less conversion energy is used to produce SoyFoam™ compared with conventional foam, which in turn creates 4 times less emissions

Protecting the environment

Nearly **17%** reduction in absolute Scope 1 and 2 emissions since 2019

Nearly **4%** reduction in absolute water use since 2019

13% reduction in absolute energy use since 2019



800+ metric tons of waste reduced from 90+ projects completed in 2022

* Estimated avoided or saved CO2 emissions from product improvements were calculated based on Lear's internal methodology using industry accepted emission factors, formulas and reasonable assumptions, without fully conforming to any particular GHG emissions reporting standard. These estimates have not been verified by a third party.



Our Road to a Carbon Neutral Future



Climate Goals

The automotive industry is committed to a carbon neutral future. Achieving this mutual goal will require evaluating every product we produce and how it progresses through the entire value chain. At Lear, we are collaborating in the areas we can influence—including our suppliers, customers and products' end of life—and focusing on what we can control—including the sustainability of our products, operations and supply chain.



Lear's Climate Goals

2019 Baseline

2030

50% reduction in direct and indirect carbon emissions at our facilities

100% renewable energy for electric power consumed at our facilities

2050

Net zero emissions at our facilities, and both upstream and downstream where Lear has influence

Progress Toward Achieving Our Climate Goals

Since 2019, Lear has reduced its absolute Scope 1 and 2 emissions by nearly 17%. We are making progress toward our climate goals through our sustainable products, operations and supply chain.



Sustainable Products

- Selected as exclusive supplier of the **Battery Disconnect Unit** and **Intercell Connect Board** for GM's full-sized SUVs and trucks built on the Ultium EV Platform
- Introduced **ReNewKnit™** sueded surface material, made from 100% recycled plastic and manufactured with 100% renewable energy
- Won **PACEpilot Award** for Configure+ with zonal safety technology, which reduces weight, decreases complexity and promotes ridesharing
- Completed reference **LCAs** on 7 major product lines
- Developed SoyFoam™, which requires 60% less conversion energy to produce than conventional foam, resulting in 4 times less emissions



Operations

Scope 1 & 2 Emissions

- Using renewable electricity from 9 on-site solar arrays in 6 countries
- Sourcing 100% of electricity from renewable sources in Germany, Poland, Spain and the United Kingdom
- Completed ISO 50001:2018 certification for energy management at 3 global sites
- Implementing our **Energy Efficiency Playbook** at global manufacturing sites
- Updated facility specifications for new construction and significant building refurbishments to consider more energy efficient systems
- Optimizing logistics and improving shipping methods
- Verifying our Scope 1 and 2 emissions with a **third party**



Supply Chain

Scope 3 Emissions

- Partnering with suppliers on sourcing **CO2-reduced steel**
- Collecting Scope 1 and 2 GHG emissions data from suppliers to assist in calculating our Scope 3 data
- Using returnable, reusable and recyclable packaging where practicable
- Collaborating on industry standards for carbon reporting
- Making improvements in logistics processes to reduce transportation impact
- Committed to the Science Based Targets initiative (SBTi)

Our Renewable Energy Strategy

After setting our climate goals in 2020, we developed a multi-faceted strategy to reach our goal of sourcing 100% renewable energy at all of our sites by 2030. And we are well on our way.

To reach our goal, Lear will use a combination of methods—such as power purchase agreements (PPAs) to support new renewable energy projects, the purchase of energy attribute certificates (EACs) from energy providers, whether bundled with existing energy purchases or unbundled, and on-site generation—to procure, source and generate renewable energy for our global sites. The method used at each site depends on geographical location, as well as applicable customer requirements, legislation, regulations and government actions in the relevant markets.

Today, more than 20% of the electricity Lear uses is from renewable sources, achieved through agreements with our electric utilities, procurement of EACs, and deployment of nine on-site solar arrays in six countries with additional sites under evaluation.

Lear recognizes that the renewable energy arena is constantly changing. Similarly, we plan to optimize our Renewable Energy Strategy depending on changes in our global footprint, local regulations and the availability of renewable energy sources.



A Collaborative Effort

Lear currently partners with a variety of organizations that support a carbon-neutral future, such as:

- **Science Based Targets initiative (SBTi)** – Lear submitted its commitment to align our climate goals with the Paris Climate Agreement to limit global warming to 1.5 degrees Celsius compared with pre-industrial levels. In 2023, we started the process of calculating and evaluating our Scope 3 inventory to establish near-term and long-term targets for SBTi validation in 2024.
- **The Climate Group’s RE100** – We pledged to match 100% of the electricity used across all our global sites with electricity produced from renewable sources by 2030.
- **Better Climate Challenge with the U.S. Department of Energy** – Lear agreed to reduce our Scope 1 and 2 emissions by at least 50% in 10 years from a 2019 baseline.
- **Clean Energy Buyers Alliance (CEBA)** – As a member, Lear receives guidance on renewable energy procurement strategies, collaborates on low-carbon energy solutions, and builds relationships with energy buyers, providers and industry experts.
- **GM Supplier Renewable Energy Solutions Program** – We participate in the partnership between General Motors and Shell which provides reduced rates and flexibility on energy backed by renewable resources. The program will support a portion of the electricity used at our site in Grand Prairie, Texas.
- **DTE On-Site Energy Management Program** – Lear partnered with local energy company DTE to assess energy use, propose leading methods and processes, initiate projects, and report energy savings in nine Detroit-area facilities. In 2022, projects saved nearly 2.2M kWh of electricity and reduced GHG emissions by 1,600 metric tons.
- **CDP** – Lear participates in CDP supply chain and investor surveys to report our performance to customers and investors, and assess our performance, risks and opportunities related to GHG emissions. Learn more about our [CDP scores](#) and projects with [suppliers](#).



Renewable Energy Roadmap

2030

Achieve our goal of **100% renewable energy** for electric power consumed at all of our global sites

2025 - 2027

Anticipate executing **PPAs**, both direct and virtual, for Europe and the United States, supplemented with unbundled **EACs** in certain regions, utility programs and on-site renewable energy

2024

Source **100% of electricity** for all facilities in Brazil and Portugal from renewable sources

2023

- Continue to evaluate additional on-site solar projects globally
- Supply **70% of electricity** for all 7 facilities in Brazil from renewable sources

2022

- Sourced 100% of electricity from renewable sources for all facilities in Germany, Poland, Spain and the United Kingdom
- Finalized construction of Lear's largest on-site solar project in Europe at our Valls, Spain, facility which will produce up to 20% of the site's electricity needs
- Using renewable electricity from 9 on-site solar arrays in Argentina, Belgium, China, Germany, Hungary and Spain
- Finalized contracts to increase renewable energy use at 25 sites in Mexico
- Joined **SBTi** and **RE100**, and participating in the **GM Supplier Renewable Energy Solutions Program**
- Implementing our **Energy Efficiency Playbook** at global manufacturing sites

Lear's Energy Efficiency Playbook

Building on the enterprise-wide success of our **Together We Win Playbook** and **Safe Work Playbook**, Lear gathered best practices from a variety of sources—including governments, the global automotive industry, audit results and Lear's employee engagement efforts—to develop and publish our Energy Efficiency Playbook. The playbook includes guides, checklists and trackers to help our plants improve energy efficiency and achieve our climate goals.

Launched in all global manufacturing sites in 2022, the playbook empowers employees to identify and execute energy efficiency improvements locally by participating in projects known as "plays." Level 1 plays include:

- Optimizing heating, ventilation and air conditioning (HVAC) systems
- Improving compressed air systems
- Continuing efforts to switch to LED lighting
- Upgrading motors
- Repairing boiler systems

Each play defines the opportunity, explains why we are pursuing the improvements, and lists tasks for each plant to perform. We expect these efforts to result in efficiency improvements across our global operations. After completing Level 1 plays, plants progress to higher levels, tackling improvement projects that may require capital investments.

Updated Facility Specifications

In addition to deploying the playbook, Lear updated our facility specifications for new construction and significant building refurbishments to consider more energy efficient systems such as automated plant-wide ventilation systems, leakage detection devices, LED lighting, and systems for recycling heated air and water streams, where practicable.

For example, Lear's plant in Stříbro, Czech Republic, was constructed in 2021 with touchless restroom faucets to save water, exterior window blinds to reduce air conditioning needs, automatic doors to prevent heat loss, programmable lights to save energy, and skylights to maximize daylight. Light tunnels from the roof help reduce the need for artificial lighting in the office during the day. In addition, waste heat generated during the production of compressed air is used to warm warehouse space.

170 projects completed in 2022, potentially saving nearly 6M kWh of energy globally



Life Cycle Assessments

Lear was among the first automotive suppliers to conduct life cycle assessments (LCAs) to better understand our carbon footprint and the potential impact our products have on the environment. This analysis helps us make more informed decisions about raw materials, logistics, new product design, production and recycling/reuse opportunities as we work toward achieving our climate goals.

Our LCA Strategy

In 2022, we completed reference LCAs on seven of nine major product lines. Lear also developed a proprietary LCA tool to help our teams calculate the environmental footprint of every Lear product or component globally.

For our Seating business, we completed LCAs on seats with high content and extrapolated the results for other seat combinations or options. For instance, our seats are available with a wide range of options (fabric, leather, heat, massage, infotainment and more). We analyzed a high-content seat with common options to represent a multitude of combinations, allowing us to model more than 95% of our seating portfolio. The carbon footprint of seats with fewer options were then accurately extrapolated. Similarly, the LCAs for a wide variety of wire harnesses were determined based on a similar process.

For Eagle Ottawa leather, Lear also commissioned a third-party LCA involving four Lear leather finishing facilities and four tanneries. In total, 256 supply chain and product configurations were assessed.

Based on our LCAs, Lear is now able to:

- Identify opportunities to reduce emissions
- Select relevant and specific indicators of environmental performance
- Inform internal and external decisionmakers to help set priorities, develop strategic plans, justify design or process changes, and quantify progress

The LCA process is integrated into our program management system. The online system addresses sustainability—including carbon and other environmental impacts—throughout the process, from responding to requests for quotes (RFQs) to production launch. Issues such as sourcing raw materials, sustainable manufacturing processes, and reusability or recyclability at end of life must be addressed at each stage before moving forward. Follow-up LCAs based on final product specifications can then be performed as needed.

Our LCAs comply with ISO 14040:2006 and 14044:2006 standards. In addition, we are collaborating with industry groups such as CLEPA (the European Association of Automotive Suppliers), Drive Sustainability and the Automotive Industry Action Group (AIAG) to ensure common LCA methodology is applied across the automotive value chain.

Lear's LCA Journey

2024

- Publish estimated Scope 3 emissions

2023

- 100% of our major product lines will complete the LCA process
- Begin to implement findings from our LCA analyses

2022

- 7 major product lines completed reference LCAs, including full seat assemblies, leather, fabric, foam, thermal comfort systems, wire harnesses and electronics
- 16 of Lear's finished leather products concluded a comprehensive LCA involving 4 tanneries and 4 finishing facilities
- 5 critical reviews of LCAs by an independent external expert
- 600+ engineers, sales and project management employees from cross-functional teams trained on LCA processes

2021

- Initiated reference LCAs for high-content seating, wire harness and leather products

CO2-Reduced Steel

The steel and metal industry currently accounts for 7 – 9% of global CO2 emissions. However, groundbreaking technologies are emerging. In a few years, fossil-free steelmaking may replace blast furnaces operated with coal and electric arc furnaces run on natural gas. Lear is helping build sustainable value chains and accelerate change by partnering with suppliers to source CO2-reduced steel. Not only will Lear's seating structures be built with more sustainable steel, but we will be able to assess the carbon footprint of these raw materials more accurately. Depending on our customers' requirements, Lear may be able to reduce the carbon footprint of the steel we buy up to 80% compared with conventional steel production.



Innovative Sustainable Products

Our sustainable product portfolio continues to grow, with more than 900 global patents and pending patent applications for sustainable technologies—and counting.

At Lear, nearly all of our products feature one or more of these attributes:

- Support EVs and electrification
- Contain renewable or recycled materials
- Reduced mass to save energy
- Recyclable at end of life

Lear is focused on integrating sustainability into our product development strategies and processes. As part of our formal design reviews, any new product or manufacturing change requires engineers to complete a checklist designed to identify sustainable content, such as lightweight materials, miniaturized or integrated features, as well as environmentally friendly processes, packaging and transportation. Our sourcing teams also identify environmentally and socially responsible suppliers to support our sustainability journey with high-quality alternative materials.

To better align our new product development with our sustainability goals, a cross-functional team is working to define Lear's sustainable products using quantitative targets. For example, the new classifications may include:

- Percentage of recycled, recyclable or bio content
- Percentage of lightweight materials
- Percentage of renewable energy used at the site where the product is made

The new definitions are expected to be introduced and integrated into our product development and sourcing activities in 2023.

900+ global patents and pending patent applications for sustainable products

VISIT OUR WEBSITE ▶

to learn more about our forward-thinking solutions



Champions of Lear: Best Innovation Awards

We go beyond envisioning products for the future, encouraging employees in all functions to **Be Inventive**. Each year, Lear honors the people who have the tenacity to bring innovation to life with its Best Innovation Awards.

High-Speed Stamping Team

GERMANY

Employees in the tool shop in Bersenbrück invented a new machine capable of stamping at the rate of 2,300 strokes a minute—53% higher than conventional stamping. Faster stamping means increased productivity, better use of resources, and greater sustainability.

Thermal Comfort Systems Team

UNITED STATES

The team designed a patented, vertically integrated thermal comfort seat system that enables heating and ventilation of the occupant rather than the entire cabin. The system increases airflow directly to the occupant by 40%. The result: improved energy efficiency and greater battery driving range for EVs. The innovation also uses 50% fewer subcomponents, requires less labor and reduces costs.



Seating



Complete Seat Systems

Innovative materials and industry-leading technology integrated into complete seating systems, from structures to surface materials



Surface Materials

Premium craftsmanship, elegant design and maximum performance with environmentally friendly bio-based, recycled, recyclable and/or renewable materials



Thermal Comfort Systems

Lumbar, massage and thermal luxury comfort delivered through our suite of intuitive, intelligent seating system technologies



Structures

Frames, recliners, tracks, latches as well as our award-winning Configure+ reconfigurable track and cassette solution



E-Systems



Electrification

Innovative, customizable and scalable charging, power management, and battery power distribution



Electrical Distribution Systems

Power and signal distribution for low- and high-voltage vehicle solutions



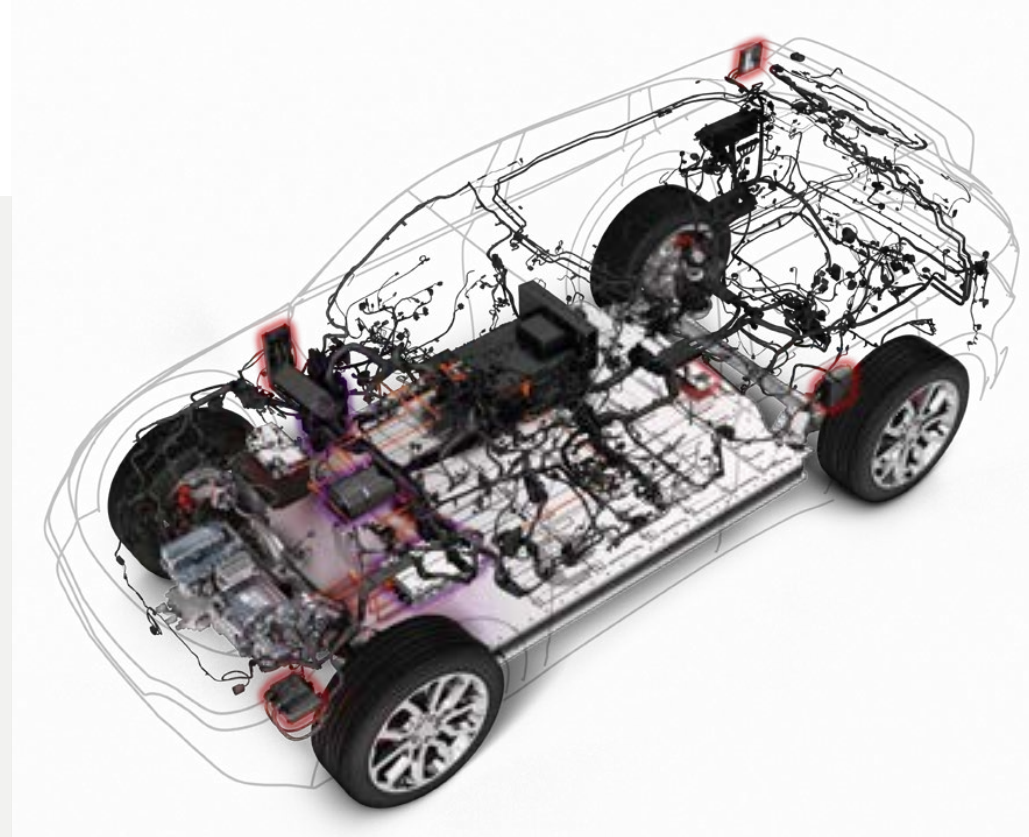
Connection Systems

High-performance terminals, connectors and engineered components



Core Electronic Systems

Sophisticated body and core electronics, such as zonal controllers, and smart and passive electrical junction boxes



Lear's Latest Innovations and Sustainable Products



Enabling EVs to Charge Faster and Drive Farther

BATTERY DISCONNECT UNIT

GM selected Lear as the exclusive supplier of the Battery Disconnect Unit (BDU) for all of its full-size SUVs and trucks built on the Ultium EV Platform through 2030. The primary interface between the battery pack and electrical system, Lear's game-changing BDU enables EVs to charge faster. Greater energy density and peak current deliver more driving range and power for the higher performance required by larger EVs, especially when towing or climbing hills. The fast-to-market innovation was developed in 18 months and won a 2019 Automotive News PACE Award.



Connecting and Managing Battery Cells

INTERCELL CONNECT BOARD

Lear will also supply its Intercell Connect Board (ICB) for GM's Ultium EV platform. Unlike traditional cylindrical battery cells, Ultium's battery cells are rectangular-shaped pouches that waste less space. Lear's ICBs connect the Ultium battery cells to meet the voltage and current requirements for the vehicle while constantly monitoring the health and performance of each cell to optimize operating conditions. The ICB assembly covers the top and sides of each Ultium battery cell module, and the number of flexible battery modules can vary depending on the vehicle power requirements. More than 80% of the ICB is manufactured by Lear, including steel frames, busbars and plastics with expertise from Seating Structures and Connections Systems.



100% Recycled. 100% Recyclable. 100% Luxurious.

RENEWKNIT™ SUEDED SURFACE MATERIAL

Lear's premium and fully recyclable ReNewKnit™ sueded surface material will launch in seating and door panel applications with a global automaker in 2024. Our first-to-market automotive textile is made with polyester yarn spun from 100% recycled plastic bottles and finished with a foam-free, recycled fleece backing. The material is also fully recyclable at its end of life, supporting a global circular energy where repurposed textiles can be continually recycled. The manufacturing process uses 100% renewable energy. This premium material challenges perceptions of reused and recycled textiles, offering a wide range of aesthetics. ReNewKnit™ is suitable for various interior applications with improved functionality.



2022 Automotive News PACEpilot Innovation to Watch Winner

CONFIGURE+ WITH ZONAL SAFETY TECHNOLOGY

Lear's patent-pending Configure+ with zonal safety technology is the first wireless and electronics-based system that facilitates the automatic activation of safety features such as seat belt pretensioners and air bags in the second- and third-seat rows based on the detected location of the occupants. There's no need to manually connect wires, even when installing or removing seats. The wireless solution also reduces the number of required circuits, which decreases complexity and weight for more sustainable mobility. Designed to take advantage of the flat, more versatile load floor often seen in EVs, the innovation is expected to increase the appeal of EVs as well as ridesharing.

Driving EVs Forward...

Charge Faster, Drive Farther

Lear's Battery Disconnect Unit delivers the power and performance even large SUVs and trucks require, driving the widespread adoption of EVs into new automotive segments.

Safety and Simplicity

Configure+ with zonal safety technology activates safety features based on the wireless detection of occupants. With no wires to connect, even when installing or removing seats, it's a game-changer for reconfigurable seating and increases the appeal of EVs as well as ridesharing.

Small and Powerful

Our connection systems carry power throughout the vehicle, from the battery to the power electronics to the motor. Designed to deliver more power in a smaller package, a single ½ inch terminal can handle more power than an entire modern household.

Efficient Mobility

Our **Intercell Connect Board** enables battery packs to be more efficient while constantly monitoring the health and performance of each cell to optimize operating conditions.

Longer Battery Life

Lightweight seating structures, plastic clips, miniature terminals and compact electrical components reduce weight to extend battery life and driving range.

More Energy Efficiency

Our Thermal Comfort Systems focus on intelligently heating or cooling the occupant instead of the entire cabin, boosting battery driving range 3% (when actively cooling the seat) to 20% (when actively heating the seat).

...with Sustainable Solutions

Sustainable Comfort

A 100% recyclable non-foam alternative to traditional foam, Lear's new FlexAir™ technology is expected to reduce CO2 emissions and mass while improving breathability.

Reclaiming Luxury

Lear's ReNewKnit™ sueded surface material is made from 100% recycled plastic bottles and is 100% recyclable. The premium material is changing minds about recycled textiles and is part of a global circular economy.

Sustainable Foam-Free Backings

Replacing flame lamination and foam with mono-materials such as polyester allows more automotive fabrics to be recycled and revitalized for future applications. This supports a circular economy without sacrificing appearance, style, design and acoustic performance.

Foam from Plants

Made from U.S. sourced soybeans, our SoyFoam™ requires 60% less conversion energy to produce than conventional foam, which results in 4 times less emissions.

Bio-Based Materials Replace Steel and Plastic

Panels made from 60% cellulose and fleece add structure to seating. Paper honeycomb-molded panels replace steel or plastic in seating panels. Wood fiber from tree waste is used as a filler in injection-molded components.

Environmentally Friendly Finishing

Renewable plant-based compounds or resins produced either from carbon capture technologies or recycled petroleum materials are used to finish leather. Zeology tanning utilizes zeolite minerals derived from natural elements to produce bright white leathers with superior performance.

Fewer Parts, More Sustainability

Vertical integration allows Lear's engineers to optimize and integrate components resulting in fewer parts, less complexity, reduced mass, and lower labor costs for our customers.

Lightweight Solutions

According to the EPA, every 10% drop in vehicle weight reduces fuel use 5% to 10%. Lightweight recliners, tracks and latches as well as integrated and miniaturized components reduce overall vehicle weight, which enables lower emissions and increased battery driving range.



8M

metric tons of CO2 emissions avoided by EVs with the assistance of Lear's E-Systems solutions since 2019*

5M

EVs expected to rely on Lear's high-voltage connection systems as the main battery to vehicle interface by 2026

100

vehicle models for 10 customers included products from Lear's high-voltage portfolio

1.3M

hybrid, plug-in hybrid and EVs, including 36 nameplates, are expected to rely on Lear's **BDU** and/or **ICB** by 2028

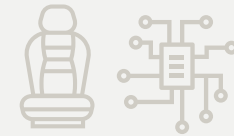
** Estimated avoided or saved CO2 emissions from product improvements were calculated based on Lear's internal methodology using industry accepted emission factors, formulas and reasonable assumptions, without fully conforming to any particular GHG emissions reporting standard. These estimates have not been verified by a third party.*

Up to
50%

of the steel and other metals in our seating products comes from recycled content

40%
55%

of Seating and



of E-Systems components are recyclable at end of life

34.2M

plastic water bottles were recycled into yarn used by Lear

1 lb.

of plastic water bottles produces 1 lb. of recycled yarn



VISIT OUR WEBSITE ▶

to learn more about our forward-thinking solutions



Industry 4.0

For more than 100 years, Lear has built its reputation on operational excellence and continuous improvement. As a part of this perpetual journey, Lear's Industry 4.0 efforts target smart, business-driven investments in automation, data connectivity, visualization, analytics and processes aimed at improving quality, operational excellence, energy efficiency, and employee health and safety.

New Industry 4.0 Dashboard

Developed internally and launched in 2022, Lear's new Industry 4.0 Dashboard tracks completed and planned activities as well as those under evaluation. The global platform was built by an international council representing every business segment with input from plant and division staff. It captures activities in integrated planning and digital scheduling, connected equipment and automation, digital inventory management, connected workers, process digitization, data efficiency, and digital quality and maintenance. The dashboard is available to all employees on the company intranet.

2022 Industry 4.0 Activities

2,400+ solutions implemented

1,800+ planned projects

5,400+ under evaluation



As a global business, our current Industry 4.0 efforts are focused on improving efficiency and using digital data to create a more connected, visual and analytics-driven business. Lear is also pursuing initiatives to upskill employees in robotics, automation and digital data interfaces.

Here are a few examples:



Industrial ergonomics software automates 70% of ergonomics assessments with up to 83% better accuracy. In 2022, a new machine-learning feature increased documented causes 64% and improvement controls 93%. More than 1,500 employees have been trained to use the technology, and nearly 2,600 ergonomics assessments were completed using the tool. Now used in more than 60% of our sites, Lear plans to implement the software globally in 2023.



Machine scanning and mapping speeds leather seating production and reduces time spent holding steel cut dies. These tools increase throughput and decrease scrap during cutting operations while reducing ergonomic risks.



To improve quality, robotic vision systems inspect electrical connections under seats. Eliminating the need for our operators to lift seats to inspect difficult-to-access areas removes 100% of the associated ergonomic risks across 18 workstations.



Robots steam seats (above), an operation that would otherwise cause stress on shoulders and require employees to work with hot steam.



A new production line—designed in-house with precision tooling developed at the on-site tool shop—uses robots to handle extreme temperatures during molding and precisely position metal busbars into injection molded parts to produce Lear’s Battery Interface System.

+

+

+

+



Environmental, Health, Safety & Sustainability



Our Environmental Management System

Lear's Environmental Management System (EMS) helps us identify, manage, monitor and control environmental topics in a systematic manner. Through teamwork and continuous improvement, such as Kaizen events for energy efficiency and waste reduction, Lear's EMS is reducing our environmental impact. Key accomplishments include:



100% of Lear's eligible manufacturing facilities are currently ISO 14001:2015 EMS compliant, and new facilities are required to obtain certification as soon as possible after opening.



Monthly energy, waste and water data (volume and cost) is collected in an online central database. The data is aggregated and reviewed quarterly by each business unit/division, region and the company as a whole to determine energy, water and waste reduction performance, and identify opportunities for improvement.



Lear has completed our integration of ISO 14001:2015 and ISO 45001:2018 Environmental Health and Safety Management System (EHSMS) to improve employee engagement, performance and efficiency. To learn more, see [Employee Safety](#).



Our Environmental, Health, Safety & Sustainability (EHS&S) Policy focuses on:

- Integrating environmental, health, safety and sustainability elements into our overall business strategy and supply chain management
- Preventing pollution
- Providing a safe and healthy work environment
- Involving and empowering employees
- Developing and using environmentally acceptable, safe, sustainable and efficient production methods and processes
- Complying with government requirements and obligations
- Protecting natural resources, including the responsible management of forests and water
- Enhancing environmental stewardship, social responsibility and economic prosperity
- Conserving energy, water and other natural resources, reducing waste and chemical use, decreasing GHG emissions, and supporting climate initiatives
- Striving to continually reduce the environmental impact and improve the performance of our products

In 2023, we enhanced our EHS&S Policy. View our revised policy [here](#).



CDP Supply Chain & Investor Surveys



The CDP (formerly known as the Carbon Disclosure Project) allows companies to benchmark their progress toward environmental stewardship against their peers. In 2022, our climate change score remained higher than North American and global averages with a B rating. For water security, Lear maintained a score of B-, matching the North American average.

For the first time, Lear participated in the CDP supplier engagement program in 2022. Based on Lear’s environmental data and value chain engagement including survey responses provided by our suppliers, we earned a score of B-, which was higher than average compared with companies in the light manufacturing activity group, North America and around the world.

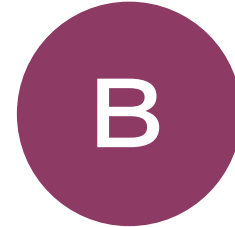
Lear has reported our annual CDP Climate Change data to customers since 2011 and to CDP investor signatories since 2017. We currently report our climate change and water data to customers and CDP investor signatories, and our forests questionnaire to investor signatories. See our [Water Security CDP Score Report](#), [Climate Change CDP Score Report](#) and [Supplier Engagement CDP Score Report](#) in the Appendix.

Measuring Progress

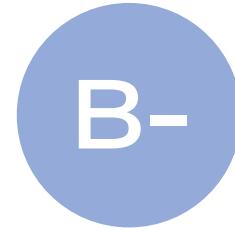
To support our goals, Lear captures, tracks and reports large amounts of data from our worldwide manufacturing locations, using several best-in-class systems with built-in data integrity capabilities. The software runs several tests, including statistical deviation and unit-of-measure tests, and prompts the user to verify or correct any data errors. See the Appendix for examples of [Lear’s data management and integrity platforms](#).

In 2022, Lear transitioned to a new software solution to manage the collection of key environmental, safety, health and sustainability data. The system is helping to streamline data collection and timeliness, ultimately improving our reporting.

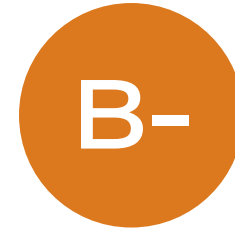
Climate Change



Water Security



Supplier Engagement



Defending the World's Forests

Forests are the answer to many climate change challenges. They support biodiversity, reduce temperatures, filter rainwater and remove carbon dioxide from the air.

What do forests have to do with an automotive supplier? After all, cars are not made out of wood. But some of the raw materials that are used in automotive products—such as leather sourced as a by-product of the food industry or cardboard packaging made from wood pulp—may have an indirect impact on forests if they are not sustainably sourced. Practices that deplete or degrade forests and peatlands—for example, clear-cutting trees to increase grazing land—have a negative environmental impact on land, water, biodiversity, indigenous communities and our climate.

Lear recognizes the important role natural forests and rainforests play in the health of the global ecosystem. We are committed to working with our supply chain to protect these forests and ensure our manufacturing and sourcing activities do not contribute to deforestation. We expect the same commitment from our global supply chain. Our **No Deforestation Policy** requires:

- Complying with all government laws, regulations and guidelines regarding deforestation
- Forested areas are not clear-cut or burned for production or development
- Purchasing and supplying materials from legally compliant sources that are free of content acquired from illegally deforested, indigenous or other protected lands
- Encouraging the protection of High Conservation Value (HCV) forests/lands and averting the conversion of other valuable and vulnerable ecosystems, within the framework of local legal requirements

Lear and our suppliers work within credible, landscape-level frameworks where they exist. To ensure our suppliers comply with these requirements, Lear or its suppliers conduct evaluations or require third-party verification.



According to the UN Food and Agriculture Organization, deforestation accounts for nearly **11% of GHG emissions**.



One of three companies in Germany, **Lear Remscheid** was selected to participate in the **Factor Green Project** to replace asphalt with green spaces such as wildflower meadows, outdoor break rooms for employees, and habitats for birds and small animals.



Hundreds of wildlife habitat, tree planting and pollution clean-up events are conducted through Lear employee volunteer initiatives each year.

Improving Air Quality

To meet our **Climate Goals**, we are working to reduce energy generated from non-renewable fuel sources, invest in renewable energy and, as a result, decrease GHG emissions.

Reducing Energy Use

In addition to implementing our **Renewable Energy Strategy**, our continuous improvement teams are using Lear's **Energy Efficiency Playbook**, together with lean manufacturing processes, to identify energy and waste reduction projects, track progress and share best practices. Their efforts are reducing energy use around the world.



170

projects completed in 2022, potentially saving nearly 6M kWh of energy globally

13%

reduction in absolute energy use since 2019

3,000

metric tons of CO2e saved from energy efficiency projects in 2022

60

metric tons of CO2 emissions avoided by switching to all-electric forklifts at our Duncan plant in 2022

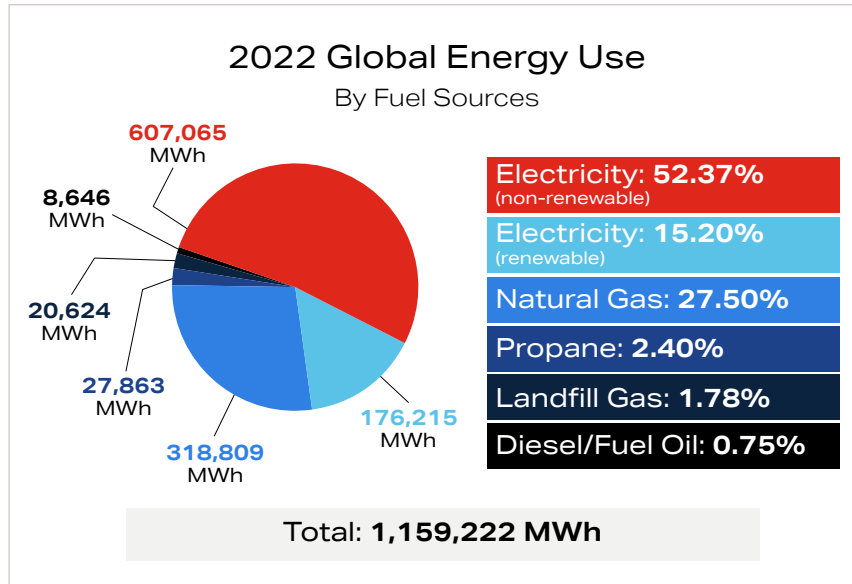
Energy efficiency projects include:

- Using automated energy management systems
- Installing roof-top solar panels
- Performing energy audits and treasure hunts
- Systematically shutting down equipment during partial production or at peak energy use times
- Installing leakage detection devices to detect heat/energy losses from operating equipment
- Eliminating compressed air losses through audits, leak detection and repair programs
- Replacing existing motors with variable speed motors and ongoing management programs
- Programming lighting to illuminate active employee work areas only
- Replacing light fixtures with LEDs
- Recycling previously wasted heated streams of air and water
- Implementing an energy-saving awareness program encouraging employees to turn off lights, computers, fans and other equipment when not in use or after work hours
- Employing all-electric forklifts to eliminate propane use

Investing in Renewable Energy

Lear aims to use 100% renewable energy—such as solar and wind—for electric power consumed at all of our sites by 2030. With less than a decade to meet this climate goal, we have developed a **Renewable Energy Strategy** and roadmap to achieve our targets on time.

We already consume renewable energy within our manufacturing operations. For example, 100% of the electricity powering our plants in Germany, Poland, Spain and the United Kingdom is generated from renewable sources. Nine on-site solar installations also provide power in six countries.



Decreasing GHG Emissions

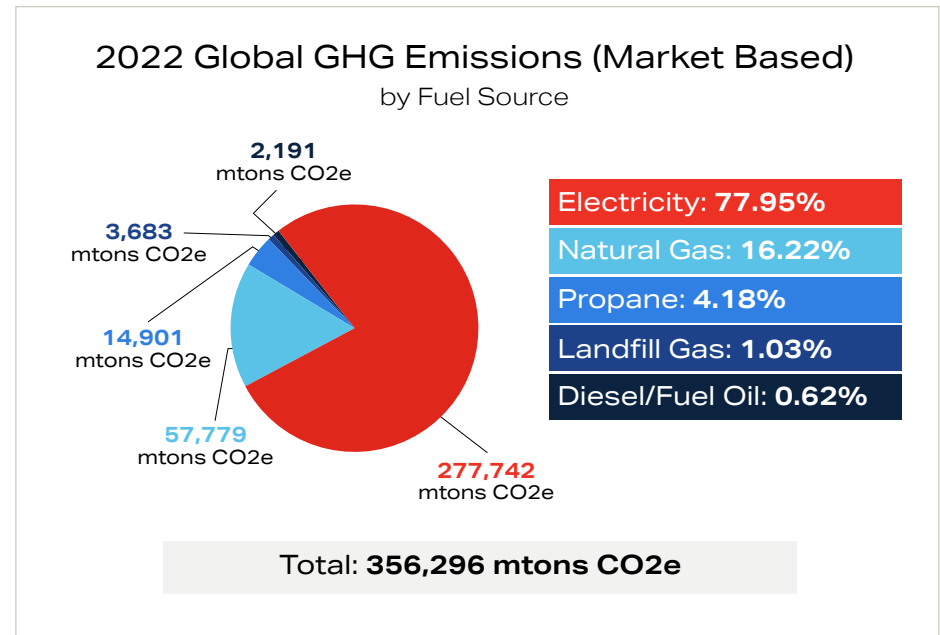
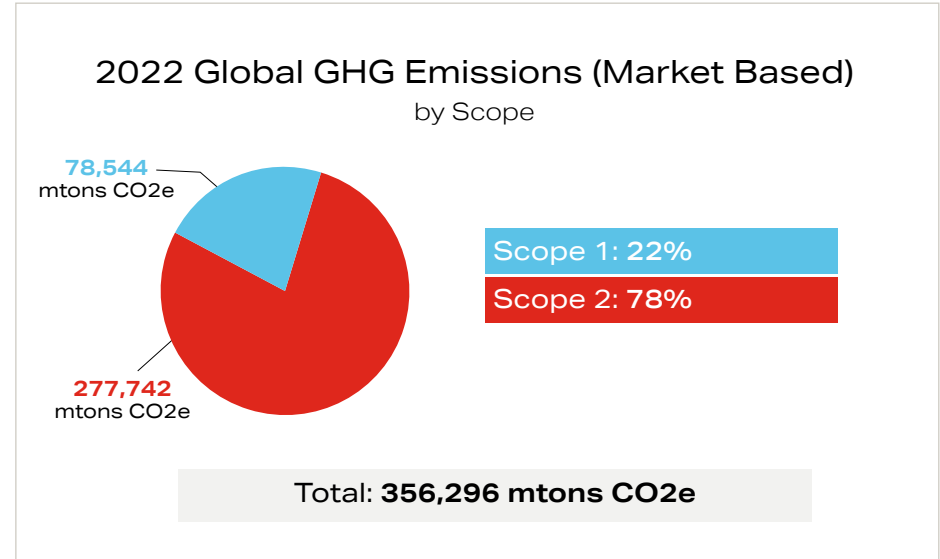
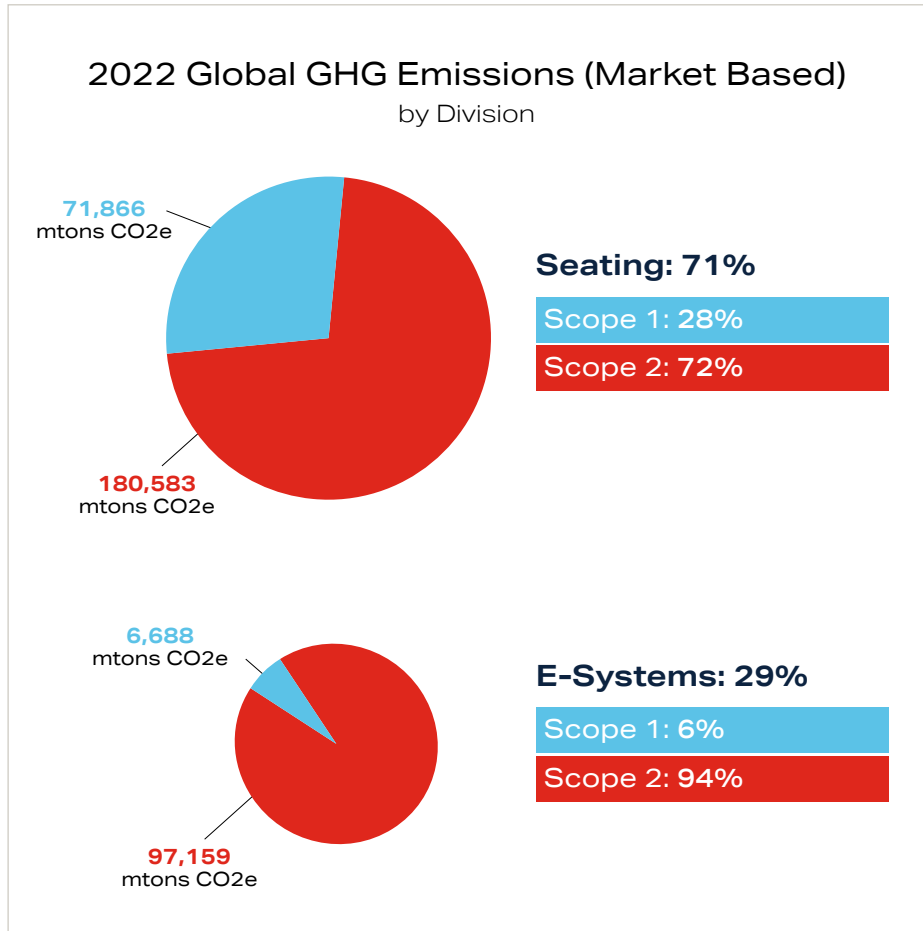
Greenhouse gases (GHG)—such as CO₂—trap heat and warm the planet. According to the U.S. Environmental Protection Agency, burning fossil fuels for electricity, heat and transportation is the largest source of GHG emissions from human activity. By 2030, we aim to reduce GHG emissions from electricity used at all of our facilities by 50%.

Lear participates in two data collection efforts to measure our progress:

- All plants report their energy use. The data is collected through a third-party software data platform on a monthly basis and reviewed by our corporate Environmental, Health and Safety (EHS) team. The data is used to track, analyze and develop plans to reduce our GHG footprint.
- Lear participates in **CDP supply chain and investor surveys** to report our performance to customers and investors, and assess our performance, risks and opportunities related to GHG emissions.

Nearly **17%** reduction in absolute Scope 1 and 2 emissions since 2019

In alignment with the World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas Protocol, Lear's GHG emissions are categorized into Scope 1 (direct) and Scope 2 (indirect) emissions.





Protecting Our Water

Because everyone has a right to clean, safe water, Lear is working to protect our precious water resources. Over the past several years, we have taken important steps to assess our water scarcity risks, develop tools to reduce water use, and share best practices with the industry.

Partnering on the Water Stewardship Action Matrix

As part of the Water Stewardship Work Group, Lear collaborated with the Suppliers Partnership for the Environment (SP) and The Water Council to develop an action matrix for the automotive industry. Using the plan-do-check-act approach, the matrix identifies actions that will directly mitigate key risks and improve operational efficiencies by generating useful water-related data. Assessing watershed risks, water sources and site use will help companies develop water policies, set reduction targets, gather data for CDP reporting, and share best practices.

Two Lear facilities in the high-stress water areas of La Cuesta and Piedras Negras, Mexico, piloted the matrix. The assessment is driving action plans for strategically placed flow meters in restrooms, kitchens, evaporators and fire systems, as well as repairing leaks, installing waterless fixtures for men's rooms (in areas where there are small teams), and optimizing irrigation systems. Lear is using the process to identify water efficiency improvements at other sites.



Lear's Water Stewardship Playbook

After surveying facility managers to identify how water is used at our sites, we developed and launched Lear's Water Stewardship Playbook in late 2022. Designed to help every Lear facility implement water reduction and reuse plans, the playbook offers tools and guidance on improvements tailored specifically for Lear's needs, such as detecting and repairing leaks, optimizing pump seals and sanitary systems, adjusting water treatment, employing reverse osmosis systems, using xeriscaping and efficient irrigation methods, reducing water use in cooling towers, and collecting condensate from boiler systems.

Using the Water Stewardship Playbook, these teams are developing water balance diagrams to document water sources, flow, process and equipment consumers, available meters and consumption. Collecting this data will help the teams determine the true cost of water, including purchase cost, process chemicals, treatment, heating and cooling, transport, operations and maintenance, and sewerage fees. Measuring and monitoring water use will enable them to optimize systems, prioritize opportunities, reduce water use and find ways to reuse water within the facility.

Through the Water Stewardship Playbook, we will increase awareness, move to a water reuse mindset and engage employees in integrating water stewardship throughout our business, from designing facilities and investing in equipment to maintenance and regular water monitoring. Our ultimate goal is to encourage a circular approach to water and wastewater management where facilities continuously reduce, reuse and recycle water wherever possible.

Lear's Progress

2023

- Enhancements from the Water Stewardship Playbook will be implemented globally

2022

- Launched Lear's new Water Stewardship Playbook
- Worked with the Suppliers Partnership for the Environment and The Water Council on the Water Stewardship Action Matrix
- Piloted the Action Matrix in two plants

2021

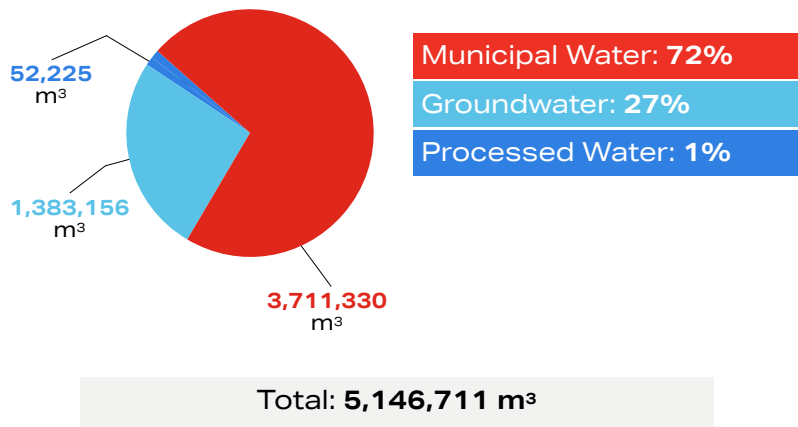
- Identified 64 locations in 11 countries for further analysis to prioritize water risks and opportunities

2019

- Completed water risk assessments for all facilities using the World Resources Institute Aqueduct Tool to set our baseline



2022 Water Use*



*Data for 2020 and 2021 is included in the Appendix.



Nearly

4%

reduction in absolute water use since 2019

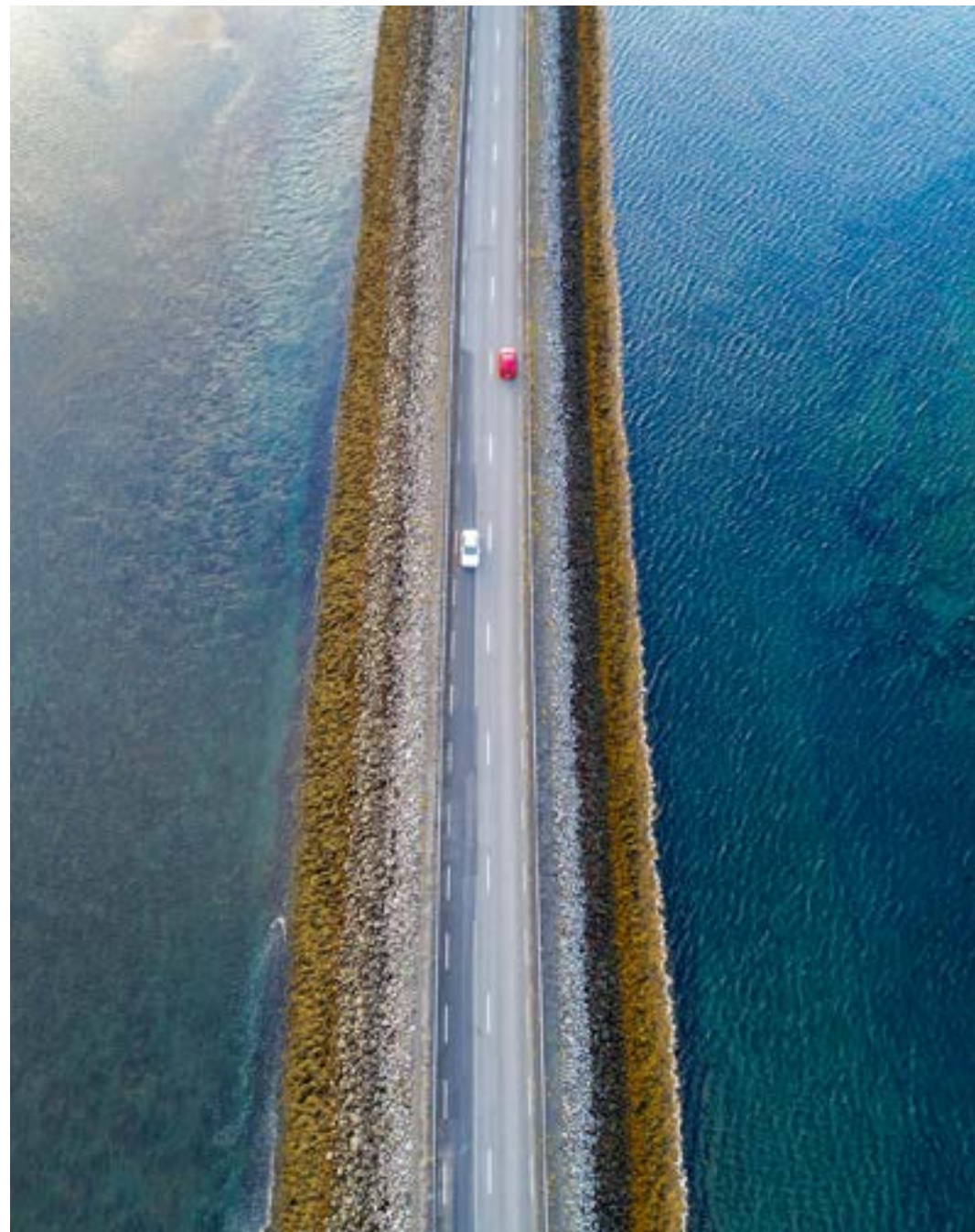
0

gallons of water used directly from lakes or rivers

1.2m³

of water savings from 55 projects completed in 2022*

*This data is estimated based on project totals



Eliminating Waste

We are working to minimize waste through initiatives and partnerships focused on “reuse, renew, recycle and redesign” concepts.

New Waste Reduction Playbook

In 2022, Lear launched its Waste Reduction Playbook. Because an organization cannot manage what it does not measure, the playbook provides step-by-step guidelines to define and quantify waste streams, whether generated during production or support functions, such as raw material packaging from deliveries or food waste from cafeterias. Once defined, waste reduction goals will be set, and strategies developed to minimize waste streams at our facilities.

To promote a culture of sustainability, each site will establish Waste Reduction Teams to plan activities, gather employee suggestions, set targets, track achievements and celebrate successes. Detailed action plan templates will help track each project. Each facility is also responsible for satisfying applicable local, regional and country regulations. As each site progresses, goals will be regularly evaluated and adjusted, results reported, and best practices shared. We anticipate that the Waste Reduction Playbook will significantly reduce the amount of waste produced, increase recycling and reuse, and divert waste from landfills.

Each site’s ultimate goal is to achieve “landfill-free” status. Using an industry-accepted definition, we define landfill-free as disposing zero production waste in a landfill. It does not include waste not generated directly from production, such as construction waste. To date, 28 Lear sites in 11 countries have achieved landfill-free status.

Suppliers Partnership for the Environment

Participating on the Board of Directors for the Suppliers Partnership for the Environment, an association of automakers and suppliers working to make a positive environmental impact, Lear helped establish best practices in sustainable packaging materials and other initiatives.

Partnering with Heritage Interactive Services

Since 2002, Lear has been working with leading total waste management provider Heritage Interactive Services to manage our waste streams. Today, Heritage is helping 84 sites in North America support zero-waste-to-landfill efforts, circular economy packaging, closed loop systems, operational efficiencies, and capturing important data to support sustainability goals.

In addition to reducing waste, our partnership is providing us with opportunities to reuse and recycle. For example, vinyl and leather scrap generated by facilities in Juarez, Mexico, is being used to make sandals, shoes, bags, purses and bracelets. By reusing these scrap materials, Lear supports local artisans while enhancing its sustainability practices.



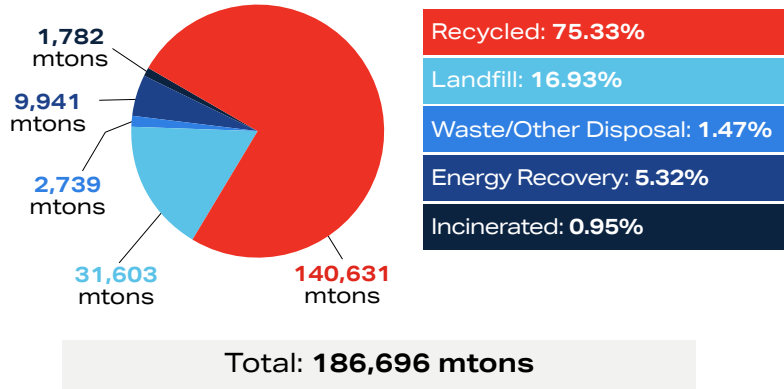
Champions of Lear: People and Planet ImpACT Award

People Empowerment Team MEXICO

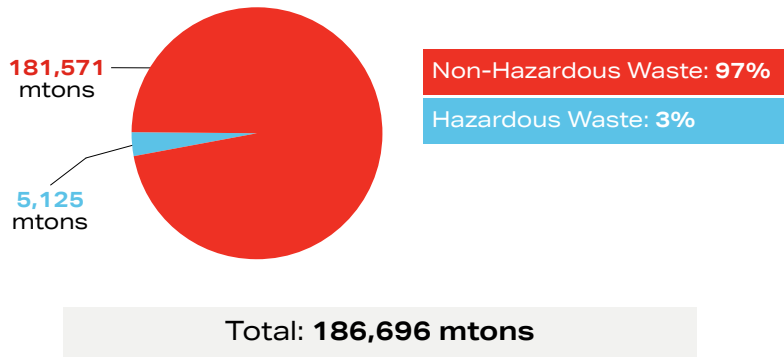
Lear’s People and Planet ImpACT Award recognizes sustainability efforts and the positive impact our employees make on the environment and in our communities. The People Empowerment Team led by Employee Health and Safety in Tlahuac, Mexico, trained more than 2,000 employees in environmental awareness programs, helping the site decrease waste disposed in landfills, reduce energy use 10%, decrease water use nearly 39%, and implement 62 improvement ideas.



2022 Total Waste



2022 Hazardous vs. Non-Hazardous Waste Data



800+ metric tons of waste reduced from 90+ projects in 2022



28 landfill-free facilities in 11 countries

Nearly **2%** reduction in waste volume in 2022 over 2021



HOW WE MAKE BETTER COMMUNITIES

Social Responsibility

98

2022 Social Responsibility Highlights



Meaningful employment opportunities

~168,700 team members

Competitive pay & benefits

81,000+ employees are covered by labor agreements globally



5M hours of training and development in 2022



Engaged workforce

94,000+

participants responded to **160+** unique engagement surveys in 2022

New
Leadership Model



launched to continue our evolution to a company of **great leaders**

Continued implementing **employee engagement, safe work and hybrid work playbooks**



Striving for diversity, equity and inclusion

31 diverse participants piloted **Together We Grow** leadership development program in 2022



\$5.4B spent with certified **minority-owned, women-owned and veteran-owned suppliers** in the United States over the past decade

200,000+

hours of **DEI and Expect Respect** anti-harassment training completed in 2022



Being Inclusive






Diversity, Equity & Inclusion (DEI)

Together We Belong

At Lear, we have a long-standing commitment to a harassment-free, discrimination-free workplace where everyone is welcome. Implemented in 2020, Lear's Together We Belong campaign drives awareness and engagement, educates our employees, and funds organizations committed to change.

In addition to establishing an Executive Diversity Council (EDC), the campaign helps hourly and salaried employees understand the history of racial injustice, learn to navigate difficult conversations, and support minority colleagues. Regional leaders share best practices, and DEI toolkits have been developed for plant deployment. Lear also funds initiatives that address racial inequality and discrimination via a combination of grants to external organizations as well as internal investments to educate and engage our employees.

|  |  | |  |
|---|---|--|--|
| Drive | Educate | | Fund |
| Connect grassroots efforts with our EDC, CEO and the leadership team to develop a comprehensive strategy, focus our initiatives, and drive accountability and results | DISCUSS Offer in-person and virtual events including Employee Resource Groups , lunch-and-learn sessions, panel discussions, educational presentations, social events and community engagement | LEARN Provide DEI toolkits for hourly employees and online Expect Respect training for salaried employees in all locations | Provide financial and nonfinancial resources to local and national nonprofits that align with Lear's vision and are devoted to achieving racial equity |





Together We Grow

Our Together We Grow initiative helps future diverse leaders thrive by investing in meaningful leadership development and proactive career management. The program identifies high-potential employees, provides one-on-one mentoring, and offers training and career mapping to advance and promote talent to next-level roles and leadership positions.

Participants set individual specific career goals, targeting the soft and hard skills they need to progress. Training includes modules on foundational mindset, what leadership looks like, self-awareness and team effectiveness, helping these future leaders realize their potential, build skills and give them the opportunity to practice what they have learned. The program offers opportunities to network, build relationships and gain access to senior leadership throughout the year. It will enable our management team to become more diverse, retain top performers and develop the next generation of leaders in the company.

In 2022, our first group of 31 U.S. employees completed the program. The 2023 program will be offered to about 20 candidates at our campus in Southfield, Michigan. More than 200 employees were nominated as potential participants. In 2024, we anticipate rolling the program out globally.



31 participants

55 education sessions

12 luncheons with senior leadership

200+ global nominations for future potential participants

Winner 2022 Center for Automotive Diversity, Inclusion and Advancement (CADIA) Impact Award, Organizational Champion for Diverse Talent

WATCH ▶ Together We Grow



Attracting Diverse Talent

Lear recruits, hires and retains the best from every background and community around the world. To ensure diverse leadership, we require interviewing a diverse slate of candidates for all roles of manager and above. In our corporate office and U.S. plants, Lear works with the National Society of Black Engineers, National Black MBA Association, Women of Color Conference and the Society of Women Engineers, among others, to help fill our pipeline with diverse talent. We also support these groups through internships, externships, conference participation and sponsorships.



Champions of Lear: Together We Belong Award

Employer of Choice Team MOLDOVA

To recognize their efforts in promoting DEI, the Together We Belong Award was presented to the Employer of Choice Team in Moldova. Motivated to enable a culture of DEI throughout every employee's career at Lear, the facility became a regional leader in supporting minority inclusion from multiple ethnic groups, including Ukrainian, Gagauzian, Russian, Bulgarian and Turkish employees. Onboarding procedures and training for all employees focus on nondiscrimination and gender equality. As a result, the team decreased complaints by nearly 8%, reduced turnover to just over 1%, improved retention by 4%, and increased employee engagement 15%.



Equal Pay, Equal Opportunities, Equal Rewards

Each year, our Global Compensation group leads a comprehensive review of pay equity at Lear, including base pay, reward programs and promotions. We conduct pay equity studies on gender globally and on race in the United States. Where potential pay equity concerns are identified, we work with business partners to understand differences and take appropriate corrective measures.

- 100%** of global salaried females and U.S. ethnic minorities reviewed
- 99.3%** of female employees achieved pay equity compared with male employees
- 99.8%** of minorities achieved pay equity compared with Caucasian employees



Equitable promotion rates and recognition awards for women and minorities





Supporting Supplier Diversity

Our DEI efforts also extend to our suppliers and our global communities. In 2022, Lear met or outperformed the supplier diversity spending targets set by our customers. No potential supplier is precluded from consideration on the basis of race, color, religion, sex, age or national origin.

\$5.4B spent with certified minority-owned, women-owned and veteran-owned suppliers in the United States over the past decade

254 minority-owned, women-owned and veteran-owned suppliers engaged

27 supplier diversity events attended

14 minority organization events supported

Lear is a corporate partner for two organizations promoting supplier diversity:

- The National Black Supplier Development Program (NBSDP)**
 A joint initiative between the National Business League and Stellantis, the NBSDP cultivates, develops and trains Black vendors for future contracting and procurement opportunities with Fortune 500 companies. In 2022, 13 suppliers graduated from the program and another 15 joined the program. Lear employees participated in several group learning sessions, and one was a panelist at the 2022 National Black Supplier Conference.
- MentorWE Program**
 Launched in 2022 by the Great Lakes Women’s Business Council and Stellantis, MentorWE is a group initiative that pairs certified new women business owners with established woman business owners. The program has identified nine suppliers to participate in the first cohort. Sessions for 2023 are under development, and Lear will actively work with program participants.

DEI Governance

To make a meaningful and lasting impact, our DEI efforts begin with leadership and apply globally throughout the entire organization.



Our Board of Directors reviews succession planning, pay equity, key performance indicators (KPIs), DEI efforts and Lear’s talent acquisition strategy every year.



Our Executive Diversity Council (EDC), consisting of our CEO and his leadership team, develops our comprehensive DEI Strategy, prioritizes activities and drives accountability and results.



Our Vice President of DEI, Non-Production Purchasing and Minority Business Enterprises leads our DEI efforts, which are reviewed by our EDC.



Our human resources (HR), community relations and supplier diversity departments collaborate with our Vice President of DEI to coordinate efforts across functions. The team manages events, community support initiatives, training and other programs to attract, retain, develop and promote diverse talent.

Employee Resource Groups

Lear's Employee Resource Groups (ERGs) provide networking and mentorship opportunities for people who share common interests, backgrounds or demographics. Each ERG is sponsored by one of our executives to drive business alignment and gain visibility. Anyone can join an ERG.

To learn more about diversity at Lear, please follow us on our social medial channels.




Global Resources & Opportunities for Women

GROW

promotes the positive visibility of women through community impact, an inclusive work environment and Expect Respect culture.



Lear Next Generation

LEAR NEXT GEN

provides networking opportunities within Lear and the surrounding community, and supports onboarding, engaging, developing and retaining young professionals.



Lear African Ancestry Network

LAAN

encourages recruiting, support and volunteer service to drive community impact and awareness among African Ancestry populations.



Lear Indian Origin Network

LION

engages in outreach events to make a positive impact on all the communities around Lear.



Lear LGBTQ+ Outreach, Visibility, Education & Support

LEAR LOVES

is devoted to a culture of inclusion and the equality of love that advocates for the welfare, authenticity and opportunity of LGBTQ+ persons.



Veterans At Lear Offering Resources

VALOR

works with veterans, active-duty military, family members and allies to drive success for veterans inside and outside of Lear.

DEI at Lear

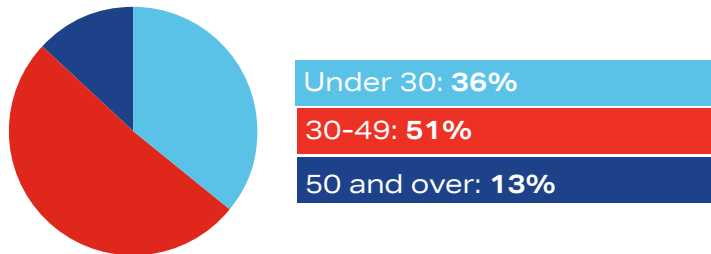
Diversity in the workforce values dimensions of gender, race, ethnicity, sexual orientation, culture, national origin, skills, age, education, military service and general life experiences. We strive to promote a culture where all employees feel engaged, accepted and encouraged to bring their whole selves to work.

As part of our commitment to transparency, Lear has published our consolidated EEO-1 summary data as submitted to the U.S. Equal Employment Opportunity Commission for calendar year 2021 and will disclose this data for calendar year 2022 when available.

View Lear's Consolidated 2021 EEO-1 summary data [here](#).

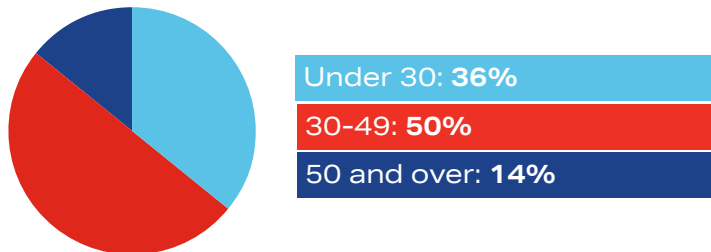
2022 Global Female Employees

By Age Group¹



2022 Global Male Employees

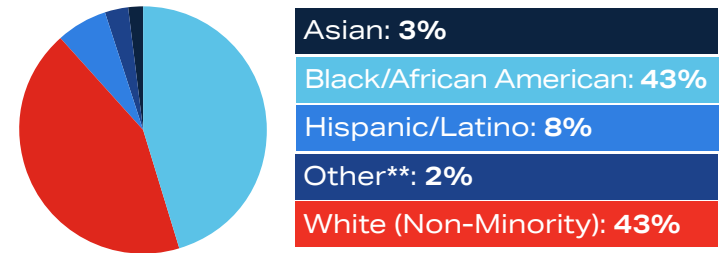
By Age Group¹



¹Includes hourly and salaried employees

2022 U.S. Workforce

By Self-Reported Ethnicity*



*1.7% of employees chose not to self-report their ethnicity

**American Indian/Alaskan Native, Native Hawaiian or other Pacific Island, two or more races

42%

of Lear's U.S. leaders are ethnic minorities or women***

52%

of salaried new hires in the United States were ethnic minorities or women



***Leaders are defined as manager-level and above

Women at Lear

In 1952, Lear hired its first female production employee. Today, women comprise nearly half of our entire workforce. Whether working in our plants or administrative offices, women at Lear play a vital role in the success of our company. Through our HR teams and GROW ERG, we promote an inclusive work environment, offer development opportunities, encourage women to pursue nontraditional careers, support work-life balance and celebrate the achievements of working women at Lear and in our communities.



24% of Lear's global leaders are female*

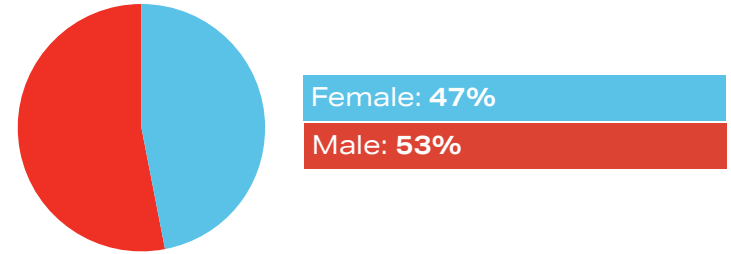
35% of global salaried new hires were female

22% of all salaried women work in STEM** roles

*Leaders are defined as manager-level and above
**science, technology, engineering and mathematics

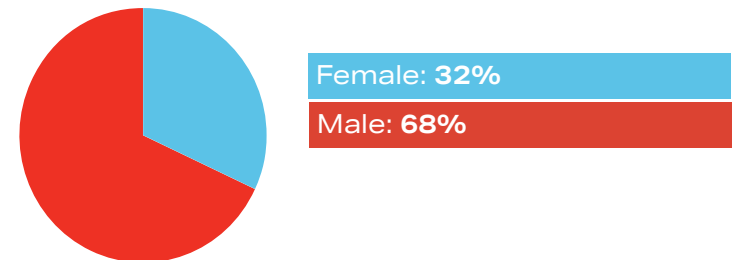
2022 Global Employees

By Gender



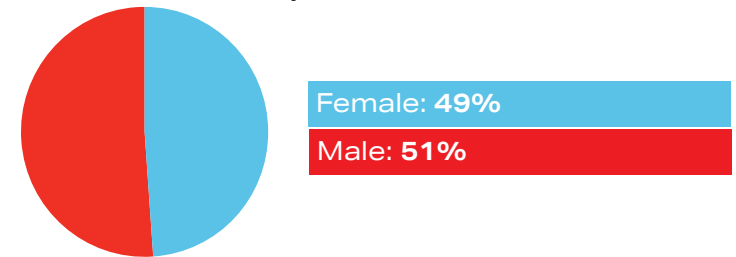
2022 Global Salaried Employees

By Gender



2022 Global Hourly Employees

By Gender





Community Partners & Engagement

- Asian Pacific American Chamber of Commerce (APACC)
- Canadian Aboriginal Minority Supplier Council (CAMSC)
- Council of Supplier Diversity Professionals (CSDP)
- Detroit Regional LGBT Chamber of Commerce (DRLGCC)
- Great Lakes Women’s Business Council (GLWBC)
- Michigan Hispanic Chamber of Commerce (MHCC)
- Michigan Minority Supplier Development Council (MMSDC)
- National Association of Women Business Owners (NAWBO)
- National Business League (NBL)
- National Minority Supplier Development Council (NMSDC)
- National Veterans Business Development Council (NVBDC)
- Veteran Owned Business Roundtable (VOBRT)
- Women’s Business Enterprise Canada (WBE)
- Women’s Business Enterprise National Council (WBENC)

Actions & Achievements

- 2022 Top 25 Diversity Change Leadership – Diversity Plus Magazine – Arthur McClellan
- 2022 Volunteer of the Year – Great Lakes Women Business Council – Barbara Morgan
- 2022 Automotive News Rising Star – Briana Porter
- Savoy Magazine Most Influential Black Executives in Corporate America – Alicia Davis
- 2022 CADIA Impact Award – Champion for Diverse Talent Award, Organization – Together We Grow
- 2022 CADIA Impact Award – Leadership Commitment Runner Up, Individual – Derrick Mitchell
- Human Rights Campaign Corporate Equity Index score of 90%
- Panel speakers at NMSDC Program Manager Training, MMSDC Procurement Conference, Rainbow PUSH Automotive Summit, National Business League National Black Supplier Conference, and NVBDC Jumpstart Program
- MMSDC Collaborative Growth Initiative participant
- MMSDC InFuse Corporate Mentoring Program participant
- MMSDC Board of Directors and Corporate Development Committee co-chair
- GLWBC Corporate Development Committee member
- VOBRT Corporate Advisory Committee member
- GM Supplier Inclusion Board member



We Expect Respect

To give and be treated with respect is an expectation at Lear. Expecting Respect also reflects our core value: Be Inclusive.

Built on the foundation of the **Ten Principles of the UN Global Compact**, and supported by our **Code of Business Conduct & Ethics** and other policies, our global Expect Respect campaign promotes our anti-harassment, nondiscrimination and zero-retaliation policies, as well as our complaint reporting resources. Expect Respect is a simple, memorable and effective concept of how we should interact with employees, customers, suppliers and our communities.



Salaried and hourly employees participate in Expect Respect training during onboarding and are provided refresher opportunities at the discretion of their site leaders. In 2021, we added an Expect Inclusion module to the course in addition to other key topics, such as maintaining a respectful culture, how words and actions are perceived by others, types of harassment, company policies, legal responsibilities and reporting.

Lear offers multiple ways to report violations through an anonymous, **toll-free helpline** available in the employee's local language. All reports are investigated, and metrics are reported quarterly to the Board of Directors.

200,000+ hours of DEI and Expect Respect training completed in 2022



+

+

+

+



Engaging Employees

Together We Win

We believe the best way to deliver the highest quality products and services is to maintain a work environment that prioritizes safety and fosters collaboration, inclusion, respect and excellence.

Launched at our manufacturing facilities in 2018, Together We Win is a global employee engagement program focused on driving cultural change. Together We Win unites employees across the globe in achieving excellence based on key operations and employee engagement metrics such as quality, absenteeism, health and safety performance, and operational efficiency.

Plants advance through four levels—leadership, work environment, employee involvement and team empowerment. To help our employees along the journey, our propriety Together We Win Playbook provides a roadmap of best practices, and engagement surveys give employees a voice in measuring progress at each site.

In 2022, our headquarters and other corporate locations around the world also became Together We Win sites, allowing corporate employees to make their workplace and our culture even more dynamic, inclusive and engaging. Together We Win is how we achieve our outstanding reputation—not only for operational excellence—but as a great place to work.

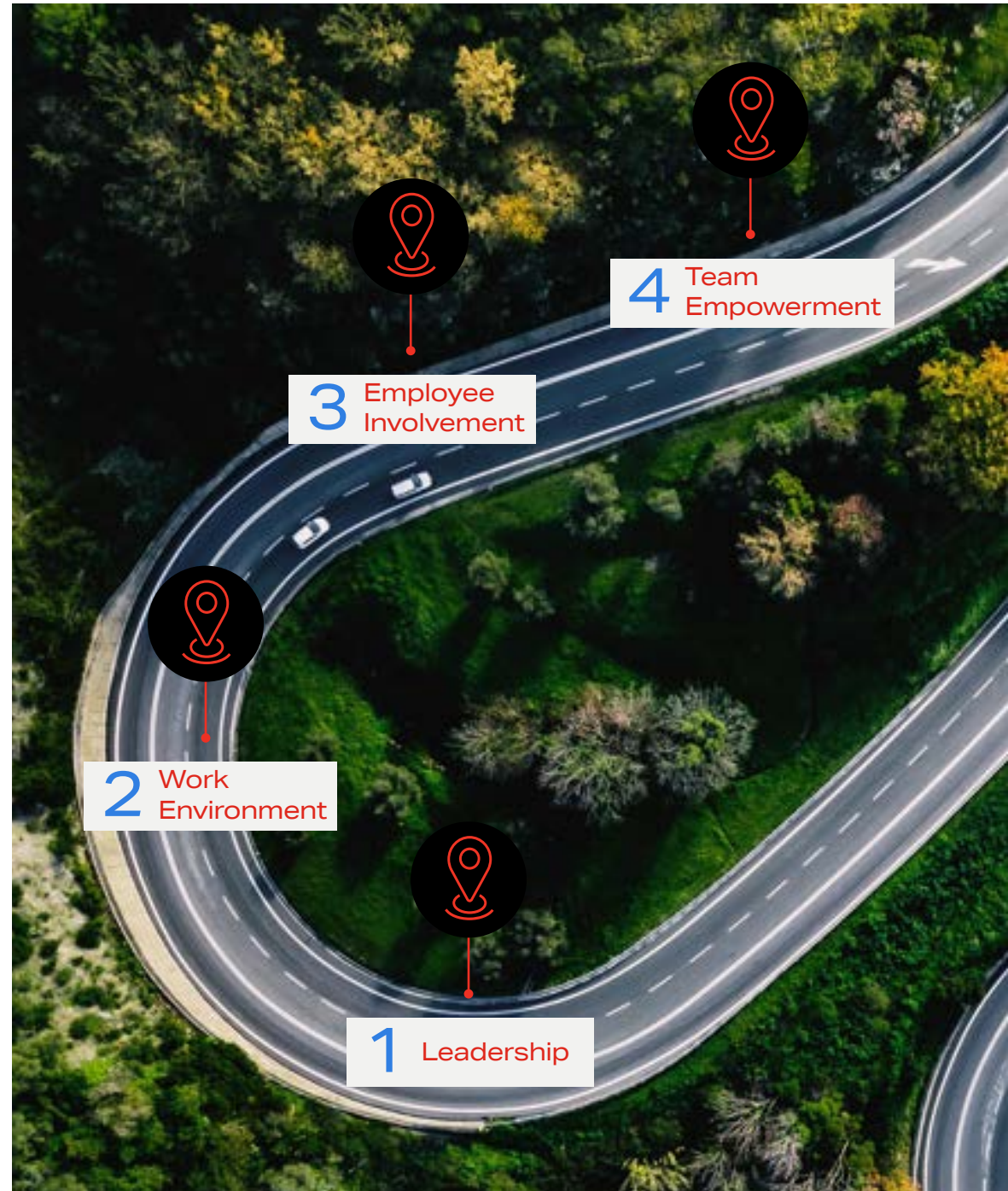
100% of Lear facilities are Together We Win sites

99 sites certified in all four levels of the playbook



Mobile and online engagement

allows employees to commit to following our **Code of Business Conduct & Ethics** each year.





Global Engagement Surveys

Every year, we survey hourly manufacturing employees around the world during Together We Win events. Conducted entirely online or by mobile phone, the anonymous and confidential survey evaluates relationships between employees and plant leadership, employee recognition, retention, health and safety, motivation and respect in the workplace.

Many plants conduct follow-up pulse surveys using our online employee engagement hub. The tool helps plant leaders prepare and launch the questionnaire, analyze results, develop action plans, assign tasks to team members and track the plant's status in the Together We Win Scorecard. In addition, global teams share feedback and photos, collaborate on projects and track their progress.

2022 Global Engagement Surveys

94,000+ participants

160+ surveys





We Wrote the Playbook

Lear developed a Together We Win Playbook to train plant managers and employees to transform plant culture. It includes helpful and comprehensive guidelines on a variety of topics such as hosting ergonomics awareness training, team leader talks and implementing lunch-and-learn events. The Together We Win Playbook was the foundation for the 80-page **Safe Work Playbook**, developed in response to the COVID-19 pandemic. Lear continues to share the Safe Work Playbook with the world, and it has been downloaded more than 35,000 times.



Champions of Lear: Together We Win Award

ROMANIA

The team in Iasi, Romania, not only certified in all four levels of **Together We Win** but achieved 91% engagement and 96% retention scores, and 2,076 days with zero accidents. Since 2017, the plant has also reduced defects nearly 70%, decreased written complaints 73%, and increased efficiency more than 28%. In addition, five of the plant's best practices have become mandatory processes, and 85% of employees participated in community events to support families, education and the environment.



Champions of Lear

Ask any employee about Lear and you'll hear terms like team mindset, collaboration, opportunity and pride—again and again. We've worked hard to nurture an inclusive culture where ideas are valued and efforts are recognized.

The Champions of Lear program celebrates our manufacturing, plant support and corporate teams who represent the best-of-the-best in our global operations. Award categories honor achievements in culture, DEI, customer appreciation, innovation, supply chain, quality, safety, operational excellence, continuous improvement, sustainability, best launch execution, and best plant collaboration, as well as the prestigious CEO Special Appreciation Award. Individuals, teams or plants can submit applications, which are reviewed by a diverse panel of judges including Lear leadership.

We are very proud of every team's accomplishments and congratulate this year's winners and finalists.

CELEBRATE ▶ the 2022 Champions of Lear!



460 submissions
31 from countries

17 awards



CEO Special Appreciation Award
Typhoon Disaster Recovery Team
PHILIPPINES

With a typhoon approaching, Lear's 8,000 employees in the Philippines took the usual precautions: protecting equipment, charging radios, and securing vehicles and inventory. But just hours before landfall, Typhoon Odette rapidly intensified from a Category 1 to a Category 5 super typhoon. The storm was devastating and traumatic. The homes of nearly 5,000 employees were severely damaged or lost. Seven Lear buildings were damaged, and one was completely destroyed. Our employees worked together, reaching out to ensure everyone was safe. Despite the personal toll our employees faced, they dedicated themselves to restarting production in just five days, resuming full operations in just six weeks.



CEO Special Appreciation Award
Driving Wellness and Mental Health Support Team
UNITED KINGDOM

As part of the Driving Wellness Program, the team at our Coventry, United Kingdom, site created and implemented a mental health program called "Take Time to Talk" in 2019. Over the past three years, 80 employees throughout the country have received training for mental health first aid to help their coworkers cope with emotional difficulties including stress, anxiety and depression. For additional support, they can direct employees to a wide range of useful resources. This team's generosity and willingness to listen has made a big difference in the lives of others.

Giving Back to Our Communities

From senior executives to new team members, Lear employees dedicate themselves to a wide range of charitable and service organizations aimed at supporting three critical areas of need in our communities: economic well-being, education and the environment. Lear supports programs that align with the UN's Global Compact Guiding Principles. Whether through our corporate giving campaign—Operation GIVE—or events sponsored by our local facilities, we are proud of our long history of community involvement.






Economic Well-Being



Education



Environment

| | | | |
|-------------------------------------|---|--|--|
| Our Giving Strategy | <p>We help provide complete nutrition, clean drinking water, and safe living conditions—the essentials required to lead healthy and prosperous lives.</p> | <p>We support effective and quality learning, job preparedness, entrepreneurship, and science, technology, engineering, arts and math programs for children and young adults.</p> | <p>We help preserve the earth through environmental cleanup, recycling and reuse initiatives, and saving energy.</p> |
| Examples of Organizations Supported | <p>CAPUCHIN SOUP KITCHEN in Detroit provides 1,500 households each month with food and clothing, hundreds of meals six days per week, 7,000 pounds of produce harvested annually from its urban farm, after-school tutoring for children, shelter for homeless individuals with drug addictions, and baking skills for formerly incarcerated men</p>  | <p>DETROIT CHILDREN'S FUND (DCF) is improving K-12 public education in Detroit. DCF supports 29 schools across the city, serving more than 12,000 students.</p>  | <p>BELLE ISLE CONSERVANCY in Detroit covers 1,000 acres including 150 acres of protected woodlands on the largest urban island park in the United States. Lear sponsors the Grand Prixmiere, the official charity event of the annual Detroit Grand Prix, which raises funds to offset operations for the Belle Isle Aquarium, provide free admission, and offer environmental and community programming.</p>  |

Nearly
\$1M

donated by Michigan employees to the United Way, UNICEF, Save the Children, Habitat for Humanity, FIRST, the Ocean Conservancy, the Nature Conservancy and other organizations

40 charities supported

25 Lear executives serve on the boards of non-profit organizations

For more stories about how our global teams are supporting the communities where we live and work, follow us on our social media channels.



Teamwork & Talent

Lear is a family, unified in our shared values and goals. We are driven by our values—Be Inclusive, Be Inventive, and Get Results the Right Way—because Together We Win. Numerous programs support this philosophy. To ensure our culture actively demonstrates our values, we deliver millions of hours of training every year and continuously expand career and leadership development opportunities.

5M hours of developmental, compliance and corporate training in 2022

Attracting New Talent

Lear takes an active, multifaceted approach to attracting the best talent, including:

- Strategically structuring our recruiting team with team members focused on manufacturing and information technology
- Requiring a diverse slate of candidates, particularly by gender and ethnicity
- Ensuring all of our open positions are highlighted on our website to encourage global applications, improving the global distribution of job openings, and rotating positions based on our talent needs
- Working with our compensation team to extend competitive financial offers
- Offering flexibility with remote and hybrid work opportunities
- Boosting focus on high-potential internal talent, giving current employees the opportunity to build their careers at Lear
- Targeting specific functional areas and supporting a pipeline of new talent from universities and colleges

Hiring for Success

Lear is focused on creating mutually beneficial relationships for the long term—making the best hiring decisions for the company and potential new employees. Lear uses a global assessment process to understand what motivates and drives a candidate and how that aligns with the Lear culture and the objectives of the role. Learning about a candidate’s personal journey, work experience, successes and challenges helps to highlight key indicators for future success at Lear.

Promoting from Within

Providing employees with opportunities for advancement has always been a priority at Lear. In addition to internally promoting open roles, we strongly encourage employees to refer candidates from their own personal network. In the United States, our employee referral program reminds team members that we are often our best resource for future talent. To incentivize their contribution to our talent at Lear, the program offers a referral fee paid to the employee or a charity of their choice within 30 days after the new employee joins Lear. Employee referrals are now the second most common source of new hires in the United States.





Hearing and Hiring the Deaf

The hearing-impaired community has its own language and culture. Working with the Association of Lapu-Lapu City, more than 50 Lear employees at Lear's Philippines Engineering Technical Center learned basic sign language and tips on how to communicate with the hearing-impaired. Another session is planned for 2023. In Spain, Lear partners with the Association of Deaf People in Zaragoza and Aragon (ASZA), an organization dedicated to providing hearing-impaired people with resources for daily living, training and employment. Currently, four hearing-impaired employees work at the plant, performing the same tasks as other employees without special restrictions. Similarly, 23 deaf employees work in two locations in Brazil, where 10 employees are trained in sign language.

39%

of openings supported by the U.S. Talent Acquisition Team were filled with candidates who actively sought out roles at Lear

10%

of new hires in 2022 at our corporate headquarters were past employees who returned to Lear, which is higher than the national average

+50%

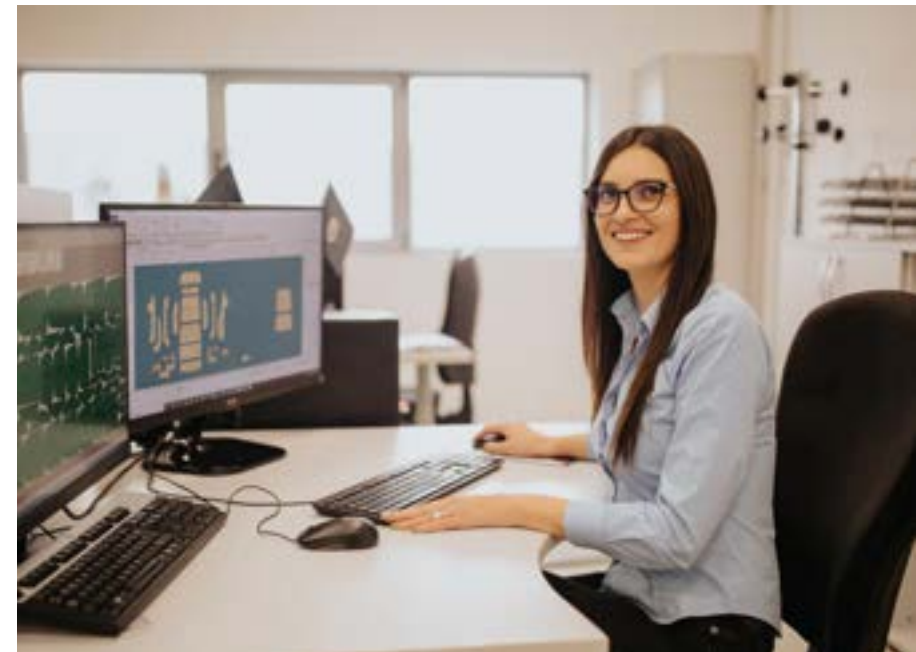
of our vice presidents were promoted from within

94

directors promoted to vice president since 2015

52%

of salaried new hires in the United States were ethnic minorities or women in 2022



Supporting Talent for Tomorrow

To ensure a pipeline of new talent, we encourage candidates to launch their careers at Lear through a number of creative programs. Targeted recruiting efforts focus on specific career paths—such as finance, supply chain, HR, information technology and Industry 4.0. Our team hosts events at universities to introduce Lear and our current available opportunities. Interviews are held the next day and usually result in internship offers extended to the candidates.

In addition to other universities and colleges near our manufacturing facilities, Lear’s corporate headquarters recruits from numerous universities such as:

- Central State University
- Cleary University
- Eastern Michigan University
- Ferris State University
- Grand Valley State University
- Hinds College
- Hope College
- Indiana University
- Kettering University
- Lake Superior State University
- Lawrence Technological University
- Marquette University
- Michigan State University
- Northwestern University
- Oakland Community College
- Oakland University
- Purdue University
- The George Washington University
- Trine University
- University of Georgia
- University of Illinois
- University of Michigan—Ann Arbor
- University of Michigan—Dearborn
- University of Michigan—Flint
- University of Notre Dame
- University of Oregon
- University of South Carolina
- Wayne State University
- Western Michigan University

Lear Scholars Program at Kettering University

The Lear Scholars Program at Kettering University—one of the United States’ premier STEM institutions—offers scholarships to children of Lear employees no matter where they live around the globe. Through the Kettering University Co-op Program, high-performing scholars and students rotate between the classroom and workplace every three months, applying their engineering and business studies in the real world. Co-op scholars and students work in many engineering departments throughout Lear, as well as other areas such as purchasing, accounts receivable, sales, information technology and project management. Following graduation, many of these scholars and students take advantage of full-time career opportunities at Lear in their home country or region.



Summer Internships

For many years, Lear has partnered with a variety of universities to offer summer internships to college students, many of which result in offers of full-time positions.

65 students participated in summer internships at our World Headquarters

37 students participated in the co-op program
14 students hired
8 participated as Lear scholars

MEET A LEAR SCHOLAR ▶



Born in Nigeria, Gloria Iroegbu lived in Italy and the United Kingdom before attending Kettering University as a Lear scholar. She is now an engineer at Lear.



Trainee Program in Spain

In Valls, Spain, Lear offers two types of trainee programs for university students. The Lear Trainee Program attracts students from the engineering or business administration fields, and assigns them to a specific role within a department such as finance, purchasing, marketing or engineering. The Lear Innovation Trainee Program focuses on engineering students who are added to a Lear project team within software, hardware systems, mechanical or advanced engineering, providing direct experience to product development within the automotive industry while they complete their final degree project. In both programs, students are closely mentored by Lear professionals and can gain up to 10 months of work experience.

15+ years of trainees **10-20** students typically participate each year

Internship Program in Mexico

In Mexico, Lear partners with 10 universities to offer internships to students who are completing their college careers. A mentor is assigned to each student, who develops a special project while working 30 hours a week for six months. This year's interns worked in IT, risk prevention, engineering, materials, maintenance and finance.

31 interns in **6** locations



Lear is a Great Place to Work

Accolades from organizations around the world confirm it. Our Together We Win culture, future-forward technologies and reputation for operational excellence attract new talent.

- Fortune Magazine's 2022 World's Most Admired Companies – seventh consecutive year
- Great Place to Work Awards – Brazil, all 8 sites
- Top Employers Europe 2022 Certification - Top Employers Institute
- Top Employer 2022 Certification - Czech Republic, Macedonia, Morocco, Romania, Serbia and Spain
- Model Employee Center of Beijing - Beijing Federation of Trade Unions, and Human Resources and Social Security Bureau
- AAA Class Enterprise of Harmonious Labor Relations in Chongqing - Chongqing Federation of Trade Unions, and Human Resources and Social Security Bureau

Rotation Programs in the United States

College graduates—often from our internship program—can participate in rotational programs through our finance, supply chain or HR departments. These employees gain skills in one location for about 18 -24 months before moving to a new U.S. location with a new manager and team. The opportunity provides a variety of experiences and a fast track for career growth.

36 employees currently involved in the rotation program **75%** of participants in the supply chain program are diverse

Winning the Way

Our New Leadership Model

Developed eight years ago to inspire a “One Lear” culture, our previous leadership model generated a wide range of tools to develop our leaders, including Talking Points, Report Cards, Scorecards, the CEO Academy, operations academies, Champions of Lear, Together We Win, Together We Belong, and Together We Grow.

At our 2022 leadership conference, Lear unveiled the next step in our cultural journey: our new leadership model, Winning the Lear Way.

Anchored in our values—Be Inclusive, Be Inventive and Get Results the Right Way—the model describes what a great leader is, providing a framework of behaviors and actions we follow at Lear. With a purposeful shift from describing leaders as “they” to “we,” it captures the essence of who we are and how we work.

Like our previous leadership model, it is helping us reinvent all of Lear’s leadership development and employee engagement tools. We believe Winning the Lear Way will continue to transform us into a company of great leaders with a great culture, which will help us attract and retain the best talent and ultimately win in the marketplace.



Be Inclusive

- We **embrace diversity** of people and perspectives.
- We **treat each other with respect** regardless of level or position.
- We **work well across different cultures** and geographies.
- We listen to our employees... **Every voice counts.**
- We have a **big heart for our communities.**



Be Inventive

- We work **smart**, are **resourceful** and **know our business.**
- We **focus on driving meaningful outcomes**, not activities.
- We **innovate** to meet the needs of our customers.
- We are **decisive and embrace change.**
- We **step up to challenges** and don't back down in the face of adversity.



Get Results the Right Way

- We recognize that **our plants and our people are the core** of our company.
- We separate ourselves from the competition through **our culture and operational excellence.**
- We operate with integrity and **do what's right.**
- We expect our leaders to be role models, keepers of the culture and to **build future leaders.**
- We take the time to recognize others and **celebrate our wins.**

Leadership Development Opportunities

We invite employees at all levels to build their strengths and grow in their careers through a variety of leadership development opportunities at Lear.



500+

high-potential leaders around the globe have participated in a leadership development program since 2021

50%

lower turnover rate among participants in our leadership development programs compared with Lear's overall turnover rate



Director and Plant Manager Academy

Created in partnership with the Monterrey Institute of Technology and Higher Education, the Director and Plant Manager Academy is offered to high-potential managers and directors in Mexico and Honduras. Each week, employees from multiple businesses and locations participate in online modules addressing leadership development, strategic thinking, business finance, human talent, business and operations management, innovation and communication. At the end of each module, participants are tested on their knowledge.

56

plant managers, managers and directors participated in 2022

32

plants

93%

average final score



Career Acceleration Program

Offered in China, the Career Acceleration Program is designed for high-potential employees. The 12-month program teaches key leadership principles and offers expert coaches to help employees reach their full potential as leaders. Through training, experiential learning and project execution, participants assess critical business challenges and present solutions.

CEO Academy

Lear's CEO Academy is our annual premier leadership development opportunity. Twice a year, a select group of leaders representing diverse functions and backgrounds are invited to participate in a week-long leadership immersion event with our CEO. Each participant presents a bold business idea to help drive Lear's success. Participants build relationships, gain one-on-one exposure to the CEO, receive feedback and expand their perspectives, while taking advantage of the opportunity to significantly impact our business.

43 attendees since 2019

70% expanded their leadership roles



In 2022, Lear piloted the Together We Grow program to help high-potential and diverse employees develop leadership skills.

Learn more [here](#).



Leadership Assessments

We want all employees at Lear to work for a great leader. Lear evaluates the strength of our leadership through a variety of processes.

Leadership Report Card

By receiving valuable feedback early in their careers, leaders can accelerate their career development while strengthening our culture of transparency. Completed by a leader's peers and their direct reports, our annual Leadership Report Cards measure how well our vice presidents, directors, senior managers, plant managers and managers lead others, the business and future leaders.

The 25 questions in the Leadership Report Card are unique to Lear and cover a broad range of behaviors and attributes such as DEI, aligning with our leadership model, and conducting coaching or mentoring conversations. Results in each area are graded on an ABC scale. When leaders receive their results, Lear also provides a roadmap of next steps, an action plan, and access to Lear-curated resources. Report cards are used in talent reviews as well as in reward and recognition programs worldwide.



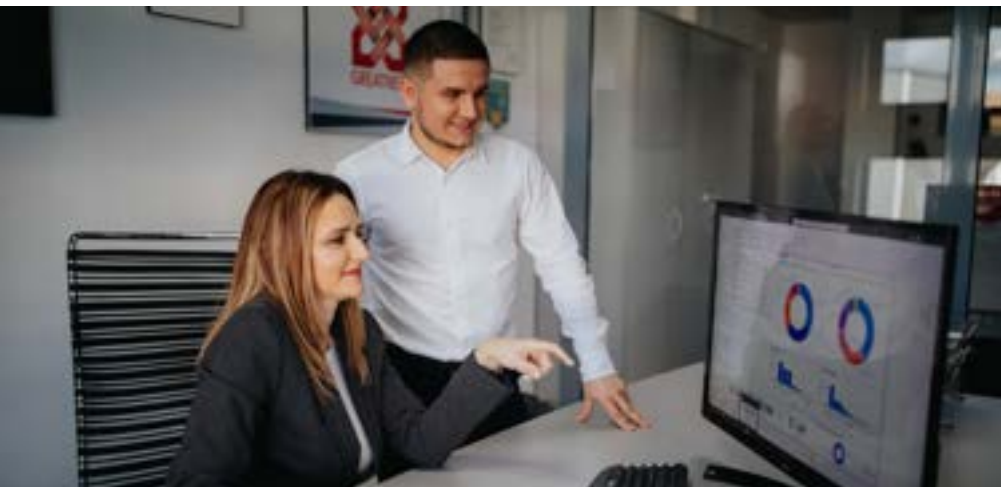
Annual Talent Review & Succession Planning

Lear's annual talent review process runs on a 12-month cycle with four phases to evaluate our global talent and ensure that the right people are in the right roles to drive organizational effectiveness.

Functional and business unit leadership assessments are conducted starting at the site and plant level, progressing through our global operations. Leadership report cards are reviewed, and succession plans are created to develop our bench talent for key roles. High-potential employees with an emphasis on diverse talent are identified to increase exposure, explore potential next moves, and ensure each is challenged and recognized appropriately.

In 2022, we broadened our view to ensure development continues after programs such as Together We Grow. In addition, we continued to expand the depth of our international leadership and key new hires, paying attention to diversity in gender and race, to create a more robust succession planning process around people, progress and promotability.

Each August, Lear's CEO and senior leadership team present our organizational review of talent and executive succession plan to our Board of Directors. Key outcomes from the process drive impact through the placement, development, advancement and retention of promotable and high-potential talent.



Performance Management

We utilize Scorecards and Talking Points to align employee performance with our business goals and provide feedback and coaching to ensure we are all Getting Results the Right Way. In addition, Lear provides our team members with a variety of educational and training opportunities to strengthen their skills and help them achieve their career goals.

Scorecards

Scorecards enable individuals and teams to understand the key outcomes and metrics for their role and how they contribute to the strategy. This cascading process ensures a clear set of strategic priorities are set and communicated across the organization.

Talking Points

Our global performance management tool for all levels of salaried employees, these quarterly conversations between employees and their managers provide feedback about results, growth and career development. This review process is completely separate from compensation decisions.





Training

Lear employees receive EHS, Code of Business Conduct & Ethics, and Lear policy training as well as any legally required instruction. In addition, our global organizational development teams delivered virtual and in-person training programs to employees at all levels around the world. Here are just a few examples:

- Webinars on Industry 4.0, ESG, finance, engagement, mental health, leadership, Six Sigma Green Belt certification and more
- Workshops on the Lear Leadership Model, Skills in Action for Successful Leadership program for plant supervisors, diversity awareness, coaching, scorecards, leadership development and Together We Win
- Multiple-day training through the Emerging Leadership Development program, Directors and Plant Managers Academy, and Fundamental Leadership training
- Lunch-and-learn events on wellness, communication, conflict resolution and more
- Internal trainer and Together We Win auditor certification



Educational Programs

We offer tuition reimbursement and apprenticeship programs across the globe. For example, hourly employees can prepare to become a team leader through the Team Leaders in Action program. In Mexico, Lear grants scholarships to employees to complete a high school education certificate, improve their English skills, or earn a bachelor's or master's degree. Lear is proud of the upward mobility these programs provide to our employees. Many of our hourly employees have progressed from the shop floor to positions of leadership, including plant manager.

93 employees involved in the U.S. tuition reimbursement program in 2022

83 employees received scholarships for high school, college and graduate degrees in Mexico in 2022

Klaus Rahm Memorial Scholarship

In 2022, Lear awarded three scholarships to select employees based on performance, dedication and leadership potential. These scholarships provide the opportunity to attend the Eli Broad College of Business MBA program at Michigan State University. This program is named in honor of Klaus Rahm, a former Lear executive who graduated at the very top of his class in this program, even though English was not his native language. A dedicated Lear employee for more than 10 years, Klaus was a role model who led with courage and determination, inspiring all those who knew him. Lear is proud to offer this scholarship in his memory.



Work-Life Balance

In today's hectic world, balancing work and family can be difficult. Lear offers creative ways to help our team members achieve a healthy work-life balance. These opportunities vary by location, depending on what makes sense culturally and competitively.

Examples include:

- Parental leave
- Flexible operating hours
- 16 – 18 holidays per year
- Paid vacation for all Lear employees globally in our bargained and non-bargained locations
- Life insurance, health care benefits and retirement provisions for full-time employees

Based on location, Lear may also provide:

- Free Employee Assistance Programs (EAPs) to help with personal and family issues
- Dependent Care Flexible Spending Accounts
- Paid vacation in the first year of employment and progressing up to four weeks per year
- Paid time off to volunteer and support charitable initiatives
- Fair absenteeism policies supported by the local work team to alleviate unplanned or emergency time off
- Wellness campaigns to support employee health
- Overtime pay
- Full-time or back-up child care
- Adoption and fertility services
- Banking
- Dry cleaning
- Transportation to and from work at some locations

Learn about our [Hybrid Work Playbook](#) for managers.





Remote and Hybrid Work Opportunities

Based on feedback from employee surveys, focus groups and benchmarking studies, Lear developed remote and hybrid opportunities at most of our locations across the globe. For example, some employees have the option to work three days in the office and two days remotely. Lear's Hybrid Work Playbook provides managers with tips on how to use our remote on-boarding process, manage hybrid teams, and keep employees engaged,

Parental Leave

Welcoming a new child to the family is a happy and life-changing event. Beginning in 2022, U.S. salaried employees are offered parental leave and adoption assistance to help both parents give their children the best possible start in life. The birth parent is eligible for 6-8 weeks of short-term disability plus six weeks of paid leave followed by six weeks of full-time remote work. The nonbirth parent also receives six weeks of paid leave followed by six weeks of full-time remote work.

New JumpStart Program

People may choose to pause their careers for a variety of reasons, such as starting a family, caring for elderly or sick relatives, or attending school. In 2022, Lear developed the JumpStart Program to help mid-career professionals update their skills, preparing them to return to work and pursue new opportunities while providing Lear with a new and diverse pool of talent.

Launching in 2023, JumpStart will allow professionals who have been out of the workforce to join the 12-week paid pilot program. Referred by current Lear employees, qualified participants will receive custom onboarding and orientation sessions, professional development, technical training and exposure to leaders across the company. At the conclusion of the program, they may be invited to apply for full-time roles within Lear.



HR GBS Transforms Human Resources

Introduced in 2021, Lear's Human Resources Global Business Services (HR GBS) leverages streamlined digital processes to deliver people-focused HR services to our employees globally. Through increased global collaboration and new technology, optimized HR services allow local HR to focus on in-person moments that matter, such as onboarding, on-site training, performance management and leadership development. In 2022, HR GBS Week launched the HR Service Center (HRSC) in 30 countries as the new way of meeting employees' HR needs and encouraged employees to take advantage of the easy-to-access services.

Using kiosks in our plants or personal devices such as computers or mobile phones, employees can securely log into the HRSC and access HR solutions in a single location, anytime, anywhere. A robust library of knowledge base articles answers common HR inquiries and empowers employees with service request guidance and self-service solutions. Hourly employees in some global locations can also use the HRSC to confirm their commitment to follow our **Code of Business Conduct & Ethics**.

Additional locations throughout Europe and Asia will be explored in 2023 for future HRSC deployment opportunities.

200+ articles answer questions and empower employees to resolve issues

300+ associates support HR GBS globally

 **30** countries served with support in 18 languages

341,000+ cases supported/resolved globally since 2021



A global first in Europe, the Middle East and Africa (EMEA), 100% of hourly employees at our electronics facility in Rabat, Morocco, have accessed and explored the HR Services Center. Across Morocco, more than 11,000 hourly employees have taken advantage of the service, and more than 15,500 requests were addressed and solved.

Driving Wellness

First launched in Europe and Africa in 2020, Lear's Driving Wellness campaign expanded worldwide in 2022 to promote healthier lifestyles. The campaign addresses four aspects of well-being: body, mind, nutrition and balance. Here are some examples of how our teams are Driving Wellness across the globe.

driving wellness.



Body

In the United States, mobile units provided primary care at certain plants and walking competitions rewarded employees for tracking their miles. In Mexico, employees helped immunize more than 120,000 people against COVID-19. During World No Tobacco Day, employees in Romania and Morocco raised awareness about the harmful effects of tobacco. Employees in Romania also initiated a campaign to raise awareness about domestic violence. In Morocco and Poland, stretching and Pilates sessions were held, while employees in India and Macedonia participated in yoga. In Slovakia, women took part in personal security training, the tourist club hiked mountains, and employees biked to work. More than 200 units of blood were donated in Serbia. First-time mothers were invited to health talks in the Philippines. During Pink October, mammographies and other health screenings were provided in Honduras, Hungary, Macedonia, Mexico, Poland and Serbia.



Mind

In the United Kingdom, the "Take Time to Talk" program trained 80 employees over the past three years to act as "mental health first aiders" to help their coworkers deal with emotional difficulties. Onsite mental health awareness seminars hosted by a clinical psychologist were held at our headquarters in Michigan. Employees in the United States were offered 10 free counselling sessions through the company's Employee Assistance Program as well as access to an app which provides digital tools for coping with stress, relieving depression, improving sleep and more. In Mexico, a social worker or psychiatrist was available at several sites, and in China online emotional health and mindfulness workshops were offered.

In Moldova, the GROW ERG sponsored "healthy food for the mind" and two sessions with a psychologist. In Morocco, coaches led stress management sessions. Employees in India, the Philippines and Macedonia attended mental health awareness training. And in Spain and Portugal, employees learned how to manage "blue Mondays," avoid burnout and take time for emotional wellness.



driving wellness.



Nutrition

For employees under COVID lock down in China, Lear delivered 1,000 food packs to employees in their homes. For Women's Day, female employees enjoyed tulips, sweet nutritious treats and tea time in Moldova. In Morocco, a healthy breakfast was served during nutrition talks from experts, and employees held a master chef competition. In Serbia, employees learned about eating disorders. In Mexico, employees received vitamin C and were taught about managing diabetes. Employees in the United Kingdom enjoyed free fruit on Tuesdays. In Hungary, employees participated in healthy cooking contests.



Balance

During town halls at our headquarters in Michigan, employees and guest speakers enlightened their audiences on topics such as hobbies, wellness and professional growth. In China, online social groups encouraged employees to share their interests in cooking, painting, fitness and reading through friendly competitions. In Moldova, the GROW ERG sponsored outdoor events and a beauty hour. Employees in Slovakia planted flowers, enjoyed cinema night and opened relaxation areas in their facilities. In Romania, employees made miniature terrariums and wreaths, wore traditional shirts and painted T-shirts. Employees in Vietnam and Thailand attended retirement financial wellness training. In Poland, employees learned how to create a minimalist wardrobe.



Labor Relations

Our talented teams are pros at manufacturing and product management with a well-earned reputation for excellence. Collaboration and teamwork are central to our culture. Through **Together We Win**, union and nonunion employees work collaboratively to improve efficiency, safety and quality every day. We share ideas, best practices and solutions across plants, regions and the globe.

Working with Our Labor Partners

We have a strong working relationship with our labor partners. As champions of human rights and fair labor practices, Lear respects the right of employees to join or not join a union. In our locations with labor unions, we bargain in good faith to reach amicable, cost-competitive agreements in the best interest of our employees and customers. We benchmark the area labor market and pay competitive wages and benefits.

Responsibility for labor relations begins with senior leadership and continues to the site level where we meet regularly with bargaining representatives to address topics critical to our shared success. Common subjects include safety, working conditions, employee engagement results, the state of the industry, new business awards, business transfer plans, performance relative to targets, implementing technology to support Industry 4.0, regional labor requests, and labor and management issue resolution, among others. These forums also provide opportunities for employees to discuss issues and concerns.

81,000+ employees covered by labor agreements globally

60+ labor partners around the world



High-Performance Self-Directed Work Teams

Using Lear's **Together We Win Playbook**, union and nonunion teams perform a series of "plays" designed to lead to a world-class concept in manufacturing—high-performance self-directed work teams. Since 2004, our use of these environments has allowed certain Lear employees to work together with minimal supervision. Because team members rotate positions, work becomes less task-oriented and more multidimensional. Wherever they are implemented, we believe high-performance self-directed work teams have increased employee ownership, engagement, process improvements, innovation, achievement of key operating objectives, and job satisfaction.

~95% of day-to-day decisions are made by high-performance self-directed work teams

Built to supply GM's Factory Zero for EVs, Lear's new seating plant in Detroit is expected to be our next site to feature high-performance self-directed work teams for our employees.

Lear provides clean, safe and modern work environments for our employees. Since 2020, seven new facilities have been built and more than 20 existing sites have been improved.



Ergonomics Kaizen Competition

During Ergonomics Month in 2022, our plants in Mexico challenged their teammates in Canada, South America and the United States to an ergonomics Kaizen (continuous improvement) competition. In total, 57 sites participated in a series of training sessions, workshops, games and activities to promote ergonomics awareness, operational excellence and a Together We Win culture. During the competition, each team's Kaizen project was evaluated based on employee engagement, risk reduction, potential deployment to other sites or teams, use of standard ergonomics methods, and overall degree of difficulty. The team in Ferreyra, Argentina, achieved the highest score for reducing repetitive injury risks at two workstations by 68% and 60% respectively, and decreasing non-value added movements by 38%. In 2023, our plants in Europe, Africa and Asia will implement their version of the competition.



6,500+ training courses completed

3,400+ job assessments completed

1,400+ jobs with risk reductions implemented

Nearly 750 Kaizens with ergonomics

133 manufacturing sites used industrial ergonomics software with artificial intelligence (AI) technology to perform nearly **2,600 assessments**

Collaboration at Work

Asia

In the Philippines, employees discuss issues and concerns at daily meetings, participate in roundtable discussions, and meet with the plant management team to review metrics each quarter. In China, every employee has opportunities to interact and collaborate across all levels through lunch-and-learn events, roundtables and recognition programs. For new program launches, engineers train employees on technical support while R&D engineers work with production operations to fine-tune prototypes. China's esprit de corps unites all employees for a common purpose—stay safe, deliver and have fun together!



United States & Canada

Dressing in teamwear, sharing parking lots and lunchrooms, and posting open invitations to all meetings demonstrate the Together We Win spirit and have eliminated subtle lines of demarcation between hourly and salaried employees. Engineers consult high-performance self-directed work teams on changes that impact manufacturing, and teams write their own work instructions, where appropriate. Suppliers work directly with teams to correct issues, and team members take part in customer audits to understand expectations. Traditional work rules have been replaced by coaching based on Lear values.



Mexico

Union representatives participate in onboarding new employees and meet with HR weekly. Promotions, training graduations, social events and awards for quality, efficiency and attendance are celebrated. Every day, supervisors meet with randomly selected employees for a 15-minute discussion in a designated "uno-a-uno" area to address any open issues or concerns. Plant managers hold roundtables with 20% of hourly employees each week. Employees leaving the plant are met by supervisors who thank them for their efforts.

Europe, Middle East & Africa

Throughout our operations, regular monthly meetings at the plant level encourage close cooperation on staffing, health and safety, and community services. In Serbia, union representatives support hiring efforts. In Poland, a person responsible for contacts with unions and employee relations has been appointed to help identify and proactively solve issues. In Germany, Lear and its employee representatives established several new agreements and processes supporting our workforce on various health subjects such as inclusion of disabled coworkers, ergonomics and a process supporting our employees after returning from long-term sick leave.

+

+

+

+



Protecting Our People

Human Rights

Our Human Rights Policy clearly defines how we approach, govern and defend the dignity of people throughout our operations, communities and global supply chain. As champions of human rights, we embrace the international principles expressed in the **Ten Principles** of the UN Global Compact, the **Universal Declaration of Human Rights**, the **UN's Sustainable Development Goals** and the International Labour Organization's **1998 Declaration on Fundamental Principles and Rights at Work**.

In 2023, we will be enhancing our Human Rights Policy. View our current policy [here](#).

Reporting Concerns

Through Lear's **Ethics & Compliance Helpline**, employees, suppliers and business partners can anonymously report concerns in their language via a toll-free phone call, email, online website or regular mail. In addition, we monitor our operations, partners and suppliers for potential violations, and act if violations occur, up to and including termination of employment or contract.



Respect Privacy

We respect the privacy of individuals, including employees and customers. We follow globally recognized privacy principles and implement reasonable and appropriate practices in our collection, use and sharing of personal information about individuals.



Encourage DEI in the Workforce

We provide all employees with a professional work environment, free from discrimination and harassment. As described in our **Equal Employment Opportunity Policy**, fair and equal employment opportunity is offered to every person. All hiring, compensation and promotion decisions are based on qualifications, performance, skills and experience.



Prohibit Child Labor, Forced Labor and Human Trafficking

We prohibit child labor in any of our facilities worldwide and meet all applicable laws regarding minimum employment age where we conduct business. We do not use forced or involuntary labor of any kind, including prison labor, indentured labor, bonded labor, military labor, modern forms of slavery and any form of human trafficking.



Treat Employees with Dignity and Respect

As described in our **Harassment Free Workplace Policy**, we do not tolerate harassment, discrimination, workplace violence, or physically, mentally or emotionally abusive practices. We take appropriate corrective action for any unacceptable treatment or retaliation.



Provide Fair Pay, Hours, Benefits and Working Conditions

We comply with all applicable wage and hour laws, including equal pay, minimum wage, overtime, maximum hour rules, meal and rest periods, as well as legally mandated benefits. Where local industry standards exceed applicable legal requirements, Lear pays fair wages and ensures working conditions that are competitive with the higher local industry standards. We employ ethical recruitment practices, provide a safe and healthy work environment, and shared our **Safe Work Playbook** to help businesses and governments return to work safely during the pandemic.



Allow Freedom of Association and Collective Bargaining

We respect our employees' right to form, join or not to join a labor union without fear of reprisal, intimidation or harassment. Where employees are represented by a legally recognized union, we are committed to establishing a constructive dialogue with their freely chosen representatives and bargaining with them in good faith. As stated in our **Supplier Sustainability Policy**, we expect our suppliers to respect their employees' right to freedom of association.



Source Responsibly

We ensure that materials used in our products do not directly or indirectly provide funding to conflicts or human rights abuses. Lear also has a **No Deforestation Policy** to help avoid illegal deforestation or forest degradation. We seek to use only components with raw materials where extraction, transport, trade, processing and export are obtained from validated sources. We also look beyond our direct supply chain to ensure appropriate sourcing measures, including the sourcing of the raw materials used in our products.

Employee Safety

In 2017, Lear embarked on a journey to combine our Health and Safety Management System (ISO 45001:2018) with our Environmental Management System (ISO 14001:2015). Creating one Environmental, Health and Safety Management System (EHSMS) will increase efficiency, improve EHS performance and enhance employee safety.

Our global EHSMS is compliant with ISO 45001:2018 standards and processes, including hazard identification, risk management, emergency preparedness, health and safety reporting, audits and more. All of Lear's plants are ISO 14001:2015 certified. Lear is working to complete ISO 45001:2018 certification at 100% of its eligible production sites by 2025, prioritizing sites where certification is required by customers.

100% of Lear's eligible production sites are ISO 14001:2015 **certified**

100% of Lear's production sites are ISO 45001:2018 **compliant**

27% of Lear's production sites are ISO 45001:2018 **certified** as of December 2022

Lear's ISO 45001 Journey





Champions of Lear: Safety Leadership and Excellence Award ITALY

There is no better example of Getting Results the Right Way than ensuring the health and safety of our employees. To increase the placement of the growing number of employees who are restricted to light-duty work due to health reasons, the Let's Give Everyone the Same Chance Campaign in Italy analyzed the ergonomics of 98 workstations and the medical status of 222 employees to identify the six most critical activities at the site. As a result, the number of workers placeable in the top six critical workstations increased 15%. The plant also achieved zero recordable incidents for more than four years and zero nonconformities on its ISO 45001:2018 audit.

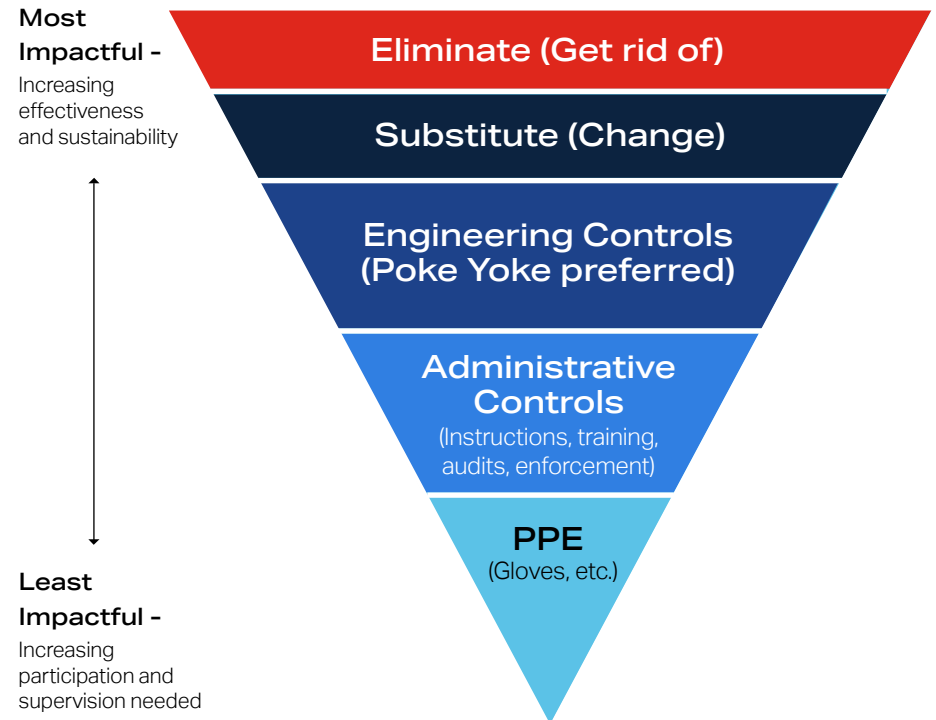


Awarding Safety

To encourage employees to keep safety top of mind and recognize their accomplishments, Lear honors every facility that achieves 1 million hours with zero injuries or accidents. Annual awards are also presented to plants with no lost-time incidents or recordable injuries as well as the most improved plants.

Hierarchy of Controls

To manage the most and least effective safety methods, Lear has developed an EHS&S Hierarchy of Controls.



Key Employee Safety Statistics

Our safety efforts apply to everyone on our property, from employees and contract employees to visitors, customers, suppliers and students. In 2022, our safety metrics improved in nearly every category.

870,000+ hours of safety training in 2022

230,000+ hours of COVID-19 safety training in 2022

World-class 0.30 TRIR

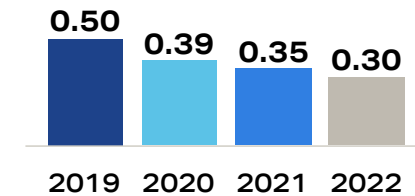
achieved compared with 0.60 benchmark and nearly world-class 0.08 LTIR attained compared with 0.06 benchmark

45% reduction in lost time rate
and **50%** reduction in recordable rate through Focus Site program

- The **Total Recordable Injury/Illness Rate (TRIR)** calculates the number of recordable incidents per 100 full-time employees.
- The **Lost Time Injury/Illness Rate (LTIR)** is the number of lost time injuries per 100 full-time employees.
- The **TRIR, LTIR and fatality rates** include Lear employees and contract employees, whom Lear values equally.
- Occupational diseases are not prevalent within our company.

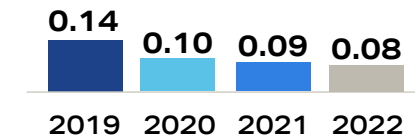
Total Recordable Injury/Illness Rates (TRIR)

2019 - 2022



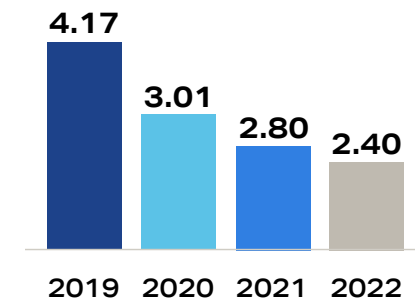
Lost Time Injury/Illness Rates (LTIR)

2019 - 2022



Lost Time Injury/Illness Severity Rates

2019 - 2022



Number of Lost Days / Total Recordable Injuries and Illnesses

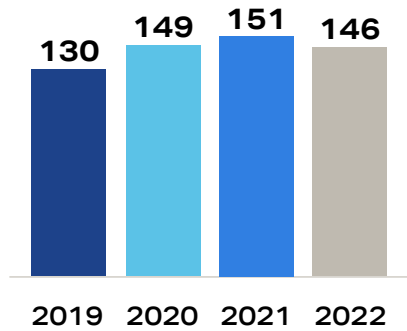


0 employee fatalities

in 2019 - 2022

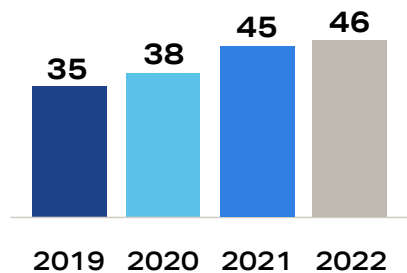
Facilities* with 0 Recordable Injuries

2019 - 2022



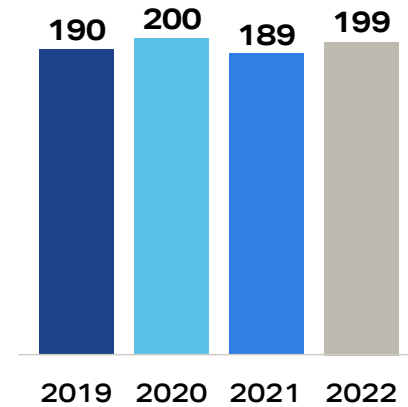
Facilities* that Achieved 1 Million Hours without a Recordable Injury

2019 - 2022



Facilities* with 0 Lost Time Injury/Illness Cases

2019 - 2022



68 facilities* achieved 1 million hours with 0 lost time injury/illness cases in 2022

** Includes administrative, engineering and headquarters facilities*

+

+

+

+



Contractor Safety

Lear is concerned about the safety of every person in our facilities. Everyone on Lear premises is required to follow safe work rules whether they are employees, contract employees or external contractors not directly supervised by Lear.

At a minimum, we require everyone to adhere to legal requirements. However, our safety best practices are often more stringent than local laws. In 2021, Lear began tracking occupational injuries and illnesses for external contractors. Our contractors reported 0 fatalities, a global LTIR of 0.037, and a global TRIR of 0.073 based on more than 5.4 million hours.

+

+

+

+



Quality Products & Product Safety

Quality Products

Our highly trained professionals have built Lear's outstanding reputation by delivering billions of top-quality products every year. They deploy an array of quality management tools, processes and systems with constant attention to detail.

8.4B production wire harnesses, terminals, connectors, electronics, electrical components and service parts produced



47.7M production seats, seating components, surface materials and service parts produced

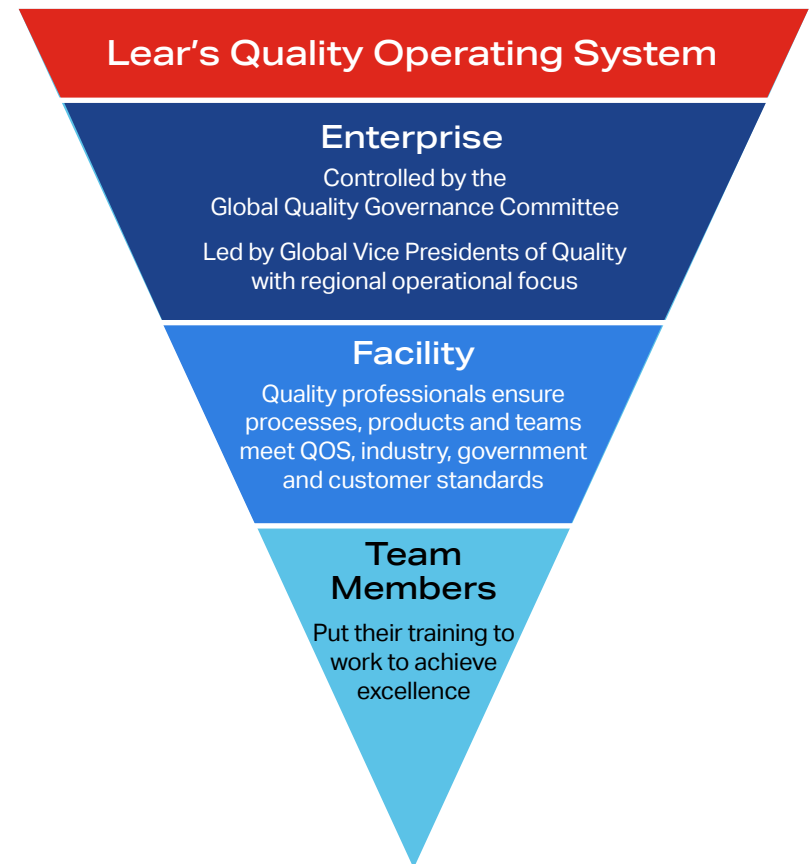


100% of eligible sites are IATF 16949:2016/ISO 9001:2015 certified*

**The International Automotive Task Force (IATF) is an automotive standard. It excludes non-automotive sites, non-manufacturing facilities and sites in operation for less than 12 months.*

Lear's Quality Operating System

Our quality efforts are outlined in the Lear Quality Operating System (QOS). Accessible to every employee, our QOS is controlled at the enterprise level for consistency, deployed by quality professionals at every facility around the world and used by production team members to ensure the highest quality products are delivered on time to our customers every day.



Quality Training

To continuously improve, we constantly learn. Lear offers our employees interactive and/or self-paced training in:

- Quality and problem-solving tools such as Ishikawa, 5W/2H, descriptive statistics, 3-legged 5-why, fault tree, SPC and is/is not
- Effective problem solving
- AIAG & VDA Process FMEA: Understanding and Implementing with Control Plans
- IATF 16949:2016 internal audit training
- Global quality procedures
- Supplier quality tracking
- Product-specific requirements
- Customer-specific requirements
- Warranty tracking and reporting methods
- Quality documentation standards
- Quality mindset

In addition, Lear's quality group leads one-hour virtual meetings on a variety of quality standard-related topics nine times a year. Our online portal is also available to all team members and contains our global procedures and process descriptions, Global System Policy Manual, the Quality Professional's Handbook and the Supplier Quality Handbook.

Every One, Every Part, Every Day

In 2022, Lear locations around the globe celebrated World Quality Week for the first time to raise awareness and recognize our employees' efforts to deliver the highest quality products to our customers. Built around the theme "Every One, Every Part, Every Day," each day featured a key topic such as creating a quality mindset, global safety standards, the future of quality, and our successes. Events included recognition celebrations, quality training, videos, scavenger hunts, team competitions and a contest to name next year's World Quality Week theme. Since 2018, Lear has received 59 customer-specific quality awards plus two first-place J.D. Power 2022 U.S. Seat Quality and Satisfaction StudySM awards.



Lear Plant of the Future Quality Program

In 2016, Lear launched our Plant of the Future quality program, an in-depth assessment to ensure every plant operates at the highest levels of quality. Every quarter, locally trained auditors assess 12 key factors focused on integrating quality practices and standards into everyday activities. An annual audit by corporate quality professionals is also conducted at each plant.

Lear's Plant of the Future helps employees of all levels incorporate quality into their daily work, sets clear, measurable expectations, and provides regular milestones for review and improvement. The scores amount to 50% of the Champions of Lear Quality Award criteria. Looking forward, we are raising the bar at all of our plants, setting higher targets for supplier sustainability, health and safety, and social responsibility.

Quality Assured in Software Engineering



With millions of lines of code in our E-Systems products, our structured quality assurance program ensures our software meets ASPICE (Automotive Software Process Improvement and Capability dEtermination) standards for performance, safety and quality. In every location where we design and produce software-related products, quality assurance professionals work with our engineers to create a globally integrated and unified approach to software development. Locally, they participate in management design reviews for each step in new product development and launches. In addition, a dedicated software quality assurance team in the Philippines conducts offline audits and process checks.

To learn more, see [Cybersecurity](#).



Champions of Lear: Global Quality Awards

ARGENTINA & CHINA

In Argentina, E-Systems employees used continuous improvement tools to implement a more flexible manufacturing process and improve cutting rates, decrease ergonomic risks, reduce scrap, and improve productivity. In China, the Seating team set SMART targets, completed 69 continuous improvement projects, earned top scores during their IATF 16949:2016 audit, and achieved nearly one year with 100% layered process audit scores. The plant also received customer awards from DLT, BMW and SGM, as well as the Outstanding Enterprise of the Year Award from the Chinese government.



Supplier Quality Performance

To confirm and audit supplier performance, Lear follows AIAG and Verband der Automobilindustrie (VDA) Standards. The certification process includes our total manufacturing execution controls and processes, as well as Lear's management of Tier 2 and Tier 3 suppliers. We work with our suppliers in many ways, including:

- As part of Lear's annual review process, outlined in the **Global Requirements Manual and Code of Conduct for Suppliers**, our supply partners must recertify their products once a year.
- Lear's requirement that suppliers are IATF 16949:2016 certified includes annual recertification through surveillance or recertification audits conducted at the supplier's site by an accredited third party.
- We meet with our core suppliers each quarter to assess their scorecards, quality, innovation, future business opportunities, ESG and other strategic partnership opportunities.
- Our Central and Regional Supplier Management Teams audit our suppliers' planning management systems and resources for executing new programs. The teams also manage daily supplier performance, change requests, escalation or emerging issues, audits and Continuous Quality Improvement (CQI) compliance.
- Lear's Quality Management Teams confirm daily product execution, track scorecard metrics, ensure industry requirements are met for each manufacturing location, manage warranty issues and sufficiency planning, and oversee supplier quality management.
- Each year, we review product risk drivers with the Global Compliance Team to confirm actions and systems are in place to mitigate any risks.

Learn more about how Lear manages and monitors our extensive **global supply chain**.



In 2022, Lear received numerous quality awards from our customers:

- Dongfeng Peugeot Citroen Automobile Company (DPCA) Best Supplier Award - China
- Ford Excellence in Performance Award - Mexico
- Ford Q1 Preferred Quality Status Award - Mexico, 3 sites
- Geely Compact Modular Architecture (CMA) Platform Excellent Supplier Award - China
- GM Supplier Quality Excellence Award - Honduras
- GM Supplier Quality Excellence Award - Mexico, 8 sites
- GM Supplier Quality Excellence Award - United States
- Jaguar Land Rover Silver Quality Award - Outstanding Launch and Quality Performance - L460/L461- Range Rover/ Range Rover Sport
- J.D. Power Seating Quality Awards - 2 awards
- Mercedes Benz Best Quality Award - Thailand
- Nissan Quality Improvement Supplier Award - China, 2 sites
- SGM-SY Excellence in Quality Award - China
- Stellantis Quality Excellence Award - Global Award
- Volvo Quality Excellence Award - Hungary

Product Safety & Compliance

Lear's product safety processes comply with our global customer requirements and applicable regulations.

Product Safety

Our global Potential Product Issue Resolution Process (PPIRP) identifies critical issues that could impact the performance of a salable product. In the event that any team member has a concern with a potential product performance issue, our process requires that a PPIRP be initiated. Using the PPIRP portal on Lear's intranet, employees can log in and create, view or modify issues depending on access level. Appropriate quality, engineering and other cross-functional resources are then assigned to review and address the concern. An automatic escalation mechanism is built into the process to ensure issues are addressed in a timely manner. Depending on frequency and severity, concerns are directed to Lear's Global Product Compliance and Safety Committees for review and appropriate action.

What we learn from PPIRP drives improvements throughout the product life cycle. To prevent potential issues in the future, corrective actions are used to create new design guidelines, which are consulted during the review process for new product designs. In addition, Lear conducts on-site product safety audits to verify production practices.



As a result of Product Compliance and Safety Committee reviews in 2022:



102 on-site product safety audits conducted

157 product safety design reviews conducted

55 new design guidelines released

Chemical Risk Management

Chemicals offer many benefits when handled appropriately and used correctly. Every Lear facility maintains a chemical inventory and supplier-provided safety data sheets for all chemicals used in production processes as well as other nonproduction chemicals such as paint and cleaning supplies. To protect employee health, regular training sessions provide education about the proper use, handling, storage and risks of the chemicals used at work. We meet all global requirements for risk management and hazard communication.



Every Lear Facility

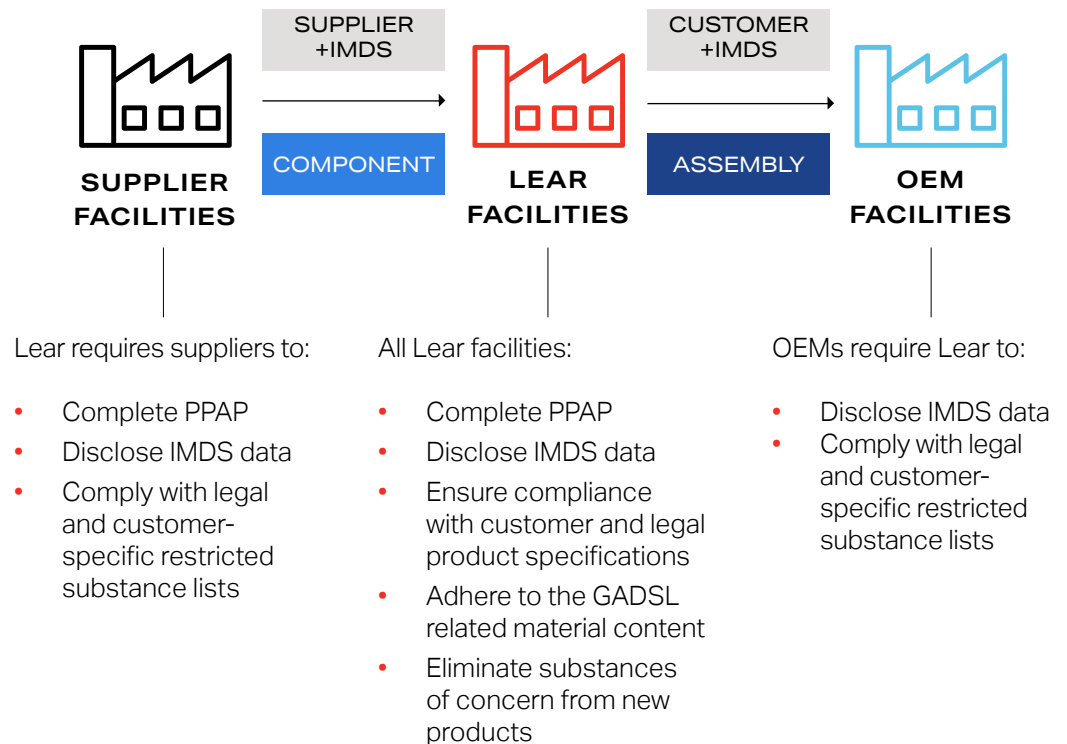
Identifies and lists all chemicals to keep the site's inventory current

Collects up-to-date safety data sheets

Trains employees on proper use, handling, storage and risks

External hazard communication—from suppliers to Lear and from Lear to our customers—is managed through the production part approval processes (PPAP). The content of every product is disclosed through the International Material Data System (IMDS). Our product development teams adhere to applicable product regulation and material reporting requirements, and ensure compliance with customer and legal product specifications, including Global Automotive Declarable Substance List (GADSL) related material content. In addition, we comply with customer-specific restricted substance lists, and we cascade their requirements throughout our supply chain.

Lear partners with industry associations and customer initiatives to obtain long-term visibility on upcoming legal requirements, and we proactively replace substances in our products that are in the process of being restricted. In 2022, Lear joined CLEPA, and we participate in their Materials and Substances Work Group and Sustainability Work Group. In addition, Lear also partnered with AIAG and the Supplier Partnership for the Environment in their chemical management related work groups.





WE GET RESULTS THE RIGHT WAY

Governance

102

104

110

114

117

120

2022 Governance Highlights



Experienced and diverse board and management team

50% of Lear's Board of Directors were **women and/or minorities**

100% of board members have **ESG experience**



Employees uphold our code

Revised Code of Business Conduct & Ethics published

100% of salaried employees **completed training on our code**

Mobile app for reporting concerns to the Ethics & Compliance Helpline available globally

Nearly 650 nonproduction suppliers in Mexico and Honduras trained on our code

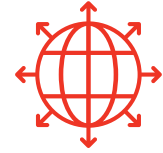


Cybersecurity protects our products, customers and enterprise

14,000+

self-reported suspicious emails resulted in the **prevention of nearly 400 email-based cyberattacks**

Nearly 500 employees volunteered as security awareness ambassadors in almost 200 locations



Partnering with suppliers

3,000+ production suppliers globally

100% required to **comply** with our Supplier Sustainability Policy

2,800+ production supplier sites across the globe assessed for sustainability

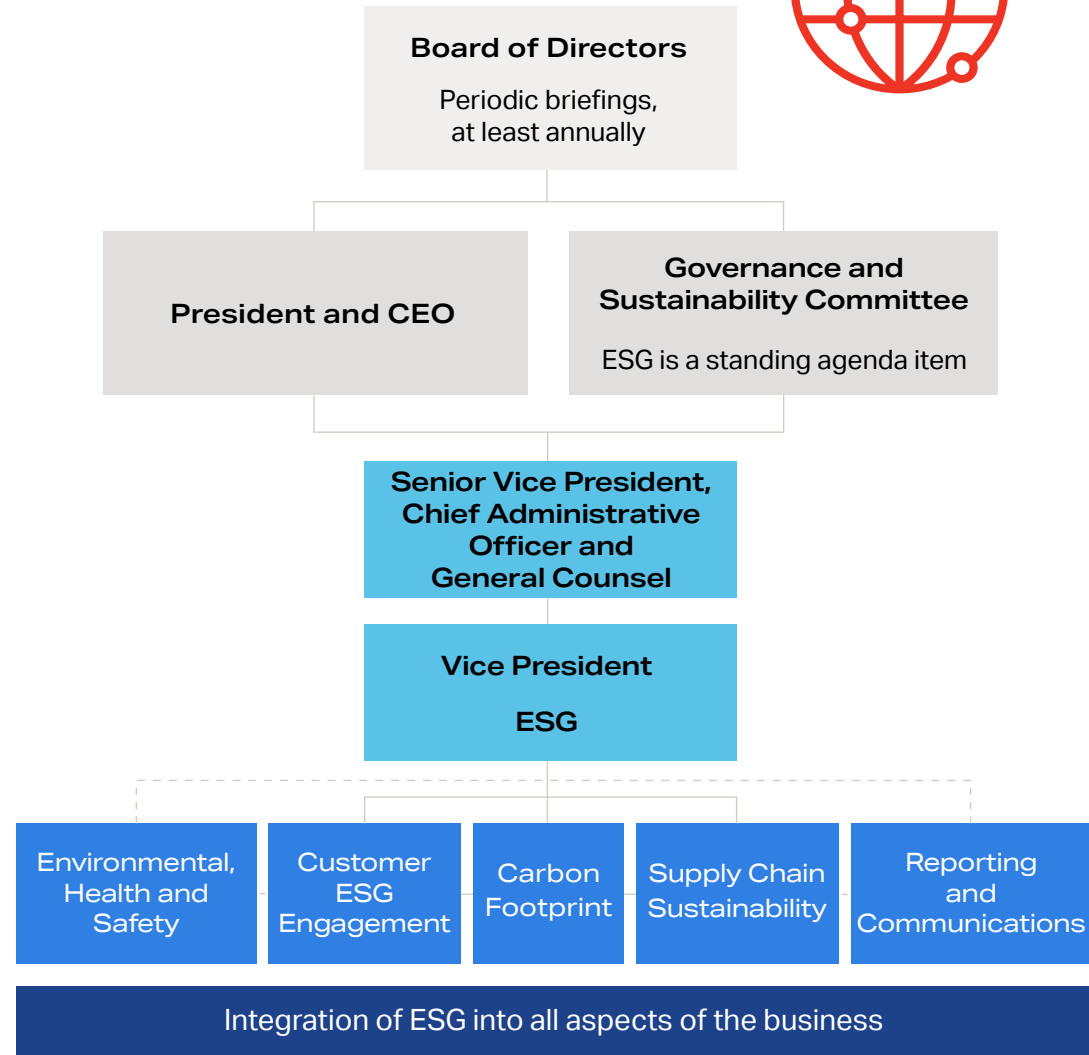
Environmental, Social and Governance Oversight

As the automotive industry evolves, ESG topics have become even more significant, not only for Lear but for our customers, shareholders and other stakeholders. Consistent with our vision of Making every drive better™, we work to ensure that our passion for our business is also channeled into creating possibilities for a better world.

As part of our ESG initiatives, we are committed to safety in our workplaces, sustainability in our operations and products, and supporting our people in the communities where we do business. We expect our more than 3,000 production suppliers to share our commitment to corporate responsibility and ethical conduct.

Our commitment to ESG, operational excellence and transparency is monitored by our Board of Directors through the Governance and Sustainability Committee and senior leadership. To better integrate sustainability throughout our enterprise, Lear has added specific ESG responsibilities to senior management across global functions. In addition, Lear has established processes requiring formal sustainability considerations within our product strategies, including design and content.

Our ESG efforts are supported by a talent management strategy focused on leadership development, employee engagement and the continuous improvement of our EHS management systems, as well as programs and operations to enhance performance and teamwork. We value transparency and continuous improvement. Lear reports with reference to the GRI Standards, as well as the Sustainability Accounting Standards Board (SASB) framework and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.



Executive Compensation

To support long-term value creation, our strong pay-for-performance philosophy aligns our executive compensation programs with the company's business strategy and shareholders' interests. It is also essential to our ability to attract, retain and motivate individuals who can achieve superior financial results.

A significant majority of the total compensation earned by our named executive officers consists of variable or performance-based compensation programs, such as annual and long-term incentive plans. Our incentive compensation payouts increase or decrease, reflecting company performance and our pay-for-performance alignment. Our executive compensation programs:

Align with Our Business Strategy

Our incentive plan performance measures are aligned with our business strategy, correlate with stockholder return and are generally consistent with our peers.

Include a High Percentage of Performance-Based Pay

In 2022, 100% of the annual incentive opportunity and 70% of the long-term incentive opportunity offered to our named executive officers (NEOs) were contingent on the achievement of specific performance measures. As a result, 91% of our CEO's pay and on average 81% of our other NEOs' 2022 target total direct compensation was at risk.

Offer a Balanced Mix of Performance Measures

Multiple financial performance measures, total shareholder return and stock price based awards are assessed over one- and three-year periods.

Incorporate Robust Stock Ownership Rules

Management stock ownership guidelines are applicable to all executive officers, including our named executive officers. The stock ownership guideline for our CEO is six times his annual base salary.

Require Equity Retention

Until an executive officer satisfies the applicable stock ownership guidelines, he or she must hold 50% of the net shares acquired upon the vesting of equity awards.

Include Holding Periods for Career Shares

As part of our long-term incentive package, the CEO and certain executives traditionally receive awards of time-based career shares. The units underlying the career shares generally must be held until the earlier of age 62 or three years after retirement.

Recover Excess Compensation with a Clawback Provision

If we are required to prepare an accounting restatement due to any current or former executive officer's intentional misconduct, we will recover any excess incentive compensation. The company intends to amend its existing clawback policy consistent with the requirements of the final NYSE listing standards implementing Rule 10D-1 of the Exchange Act.

Are Reviewed Annually

Every year, we perform a risk assessment, compare key elements of our executive compensation programs with market practices and emerging trends, and consider our business strategy and talent needs. Our People and Compensation Committee also engages an independent compensation consultant.

Lear prohibits officers and directors from hedging transactions involving company stock or pledging company stock as collateral for loans. None of the employment agreements with our executive officers contains an excise tax gross-up provision.

Upon a change in control, all equity awards are subject to "double-trigger" vesting, which protects our employees and helps ensure an orderly leadership transition. In addition, our executives are not eligible to receive severance benefits solely upon a change in control. This is intended to ensure that members of senior management are not influenced by their personal situations but are able to maintain objectivity in evaluating a potential change in control transaction.

Corporate Governance

Board Structure

Elected by our shareholders and led by an independent, non-executive chairman, Lear's Board of Directors provides guidance, helps develop and implement our strategic plan, manages risk and builds long-term shareholder value. All directors are independent, except our president and CEO. The duties of our directors are stated in our [Corporate Governance Guidelines](#).

To promote the interests of our shareholders, the board has adopted governance structures and policies, including:

- Annual election of directors
- Majority voting standard with a director resignation policy for uncontested elections
- Robust stock ownership guidelines
- Annual board and committee self-evaluations

The board and its committees meet throughout the year to provide strategic leadership and guidance to the management team. Our board has three standing committees.



2022 Board of Directors

10 members

9 independent directors

50% women and/or minorities

100% of directors elected annually

7.5 years average tenure

6 board meetings held

See our [2022 Proxy Statement](#) for more detailed information.

Our Board of Directors



Gregory C. Smith
Non-Executive Chairman,
Board of Directors

Principal, Greg C. Smith, LLC
 Former Vice Chairman, Ford Motor Company
 NACD Board Leadership Fellow



Jonathan F. Foster
Chairman, Audit Committee
Member, Governance and Sustainability
Committee
Director

Managing Director, Current Capital Partners
 Former Managing Director and Co-Head,
 Diversified Industrials and Services, Wachovia Securities



Kathleen Ligocki
Chairman, People and Compensation
Committee
Member, Governance and Sustainability
Committee
Director

Former Operating Partner, Kleiner Perkins Caufield & Byers
 Former Chief Executive Officer, Agility Fuel Solutions
 Former Chief Executive Officer, Tower Automotive



Justice Conrad L. Mallett, Jr.
Chairman, Governance and Sustainability
Committee
Member, Audit Committee
Director

Corporation Counsel of the City of Detroit
 Former Deputy Mayor of the City of Detroit
 Former Chief Administrative Officer, Detroit Medical Center
 Former Chief Executive Officer, Sinai-Grace Hospital
 Former Chief Justice of the Michigan Supreme Court



Mei-Wei Cheng
Member, Audit Committee
Member, People and Compensation
Committee
Director

Former Chief Executive Officer, Siemens North East Asia
 Former Chairman and Chief Executive Officer,
 Ford Motor (China) Ltd.



Dr. Mary Lou Jepsen
Member, People and Compensation
Committee
Member, Governance and Sustainability
Committee
Director

Chief Executive Officer, Founder and Chairman, Openwater
 Former Executive Director of Engineering, Facebook, Inc.
 Former Head of Display Division, Google, Inc.
 Named "One of the 100 Most Influential People in the
 World" by *Time Magazine*

+

+

+

+

Our Board of Directors



Bradley M. Halverson

Member, Audit Committee
Member, People and Compensation Committee
Director

Former Group President and Chief Financial Officer, Caterpillar Inc.



Roger A. Krone

Member, Governance and Sustainability Committee
Member, Audit Committee
Director

Former Chairman and Chief Executive Officer, Leidos Holdings, Inc.



Patricia L. Lewis

Member, People and Compensation Committee
Member, Governance and Sustainability Committee
Director

Executive Vice President and Chief Sustainability Officer, UnitedHealth Group



Ray Scott

President, Chief Executive Officer, Lear Corporation
Director

30+ years of automotive industry experience

Director Skills Matrix

Our diverse Board of Directors offers a broad range of business experience, knowledge and skills to guide Lear. Below is a representative sample.

| Category | Profile / Skills | Mei-Wei Cheng | Jon Foster | Brad Halverson | Mary Lou Jepsen | Roger Krone | Patricia Lewis | Kathleen Ligocki | Conrad Mallett | Ray Scott | Greg Smith |
|---------------------|------------------------------------|---------------|------------|----------------|-----------------|-------------|----------------|------------------|----------------|-----------|------------|
| Demographics | Woman | | | | • | | • | • | | | |
| | African-American / Black | | | | | | • | | • | | |
| | Pan-Asian | • | | | | | | | | | |
| | Non-U.S. Resident | • | | | | | | | | | |
| | LGBTQ | | | | | | • | | | | |
| Skills / Experience | CEO / Large Business Head | • | • | • | • | • | | • | • | • | • |
| | CFO / Treasurer / Fin. Serv. Exec. | | • | • | | • | | | | | • |
| | Auto Industry | • | • | | | • | | • | | • | • |
| | Technology | • | | | • | • | • | • | | • | • |
| | Strategy | • | • | • | • | • | • | • | • | • | • |
| | Finance | • | • | • | | • | | • | • | | • |
| | Commercial / Marketing | • | | | • | | | • | • | • | • |
| | Operations | • | | | • | • | • | • | • | • | • |
| | Human Capital Management | • | | • | • | • | • | • | • | • | • |
| | Legal / Governmental | • | • | | | • | | | • | | |
| | Environmental, Social, Governance | • | • | • | • | • | • | • | • | • | • |
| | International | • | • | • | • | • | • | • | | • | • |

An aerial photograph showing a paved road that curves along the edge of a dark blue lake. The surrounding landscape is filled with trees in various stages of autumn, with some showing bright yellow and orange leaves, while others remain green. A small red car is visible on the road, moving away from the viewer. The sky is a clear, deep blue.

Risk Management

Using our Enterprise Risk Management Process, our Board of Directors and senior leadership identify, assess and manage key risks that may impact our ability to achieve our strategic objectives. Lear's management continually monitors the material risks facing the company and works with risk owners to identify and implement mitigating actions. With the assistance of its committees, the Board of Directors oversees management actions by:

- Evaluating management reports and inquiring into areas of particular interest
- Reviewing material strategic, operational, financial, compensation, compliance and ESG risks
- Considering specific risk topics in connection with strategic planning and other matters
- Overseeing risk oversight and related activities conducted by board committees through reports of the committee chairpersons to the board



Stakeholder Engagement

Invested in our industry and our company’s success, Lear’s stakeholders include our employees, customers, global supply partners, investors and local communities.

In addition to presenting our business strategy and ESG efforts, we reach out to these groups regularly to collaborate, share best practices, garner feedback, partner and grow. Together, we are working on the issues that matter most to society, the environment and the future of mobility.

Political Contributions & Lobbying

Our **Code of Business Conduct & Ethics** prohibits making any political contributions to be used for political purposes in the name of the company or using Lear funds, assets, services or facilities without the approval of our Board of Directors. We have not made any political contributions in the past five years.

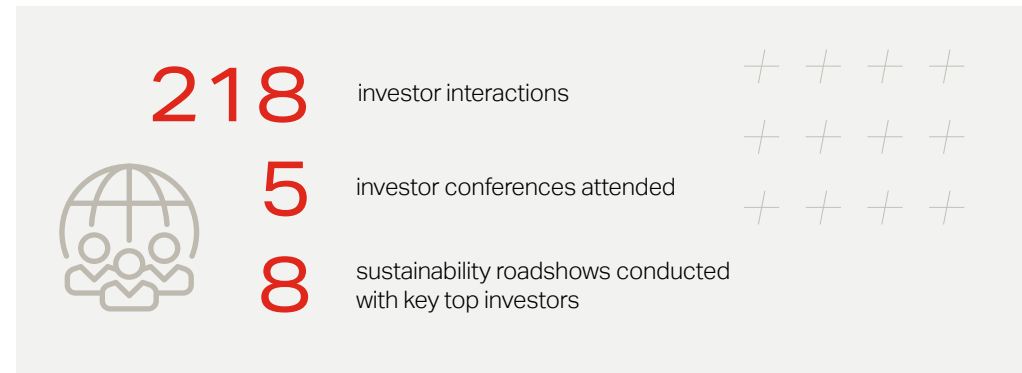
Lear does not have a political action committee (PAC) and has not engaged any third parties to perform political lobbying activities on our behalf. However, we are members of trade associations that may engage in advocacy efforts on behalf of the automotive industry or automotive suppliers in general.

Investor Engagement

Members of Lear’s senior management team engage with shareholders and investors regularly through conferences, product days, non-deal roadshows, small group meetings and one-on-one meetings to discuss a broad variety of topics, including sustainability.

In 2022, we focused on high-quality stakeholder interactions. For example, in October 2022 we met with nine stockholders, whose holdings represent about 50% of our outstanding shares, to discuss ESG matters. Our open dialogue is supplemented by Lear’s:

- Annual sustainability report with reference to the GRI Core Requirements, as well as SASB and TCFD recommendations
- Sustainability assessments and ratings
- SEC filings, including our annual report on Form 10-K and our proxy statement
- Annual shareholder meeting
- Quarterly earnings calls
- Investor relations website
- Investor overview presentation



Ethics & Compliance

Lear's Ethics & Compliance Program strives to support a culture of integrity, where employees feel encouraged and empowered to do the right thing. We set the tone throughout the organization, provide regular training, and offer employees multiple channels to ask questions or report concerns.

Revised Code of Business Conduct & Ethics Published

In 2020, we asked a third party to evaluate our entire compliance program, including our policies and **Code of Business Conduct & Ethics**. Based on their recommendations, we updated our existing policies and added new policies on anti-bribery, anti-corruption, global government meetings, and gifts, meals and entertainment.

In addition, we benchmarked and completely rewrote our Code of Business Conduct & Ethics. Before publication, internal stakeholders, including subject matter experts, were asked to provide their input. The revised code is more intuitive, relevant and easier to read. Each policy is introduced with clear and simple statements describing how we Get Results the Right Way followed by situations taken from actual employee experiences, and examples of correct and incorrect responses to such situations. Links to policies and resources as well as detailed information on how to **Speak Up** guide employees who need more information.

The revised code was introduced in November 2022 during our annual Compliance Week along with training for salaried and hourly employees as well as Lear's Board of Directors. In addition, nearly 650 nonproduction suppliers in Mexico and Honduras were trained on the code in 2022.

At Lear, **both hourly and salaried employees** must review and commit to follow our Code of Business Conduct & Ethics.



2023



Employees hired as or promoted to vice president will also receive in-depth training.

We will extend training to additional suppliers globally.



Targeted Training

In addition to company-wide training on the Code of Business Conduct & Ethics, Lear takes a practical, proactive approach with targeted training on ethics. Each year, salaried employees are required to complete three to four online courses. We choose our training curriculum based on a number of factors, including new regulatory issues and the types of inquiries we receive from employees. Lear also offers in-person and “micro-learning” sessions to supplement employees’ understanding of ethical issues and ways they can support a culture of integrity.

Compliance Week

During our annual Compliance Week, employees around the world learn about topics such as conflicts of interest, anti-retaliation and speaking up via daily emails and short two-minute videos. The annual event reinforces our values and reminds employees how to act with integrity.

Speak Up!

Throughout our facilities, brochures and posters encourage employees and business partners to speak up if they see or suspect a violation of our code, policies, procedures, or any law or regulation by:



Talking to your manager or Human Resources



Reporting online at everyone.lear.com or reportlineweb.com/Lear



Using the mobile phone app by scanning the QR code below or on posters in your facility



Emailing Ethics & Compliance at compliance@lear.com



Calling the numbers posted on the Ethics & Compliance intranet page



Sending a letter to Lear's Chief Compliance Officer at 21557 Telegraph Rd., Southfield, MI 48033

Reports to the Ethics & Compliance Helpline, an independent resource outside Lear, can be made 24/7/365 in 27 languages and anonymously, unless prohibited by local law.

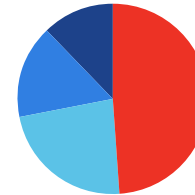
App-Based Reporting



Now available globally, Lear's mobile phone app allows employees to report concerns to the Ethics & Compliance Helpline by simply scanning a QR code on posters at our locations.

2022 Ethics & Compliance Helpline Reports

SPEAK UP



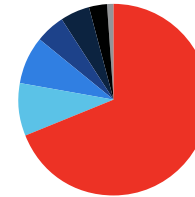
Managers: 49%

Helpline: 23%

Web: 16%

Mobile App: 12%

TYPES OF MATTERS



Workplace Concerns: 69%

Business Related Issues*: 9%

Policy Violation: 8%

Sexual Harassment: 5%

Other Harassment & Discrimination: 5%

Other**: 3%

Retaliation: 1%

833 total reports

0 monetary losses due to noncompetitive behavior

4.6 reports per 1,000 employees

* Falsification of records, theft, fraud & financial concerns, and bribery
 ** Environment, health & safety, and inquiry

Training for Investigators

If a report requires investigation, the Ethics & Compliance team involves a cross-functional team of investigators to help. Anyone who assists in an investigation is offered training explaining the standards to which Lear holds its investigators, how to properly manage an investigation, and how to maintain confidentiality. These investigators are required to follow Lear's Investigator Code of Conduct—which is also published to all employees in 27 languages. The goal is to ensure transparency and accountability throughout the process.

Continuous Improvement & Monitoring

Investigations resolve concerns and provide opportunities for continuous improvement to ensure that everyone who works at Lear upholds our values. To increase transparency, we share metrics with our Board of Directors and with each of our business units. We've also implemented regular cross-functional meetings where we share program updates, best practices and review case studies.

Program Oversight

Led by our Chief Compliance Officer, Lear's Compliance Committee is comprised of a cross-functional team of senior level executives that meet regularly to discuss major initiatives, risk assessments and high-profile investigations. The Chief Compliance Officer reports quarterly to the board's Audit Committee on:

- Status of program initiatives and outcomes of risk assessments
- Complaint reporting metrics, including intake methods, substantiation rates and outcomes
- Training completion rates
- Material compliance-related concerns



Within 48 hours, the Ethics & Compliance team reviews every report and, when appropriate, begins an investigation with the proper departments. Formal escalation criteria determine the level of people who are involved and made aware of the investigation. Substantiated reports result in counseling, verbal and written warnings, or termination of employment, depending on the severity of the incident. All incident statistics and sexual harassment claims are reported to the Audit Committee.



Of the concerns substantiated, 100% were addressed. Here's how:

42%

Coaching, counseling, or additional training

14%

Written warnings

36%

Terminated

8%

Resigned



Data & Cybersecurity

Cybercriminals are using advanced technologies to disrupt manufacturing and extort money. Protecting our manufacturing facilities from disruptions, as well as safeguarding the confidentiality of our employee data and intellectual property, requires ongoing vigilance and the deployment of multiple layers of physical and technical security resources.

For years, Lear has been working to combat these types of global threats, building two collaborative teams dedicated to product and enterprise cybersecurity, respectively. The Audit Committee of our Board of Directors is responsible for both product and enterprise cybersecurity oversight. The Audit Committee is briefed twice a year and at other times as necessary.

Product Security

Led by
Vice President,
Cybersecurity and
Functional Safety

Enterprise Security

Led by
Vice President and
Chief Information
Security Officer

Secure Products

Our world-class, in-house product security experts are directly involved in the design, development, testing and monitoring of Lear's electronic components. Located in six locations around the world and supported by engineering teams with security expertise, our product security team supports all security aspects of product development for electronic modules, including interfaces with cloud communication, smartphones and the production plant.

Working directly with our customers and Lear's product development teams, our approach includes:

- Establishing a product security policy and baseline security levels for all our programs, and if our baseline is beyond our customers' requirements, setting the baseline at the higher level
- Complying with ISO 21434:2021
- Providing guidance for engineers on developing secure products and enforcing a code hygiene standard
- Integrating quality assurance and security controls throughout the product development life cycle
- Increasing process automation to further improve security and efficiency
- Completing design reviews, process audits and technology assessments to confirm products satisfy security requirements
- Performing threat analyses, risk assessments and security testing
- Deploying security on the production line
- Offering security monitoring throughout the life of the vehicle to assess risks and recommend mitigation for newly discovered vulnerabilities
- Conducting regular mandatory global awareness training and technical security training

New Industry ISO Standard for Vehicle Cybersecurity

In the European Union, car makers must implement a certified cybersecurity management system (CSMS) for all new vehicles produced after July 2024 in compliance with UN Regulation No. 155. Automotive companies are using the new ISO 21434:2021 cybersecurity standard to fulfill the CSMS requirement. ISO 21434:2021 applies to electronic systems, components and software as well as any communication interfaces (such as Wi-Fi, Bluetooth® technology, Ethernet, etc.), providing developers with a comprehensive set of process requirements for implementing security safeguards spanning the entire development life cycle and supply chain. Lear contributed to the development of the ISO 21434:2021 standard, and our processes already cover the standard's requirements.



Secure Enterprise

Our enterprise security program focuses on educating people, enhancing processes and applying technology to ensure the integrity and security of the products Lear builds, as well as the confidential information we maintain related to our employees, customers and products.



Information Security Management System

Our Information Security Management System (ISMS) is our source for security policies, standards and forms. The ISMS is based on the ISO 27001:2013 control framework and covers all aspects of the business, from physical security and operations to communications and HR.



Advanced Safeguards

To identify and block threats in real time, our security program applies cutting-edge machine learning to protect Lear. Email defenses automate incident detection and response. Employees can flag suspicious emails with one click, automatically quarantining the email and alerting our Incident Response team. Employees at all levels across the organization gain access through a universal ID management system, bringing everyone in the company under one controlled security umbrella.



Security Awareness Ambassador Network

Nearly 500 employees from diverse functions around the world volunteer to spread threat awareness and share best practices at work and in their communities. Going beyond policies, training and technology, our growing network of ambassadors is passionate about protecting our company.



Security Awareness Challenges

To recognize outstanding achievements in enterprise security, Lear awards six types of challenge coins to employees who help identify malicious emails, plant managers who achieve specific metrics regarding security, ambassadors who produce exceptional results throughout the year, site leaders who develop high-impact awareness campaigns, executives who promote security awareness throughout the business, and employees whose security-minded actions resulted in the direct prevention of a significant threat or loss.

2022 Enterprise Security

0 material expenses related to security breaches

0 material security breaches

~400 cyberattacks blocked

Nearly 500 employees volunteered as security awareness ambassadors in almost 200 locations

400+ challenge coins awarded since 2018

28,000 employees trained

TISAX Certification for Enterprise Security

Global automakers have adopted the Trusted Information Security Assessment Exchange (TISAX), a standard developed by the VDA for information and prototype protection. TISAX certification is a three-year certification earned through independent audits of our information security controls at locations supported by robust centralized processes. To date, 18 Lear sites around the world have earned certification with many more in progress.

Supplier Sustainability

One of Lear's core competencies is managing our complex global supply chain of more than 3,000 production suppliers. We work hard to carefully select our suppliers and develop long-term collaborative relationships for our mutual success. We continuously evaluate supplier quality, delivery and price, as well as supplier governance, human rights and sustainable business practices.

Assessing & Monitoring Risks

The Changing Landscape of Supplier Sustainability

Supplier sustainability is evolving. Governments around the world are considering new laws and regulations. Automakers are requiring suppliers to report more data. Sustainability assessment questionnaires (SAQs) are being updated and expanded.

Recognizing the importance of assessing and addressing ESG risks in our global value chain, Lear monitors our supply chain risks on an ongoing basis. Our efforts continue to evolve to meet customer requirements and support our suppliers while preparing for pending legislation from governments.

Ongoing Assessments

By working with NQC Ltd., our global third-party supply chain sustainability management partner, Lear is identifying and addressing industry-specific sustainability risks. In 2022, we asked our suppliers to complete Drive Sustainability's SAQ 4.0 questionnaire. The SAQ reviews:

- Company management
- Environment
- Working conditions and human rights
- Health and safety
- Business ethics
- Supplier management
- Responsible sourcing of raw materials

As of the end of 2022, we successfully completed more than 2,800 site assessments. In 2023, we plan to continue to assess our medium- to high-risk production suppliers using the new SAQ 5.0, which covers the same general categories as SAQ 4.0 but offers more in-depth analysis. New suppliers will also be assessed during the onboarding process.

In a separate project with CDP, we requested carbon data from nearly 500 suppliers chosen based on spend data, commodity provided, and locations. We are continuing this assessment and engagement with our suppliers in 2023. This data is used to assess risk, support our Scope 3 emissions calculations, and prioritize our carbon mitigation efforts in our supply chains.

Supplier and Sourcing Training

The SAQ process revealed that many suppliers are new to ESG reporting. As such, we are working to engage, train and coach our suppliers in this area. We have provided training on how to complete SAQ and CDP assessments, and what types of validation criteria are needed to improve their scores. We believe these engagement efforts will benefit the entire supply chain.

Since our purchasing teams select suppliers, we also developed training for our own sourcing professionals to help them understand ESG criteria, coach suppliers, identify potential human rights issues, and reinforce our Code of Conduct for Suppliers. The training launched in early 2023.



Scoring Success and Monitoring Risks

SAQ scores provide an indicator of a supplier's sustainability policies and procedures compared with industry standards. In compliance with our [Supplier Sustainability Policy](#), Lear uses SAQ responses to grade each supplier on a supplier sustainability scorecard. The scorecards are made available to our procurement group for consideration.

Suppliers that do not achieve a satisfactory score are required to submit an action plan and timeline for improvement. Lear will work with the supplier as needed to assist in resolving potential concerns. This could include on-site surveillance by Lear or a third party. Supplier performance will be actively managed on an ongoing basis.

With guidance from international standards and global advocates for protecting human rights, such as the UN Guiding Principles for Business and Human Rights, Lear will continue to identify best practices and tools to resolve potential concerns. While our preference is to remedy potential issues with existing suppliers, Lear reserves the right to cancel contracts and switch to a compliant vendor when appropriate remedies cannot be achieved.

Lear Core Competency: Managing Our Extensive Global Supply Chain

Qualifying Suppliers

Lear's suppliers must:

- Meet the standards in our [Global Requirements Manual and Code of Conduct for Suppliers](#) and our [Supplier Sustainability Policy](#)
- Complete an SAQ administered by NQC
- Ensure their own suppliers have the same or substantially similar policies and processes in place
- Demonstrate proven production capabilities, finances, quality systems, policies and procedures to consistently produce uniform, quality parts
- Achieve IATF 16949:2016 certification

Managing Risk

To support our customers' just-in-time production, Lear:

- Requires new or alternative suppliers to demonstrate production capability and obtain written approval before products can be substituted
- Monitors supplier facilities for compliance and may terminate the relationship due to any breach of the [Global Requirements Manual and Code of Conduct for Suppliers](#) or violation of law
- Obtains multiple component sources and dual validation, where practical

Monitoring

To monitor compliance, Lear:

- Performs regular evaluations including on-site reviews when and where practicable
- Uses proprietary risk management systems and scorecard metrics to identify potential warning signs and risks at an early stage
- Conducts intensive reviews when a supplier experiences quality, delivery or other issues

Resources

Lear's online [Supplier Information Portal](#) provides our suppliers with these valuable resources:

- [Global Requirements Manual and Code of Conduct for Suppliers](#) – outlines standards and obligations all suppliers must meet, including our right to audit and assure compliance.
- [Supplier Sustainability Policy](#) – addresses our expectations and direction on critical ESG topics such as human rights, working conditions, bribery and corruption, environmental, safety, and freedom of association, among others.

Forced Labor Awareness Campaign

Since launching our [Forced Labor Awareness Campaign](#) in 2019, we continue to educate our global supply chain partners on the risks and warning signs of child labor, forced labor and human trafficking using resources from the International Labour Organization (ILO), including a video dramatizing how people find themselves in forced labor situations.

3,000+ production suppliers globally

254 minority-owned, women-owned and veteran-owned suppliers engaged

Responsible Sourcing

Conflict Minerals

A variety of minerals—such as tin, tungsten, tantalum and gold (also known as 3TG)—are raw materials in certain products supplied by both our Seating and E-Systems businesses. Also known as conflict minerals, 3TG minerals can sometimes be linked to high-risk areas where child labor and EHS issues are common. We work to prevent the use of components where the extraction, transport, trade, processing and export of raw materials are obtained from sources where regulations and controls are not validated. For example, Lear:

- Requires suppliers to perform due diligence of their own supply chains and report the content of the parts they provide to Lear
- Discloses the use of conflict materials originating in the Democratic Republic of the Congo and adjoining countries, including Conflict-Affected and High-Risk Areas (CAHRAs) each year
- Uses an active mapping process to ensure we are driving toward conflict-free sourcing of all materials used in our products
- Follows the five-step Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas framework from the Organization for Economic Co-operation and Development (OECD)
- Participates in **industry-driven programs**, such as the Responsible Minerals Initiative, which validate industry-wide control systems and transparency, including chain of custody and traceability systems
- Continually benchmarks our efforts via the **AIAG**, cross-industry collaboration groups and benchmarking firms such as the Responsible Sourcing Network (RSN). Lear compares favorably to peers and the industry in general.

A 5 - Step Framework



Establish strong company management systems



Identify and assess risk in the supply chain



Design and implement a strategy to respond to identified risks



Carry out independent third-party audit of supply chain due diligence



Report annually on supply chain due diligence

READ ▶ Our **Annual Conflict Minerals Report**.

▶ Our latest product information is available on **lear.com**.

Minerals of Concern

Small amounts of cobalt and mica are used in electrical automotive components, while copper is used in nearly all of Lear's products. Like 3TG minerals, these materials can sometimes be linked to high-risk areas and may also be considered minerals of concern.

Although these materials are not directly subject to the diligence and reporting requirements applicable to 3TG, Lear is taking a leadership role with the AIAG's Responsible Materials Work Group, developing industry guidelines similar to those for conflict minerals, and helping suppliers promote sustainability and increased due diligence within their supply chains, where applicable. We are also working with the Responsible Minerals Initiative (RMI) to provide guidance and tools to increase supplier engagement and awareness.

In 2022, we assessed the cobalt and mica content in all of our products, identified suppliers that provide components containing these minerals, and began requiring them to report processors to help us conduct enhanced traceability exercises and perform additional due diligence on potential risks in sourcing these materials in our supply chain. We have begun similar assessments on copper.

Lear's 2022 Annual Conflict Minerals Report

839 total in-scope suppliers* **96%** response rate

** The number of suppliers increased substantially since 2021 due to recent acquisitions and new customer business.*

To help protect the people and environments where we do business—even in places outside our direct supply base—Lear has developed and adopted a [Responsible Materials Sourcing Policy](#) as well as a [Supplier Sustainability Policy](#).



German Supply Chain Due Diligence Act

In June 2021, Germany approved its Supply Chain Due Diligence Act. Established with the aim of protecting human rights and promoting sustainable production, the legislation took effect in January 2023. Lear has analyzed and is in alignment with this law.

Leather

Responsibly Sourced

Eagle Ottawa by Lear selects premium hides—a primary raw material that is 100% natural and 100% renewable—from suppliers in Argentina, Brazil, China, France, Germany, Italy, Mexico, Spain, the United States and Uruguay. Through our comprehensive supply chain management system, Eagle Ottawa only works with top Leather Working Group (LWG) rated suppliers, and ensures they meet our standards and comply with our **Supplier Sustainability** and **No Deforestation** policies. We are confident that our suppliers have state-of-the-art systems in place to protect against deforestation.

We log incoming hides using codes stamped on each hide to trace them back to processing centers, and in Brazil, to the farms directly supplying processing centers. In Brazil's Amazon, Cerrado, Pantanal, Mata Atlantica and Caatinga Biome, our major direct suppliers use satellite images to assess vegetation density and cross reference this information with mandatory government environmental registration programs to block farms where deforestation, intrusion on indigenous lands, or invasion of conservation areas are detected.

In fact, Eagle Ottawa's largest direct hide supplier uses a network of "green offices" to provide support to help potentially noncompliant suppliers correct violations and processes. Developed through government and NGO collaboration, the Beef on Track Protocol also provides uniform guidelines for responsible cattle sourcing.

100%

of direct leather hide suppliers received or maintained LWG certifications with gold or silver ratings as of December 31, 2022

Accelerating Supply Chain Transparency

Eagle Ottawa's direct suppliers in Brazil use state-of-the-art systems to track every hide to the groups of farms from which they or their direct suppliers purchased the animal. Our major suppliers are developing blockchain and AI technology systems to further improve traceability. We are also working with suppliers and using public information provided by government databases and other organizations' monitoring systems to improve traceability in an effort to avoid purchasing materials from illegally deforested areas. We collaborate with certain automakers, suppliers and, more recently, with the World Wildlife Fund (WWF) on specific projects to receive guidance, share knowledge, collaborate and improve transparency.

Through NQC Ltd., our global third-party supply chain sustainability management partner, Lear is in the process of assessing all medium- to high-risk production suppliers or commodities, including hide suppliers, using Drive Sustainability's SAQ 4.0 sustainability criteria. We are transitioning to SAQ 5.0 in 2023. In addition, traceability audits from third parties such as LWG, which also monitors environmental compliance and performance, are conducted regularly. To evaluate farms' animal management policies and performance, the food industry has adopted the Business Benchmark on Farm Animal Welfare (BBFAW) rating criteria.





Responsibly Produced

For more than 150 years, Eagle Ottawa has produced premium leather products. Some of our most notable sustainability innovations include:

- 2023** Expect all Eagle Ottawa finishing sites to achieve LWG certification
- 2022** Completed comprehensive, third-party LCA study to assess the environmental impact associated with leather products and obtained LWG certification at four Eagle Ottawa finishing plants in China, Hungary and Mexico
- 2021** First supplier to develop an OEM-approved, ready-for-market 90 - 95% bio-based leather. Known as BioTech, our bio-based leather uses recycled and repurposed retanning agents from the food, wood and leather industries
- 2018** First LCAs conducted by Eagle Ottawa to determine the environmental impact associated with the life cycle of two leather products
- 2013** First Eagle Ottawa manufacturing site to install solar panels to power its water treatment plant
- 2004** First-to-market low volatile organic compound (VOC) leather, leading to 90% lower aldehyde emissions in cars
- 1995** First automotive leather manufacturer to mass produce vegetable-tanned, chrome-free leather
- 1991** First automotive supplier to switch to water-based finishing, reducing hazardous air pollutants by 99%

As part of our ongoing LCA strategy, Lear commissioned a comprehensive third-party study in 2022 to assess 256 production value chain configurations for our leather product portfolio using ISO 14040:2006 and 14044:2006 compliant methods. The findings provided Eagle Ottawa with the most reliable and impactful targets to help us reduce our carbon emissions and environmental impact.

We use best-in-class product specifications and process controls to operate our state-of-the-art production facilities across the globe. Determining and reducing our environmental impact is an ongoing priority. We are working toward zero-landfill, less waste, lower water consumption and reduced carbon emissions goals. In 2022, four Eagle Ottawa finishing facilities in China, Hungary and Mexico received LWG certification, with three sites receiving gold ratings and one silver. A fifth site in Thailand was certified in early 2023, ensuring 100% certification for all Eagle Ottawa finishing sites.





Luxurious & Sustainable

The luxurious leather covering the seats in vehicles around the world is not only comfortable and durable but sustainable. And consumers continue to desire leather. In a 2021 study conducted by Unmuted Consumer Insights, LLC, current EV and plug-in hybrid EV owners and consumers in the market for these vehicles perceived genuine leather as a luxury. Additionally, twice as many ranked leather as a “must have” feature compared with participants who chose synthetic seats.

The value chain begins with cattle raised to provide beef for the food industry. As a by-product worth about 4% of the animal's market value, hides are upcycled for leather manufacturing, diverting about 165 million hides from landfills every year. And unlike synthetic, fossil-fuel based materials, cattle hides are a 100% natural, renewable resource.

Ethical Treatment of Animals

We expect our extended supply chain to implement industry-best policies and practices for the ethical treatment of animals. These practices are reviewed by independent third parties, including on-site veterinarians.

Five Freedoms of Animal Welfare

| | | | | |
|--|---|--|---|--|
|  <p>Freedom from Hunger and Thirst</p> |  <p>Freedom from Discomfort</p> |  <p>Freedom from Pain, Injury or Disease</p> |  <p>Freedom to Experience Normal Behavior</p> |  <p>Freedom from Fear and Distress</p> |
|--|---|--|---|--|

Employees and our supplier partners can anonymously report any animal welfare concerns in their language via a toll-free phone call, email, online website or regular mail.



Appendix

About This Report

Except where otherwise noted, the data provided in this report covers the fiscal period from January 1 to December 31, 2022, for global Lear Corporation activities. Lear Corporation is a publicly traded Fortune 500 company registered in Delaware and headquartered in Southfield, Michigan. Lear Corporation is a leading Tier 1 supplier to the global automotive industry. We supply seating, electrical distribution systems and electronic modules, as well as related sub-systems, components and software, to all of the world's major automotive manufacturers. We have 253 manufacturing, engineering and administrative locations in 37 countries and are continuing to grow our business in all automotive-producing regions of the world, both organically and through complementary acquisitions.

The GHG emissions and environmental data covers all owned or leased operations worldwide, for which Lear has operational control for calendar year 2022. Any warehouses and offices leased or owned by Lear that are not part of the manufacturing/production facilities are excluded from Lear's organizational boundary for GHG emissions and environmental data reporting.

Limited Level of Assurance: Scope 1 & 2 Emissions

Lear has received limited assurance from Trinity Consultants, Inc. (Trinity) as a result of the third-party verification that was completed for calendar year 2022 GHG Emissions Inventory (Scope 1 and Scope 2). Trinity's full statement of limited assurance can be found on pages 127-128.

The Lear Every Day, Striving for Better sustainability report was written with reference to the GRI Standards, including economic, environmental, and social governance topics that impact our stakeholders. Please refer to our [GRI Content Index](#) for an overview of our GRI alignment and complying report content.

MSCI Research LLC disclaimer:

The use by Lear Corp. of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Lear Corp. by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided "as-is" and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

Lear conducted a refresh of its Materiality Assessment based on engagement with and input from our key stakeholders. Details on how the refresh was conducted, identified material topics, as well as how Lear uses the information to inform our strategies and reporting, can be found beginning on page 11.

The use of "material" or "materiality" in this report is directly related to those issues we believe have the greatest impact on our stakeholders, from a sustainability perspective. The use of "material" or "materiality" is not intended to convey matters or facts that could be deemed "material" to a reasonable investor as referred to under U.S. securities laws or similar requirements of other jurisdictions.

Restatements of previously reported information, if occurred, are indicated where necessary throughout the report.

We expect to update this report annually. However, we undertake no obligation to update any statements herein to reflect later developments. This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words "will," "may," "designed to," "outlook," "believes," "should," "anticipates," "plans," "expects," "intends," "estimates," "forecasts" and similar expressions identify certain of these forward-looking statements. The company also may provide forward-looking statements in oral statements or other written materials released to the public. All statements contained or incorporated in this document or in any other public statements that address operating performance, events or developments that the company expects or anticipates may occur in the future are forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements are discussed in Lear's Annual Report on Form 10-K for the year ended December 31, 2022, and its other Securities and Exchange Commission filings.

Published date of previous report: 2021 Sustainability Report (June 2022)

For questions, please contact Carolyn Markey at cmarkey@lear.com.

Statement of Verification – Trinity Consultants, Inc.



300-600 Don Mills Road, Toronto ON M3B 0E7 / P 416.291.2811 / info@trinityconsultants.com

June 28, 2023

RE: CY2022 Greenhouse Gas Emission Verification Statement for Lear Corporation

Lear Corporation (Lear) engaged Trinity Consultants, Inc. (Trinity or the "Verifier") for verification services for Lear's Calendar Year (CY) 2022 corporate Greenhouse Gas (GHG) emissions inventory and associated energy consumption. The verification scope is defined as an independent and objective review of the emissions data reported for Scope 1 and 2 categories for CY2022. In addition, the scope includes an independent and objective review of the energy consumption data, limited to fuels for direct GHG emission sources for Scope 1 and purchased electricity for Scope 2, using the evidence-based sampling approach. The verification was completed based on the ISO 14064-3:2019 standard, Greenhouse Gases – Part 3: Specification with Guidance for the Verification and Validation of Greenhouse Gas Statements.¹

This letter and the verifier's project deliverables, including the opinion(s), are addressed to you and are solely for your benefit in accordance with the terms of the contract. The scope of this verification is **limited assurance**. Verification activities applied in a **limited level of assurance** are less extensive in nature, timing, and scope in comparison to a **reasonable level of assurance**.

Following our engagement contract with Lear and for the avoidance of doubt, we confirm that our Scope 1 and Scope 2 GHG emissions and energy verification incorporated the following matters:

1. Boundaries of the reporting company covered by the assurance report and any known exclusions:

- **Operational control of Lear's manufacturing facilities (excluding offices, warehouses).**
- **Global operations.**

2. Emissions and energy data verified – broken down by Scope 1, Scope 2 categories, and energy consumption with figures given; option to include other relevant data that has been verified with figures:

- **CY2022**
 - Scope 1: 78,554 metric tonnes CO₂e
 - Scope 2 (location-based): 341,850 metric tonnes CO₂e
 - Scope 2 (market-based): 277,680 metric tonnes CO₂e
 - Energy consumption (non-renewable and renewable): 783,280 MWh

3. Period covered (e.g. "12 months to DD MM YY"):

¹ ISO 14064-3:2019 Standard: <https://www.iso.org/standard/56435.html>

HEADQUARTERS

12700 Park Central Dr., Ste 2100, Dallas, TX 75221 / P 800.224.8000 / P 972.661.8000 / F 972.385.6000

Lear Corporation – Page 2
June 28, 2023

- **CY2022: From January 1, 2022 through December 31, 2022**

4. GHG calculation and reporting protocols including, but not limited to:

- **World Resources Institute (WRI) / World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard.**
- **WRI / WBCSD Scope 2 Guidance (amendment to the GHG Protocol Corporate Standard).**
- **AR4 global warming potentials (GWP).**
- **U.S. EPA Mandatory Reporting Rule (40 CFR Part 98).**
- **U.S. EPA Emission & Generation Resource Integrated Database 2020 (eGRID).**
- **The Climate Registry (TCR) 2020 and 2021 General Reporting Protocol.**
- **International Energy Agency (IEA) Emissions Factors.**

5. Verification standard used:

- **ISO 14064-3:2019**

6. Assurance opinion (including level of assurance and any qualifications):

This verification statement attests with a **limited assurance that Lear's CY2022 corporate GHG emissions inventory is assured of being free of material misstatements for each category of emissions, including Scope 1 and Scope 2 emissions, and for energy consumption. (i.e., the estimated percent error/discrepancy is less than 5% of the verified total for each scope of emissions).**

7. Verification provider and accreditations (if relevant):

Trinity Consultants is an international consultancy with over 45 years of experience developing, reviewing, and providing assurance on emission inventories of all types – including GHG inventories. Professional competence, due diligence, and impartiality were exercised via:

- **Independence** – Neither Trinity Consultants nor Verification Team members had any participation in development of the enterprise-wide GHG inventory for Lear. The team maintained objectivity throughout the GHG assurance process and made determinations based on objective evidence gathered and generated during the evaluation.
- **Ethical Conduct** – The Verification Team demonstrated discretion and observed appropriate confidentiality procedures throughout the GHG assurance process.
- **Fair Presentation** – The findings and conclusions presented in this report are presented truthfully and accurately. No significant obstacles were encountered in executing the GHG verification.
- **Due Professional Care** – The Verification team members possess several years of collective experience in developing and reviewing GHG inventories. Due professional care and judgment were exercised in conducting the GHG inventory assurance.

Statement of Verification – Trinity Consultants, Inc.

Lear Corporation – Page 3
June 28, 2023

B. Lead verifier names and relevant accreditations/professional membership (if relevant):

Sundar Sadashivam, MS, CM

- Managing Consultant at Trinity Consultants
- GRI Certified Sustainability Professional
- NJDEP Certified Air Auditor

Grace Saunders, MA

- Senior Consultant at Trinity Consultants

The verifiers have extensive experience in conducting GHG emissions quantification and auditing for various types of facilities and has an excellent understanding of the methodology for the verification of greenhouse gas emissions data.

TRINITY CONSULTANTS

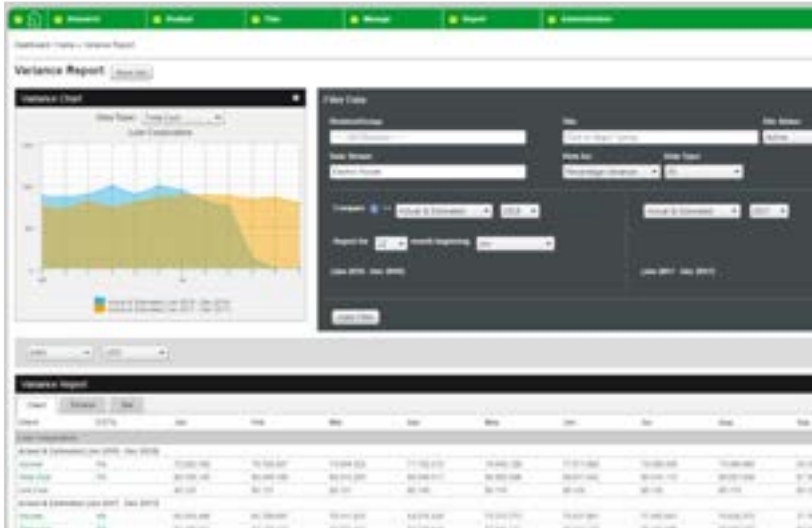


Sundar Sadashivam
Managing Consultant



Grace Saunders
Senior Consultant

Lear's Data Management and Integrity Platforms



The screenshot shows the 'Confidential Improvement Tracking System - CITS' interface. It features a search form with fields for 'Project ID', 'Project Name', 'Business Segment', and 'Status'. Below the form is a table of project results with columns: Project ID, Project Name, Business Segment, Risk, Problem Statement, Project Type, Status, Milestones, Status, Completed, and Milestones.

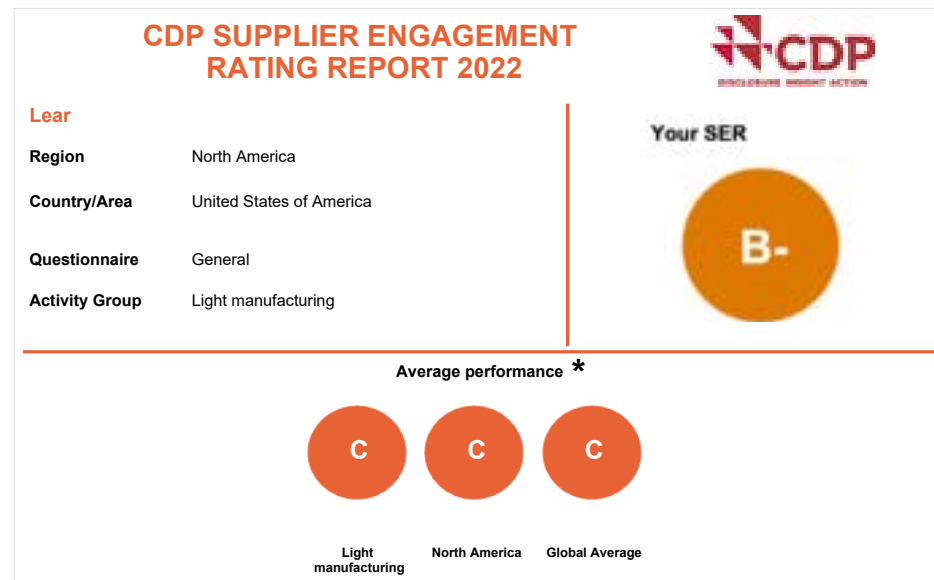
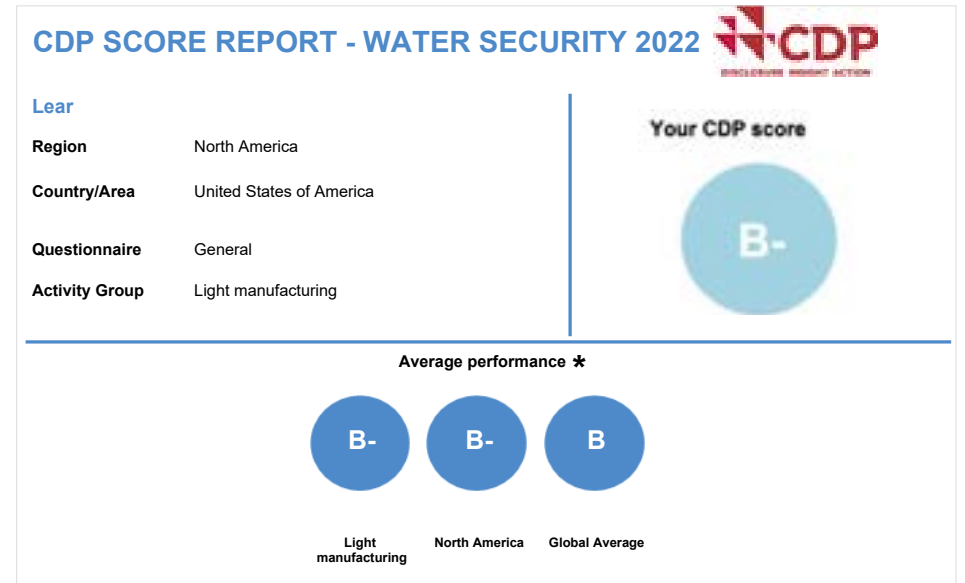
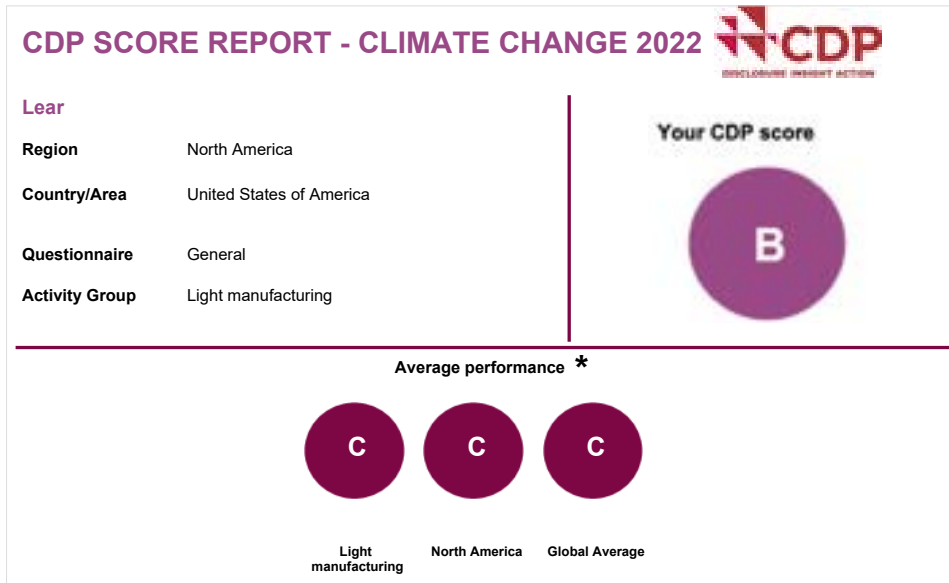
| Project ID | Project Name | Business Segment | Risk | Problem Statement | Project Type | Status | Milestones | Status | Completed | Milestones |
|------------|--------------|------------------|--------|--|--------------|-------------|------------|-----------|-----------|------------|
| 1001 | Project A | Segment X | High | Issue with production efficiency in Region X | Operational | In Progress | Q1 2023 | On Track | Yes | Q1 2023 |
| 1002 | Project B | Segment Y | Medium | Customer satisfaction decline in Region Y | Customer | Completed | Q2 2022 | Completed | Yes | Q2 2022 |
| 1003 | Project C | Segment Z | Low | Supply chain volatility in Region Z | Logistics | On Hold | Q3 2023 | On Hold | No | Q3 2023 |

The screenshot shows the 'everyONE.Lear.com' website. The main content area is titled 'Continuous Improvement profile' and features a central graphic with 'CI' and 'CUSTOMER FOCUS'. Below the graphic is a 'new discussion' button and a link to 'LEAN SIX SIGMA FOR MANUFACTURING OR NON-MANUFACTURING FM'. A sidebar on the left lists various site content categories.

The screenshot shows a project management dashboard. At the top, it says 'Global Steering'. Below this is a world map. A list of navigation options is visible: 'Request Additional Plant Location Access', 'Run a Report', 'Weekly Data Events', and 'Change History'.



CDP Scores



* The average performance ratings provided by CDP enable companies to progress toward environmental stewardship through benchmarking and comparison with peers, in order to continuously improve.

Industry Associations

Our employees are making an impact. Our suppliers are working to do their part, too. But that isn't enough. Lear also takes an active role in ESG through automotive industry and cross-industry organizations including:

Automotive Industry Action Group (AIAG)

- Board of Directors
- Board of Directors Objectives & Compensation Committee
- Corporate Responsibility Steering Committee
- Responsible Materials Work Group and Sub-groups:
 - Industry Best Practices
 - Global Requirements & Minerals Sensing
 - Smelter Engagement Team (AIAG-RMI Partnership)
 - Information Sharing
- Health & Safety Ad Hoc Group
- Living Wage Definition Project Team

Clean Energy Buyers Alliance (CEBA)

Climate Group's RE100

Drive Sustainability, Associated Partner

DTE On-Site Energy Management Pilot Program

International Safety Quality Environment Management Association (ISQEM)

- Board of Directors

Manufacturers Alliance for Productivity and Innovation

- Base Member

National Institute for Occupational Safety & Health (NIOSH)

- National Occupational Research Agenda (NORA) Manufacturing Council
- NORA Service Council

Original Equipment Suppliers Association (OESA) and the Motor & Equipment Manufacturers Association (MEMA)

- Communications Executive Council
- Legal Issues Council

Responsible Minerals Initiative (RMI)

- Due Diligence Practices Team
- Minerals Reporting Template Work Group
- Smelter Engagement Team

Suppliers Partnership for the Environment

- Founding Member
- Board of Directors, Member
- Vice Chair
- EHS Forum Co-Chair
- Chemical Management Committee
- Carbon and Energy Committee
- Water Stewardship Committee

U.S. Department of Energy (DOE)

- Better Climate Challenge members

Diversity Partners

- Asian Pacific American Chamber of Commerce (APACC)
- Canadian Aboriginal Minority Supplier Council (CAMSC)
- Council of Supplier Diversity Professionals (CSDP)
- Detroit Regional LGBT Chamber of Commerce (DRLGCC)
- Great Lakes Women's Business Council (GLWBC)
- Michigan Hispanic Chamber of Commerce (MHCC)
- Michigan Minority Supplier Development Council (MMSDC)
- National Association of Women Business Owners (NAWBO)
- National Business League (NBL)
- National Minority Supplier Development Council (NMSDC)
- National Veterans Business Development Council (NVBDC)
- Veteran Owned Business Roundtable (VOBRT)
- Women's Business Enterprise Canada (WBE)
- Women's Business Enterprise National Council (WBENC)

Global Reporting Initiative (GRI) Content Index

Lear Corporation has reported the information cited in this GRI content index for the period of January 1, 2022, to December 31, 2022, with reference to the GRI Standards.

| GRI Standard | Disclosure | Location |
|-----------------------------------|---|--|
| GRI 1: Foundation 2021 | | |
| GRI 2: General Disclosures | | |
| 2-1 | Organizational details | Pages 2, 7-8, 126, Lear Corporation |
| 2-2 | Entities included in the organization's sustainability reporting | Pages 2, 126 |
| 2-3 | Reporting period, frequency and contact point | Pages 2, 126 |
| 2-4 | Restatement of information | N/A |
| 2-5 | External Assurance | Pages 127-128 |
| 2-6 | Activities, value chain and other business relationships | Pages 4, 7-8, 26-32 Lear's 2022 Annual Report 02/09/23, pages 3-12, Lear Corporation |
| 2-7 | Employees | Pages 7, 49, 57-58 Lear's 2022 Annual Report 02/09/23, page 15 Lear's EEO-1 Summary Data |
| 2-8 | Workers who are not employees | Page 92 Lear reports occupational injuries and illnesses for external contractors |
| 2-9 | Governance structure and composition | Pages 101, 103-105 Lear Proxy Statement 04/04/23, pages 5-17 Lear's 2022 Annual Report 02/09/23, pages 101-106 |
| 2-10 | Nomination and selection of the highest governance body | Pages 103-105 Lear Proxy Statement 04/04/23, pages 5-31 |
| 2-11 | Chair of the highest governance body | Lear Proxy Statement 04/04/23, pages 6-31 |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | Pages 101-105 Lear Proxy Statement 04/04/23, pages 5-31 |
| 2-13 | Delegation of responsibility for managing impacts | Pages 101-105 Lear Proxy Statement 04/04/23, page 20 |
| 2-14 | Role of the highest governance body in sustainability reporting | Pages 101-105 |
| 2-15 | Conflicts of interest | Pages 110-113 |
| 2-16 | Communication of critical concerns | Pages 110-113 |
| 2-17 | Collective knowledge of the highest governance body | Pages 103-106 Lear Proxy Statement 04/04/23, pages 6-16 |
| 2-18 | Evaluation of the performance of the highest governance body | Lear Proxy Statement 04/04/23, pages 32-37 |

GRI Content Index

| GRI Standard | Disclosure | Location |
|-------------------------------|--|--|
| 2-19 | Remuneration policies | Page 102 Lear Proxy Statement 04/04/23, pages 32-37 Lear's 2022 Annual Report 02/09/23, page 15 |
| 2-20 | Process to determine remuneration | Page 102 Lear's 2022 Annual Report , page 15 Lear Proxy Statement 04/04/23, pages 32-37 |
| 2-21 | Annual total compensation ratio | Page 102 Lear Proxy Statement 04/04/23, page 104 |
| 2-22 | Statement on sustainable development strategy | Pages 101, 104 |
| 2-23 | Policy Commitments | Lear's policy and commitments are featured throughout the 2022 Sustainability Report. Pages 37, 87, 109, 118 Lear Corporation |
| 2-24 | Embedding policy commitments | Lear's policy and commitments are featured throughout the 2022 Sustainability Report. Pages 37, 71, 87, 109, 118 Lear Corporation |
| 2-25 | Processes to remediate negative impacts | Details on Lear's commitments to provide for or cooperate in the remediation of negative impacts can be found throughout the 2022 Sustainability Report. Pages 37, 87, 109-112, 118 |
| 2-26 | Mechanisms for seeking advice and raising concerns | Details on Lear's mechanisms for seeking advice and raising concerns can be found throughout the 2022 Sustainability Report. Pages 37, 87, 109-112, 118 |
| 2-27 | Compliance with laws and regulations | Pages 71, 111 Lear's 2022 Annual Report 02/09/23, pages 15, 18 |
| 2-28 | Membership associations | Pages 21, 59, 131 |
| 2-29 | Approach to stakeholder engagement | Pages 11, 108 |
| 2-30 | Collective bargaining agreements | Pages 83- 84 Lear's 2022 Annual Report 02/09/23, page 94 |
| GRI 3: Material Topics | | |
| 3-1 | Process to determine material topics | Pages 11-13 |
| 3-2 | List of material topics | Pages 11-13 |
| 3-3 | Management of material topics | The management of Lear's material topics is defined throughout the 2022 Sustainability Report. Pages 11-13 |

GRI Content Index

| GRI Standard | Disclosure | Location |
|--|---|--|
| GRI 201: Economic Performance | | |
| 201-1 | Direct economic value generated and distributed | Page 7 Lear's 2022 Annual Report 02/09/23, pages 89-100 |
| 201-2 | Financial implications and other risks and opportunities due to climate change | Lear's 2022 TCFD disclosure |
| 201-3 | Defined benefit plan obligations and other retirement plans | Lear's 2022 Annual Report 02/09/23, pages 58, 91 Lear Proxy 04/04/23, pages 55, 57-63 |
| 201-4 | Financial assistance received from government | Information unavailable |
| GRI 202: Market Presence 2016 | | |
| 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | Information unavailable |
| 202-2 | Proportion of senior management hired from the local community | Information unavailable |
| GRI 203: Indirect Economic Impacts 2016 | | |
| 203-1 | Infrastructure investments and services supported | Information unavailable |
| 203-2 | Significant indirect economic impacts | Information unavailable |
| GRI 204: Procurement Practices 2016 | | |
| 204-1 | Proportion of spending on local suppliers | Page 54 Lear discloses our annual spend and programs to support diverse suppliers. |
| GRI 205: Anti-corruption 2016 | | |
| 205-1 | Operations assessed for risks related to corruption | Information unavailable |
| 205-2 | Communication and training about anti-corruption policies and procedures | Pages 110-113 |
| 205-3 | Confirmed incidents of corruption and actions taken | Page 112 |
| GRI 206: Anti-competitive Behavior 2016 | | |
| 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Page 112 |
| GRI 207: Tax 2019 | | |
| 207-1 | Approach to tax | Lear's 2022 Annual Report 02/09/23, page 79 Information incomplete. Lear will consider full disclosure in the future. |
| 207-2 | Tax governance, control, and risk management | Lear's 2022 Annual Report 02/09/23, page 48 Information incomplete. Lear will consider full disclosure in the future. |
| 207-3 | Stakeholder engagement and management of concerns related to tax | Information unavailable |
| 207-4 | Country-by-country reporting | Information unavailable |
| GRI 301: Materials 2016b | | |
| 301-1 | Materials used by weight or volume | Page 93 Lear's SASB 2022 Information not available in entirety |

GRI Content Index

| GRI Standard | Disclosure | Location |
|--|---|---|
| 301-2 | Recycled input materials used | Page 93 Lear's SASB 2022 Information not available in entirety |
| 301-3 | Reclaimed products and their packaging materials | Page 93 Lear's SASB 2022 Information not available in entirety |
| GRI 302: Energy 2016 | | |
| 302-1 | Energy consumption within the organization | Page 41 Information not available in entirety |
| 302-2 | Energy consumption outside of the organization | Information unavailable |
| 302-3 | Energy intensity | Page 41 |
| 302-4 | Reduction of energy consumption | Page 41 |
| 302-5 | Reductions in energy requirements of products and services | Information unavailable |
| GRI 303: Water and Effluents 2018 | | |
| 303-1 | Interactions with water as a shared resource | Pages 43-45 |
| 303-2 | Management of water discharge-related impacts | Information unavailable |
| 303-3 | Water withdrawal | Page 45 |
| 303-4 | Water discharge | Page 45 |
| 303-5 | Water consumption | Page 45 |
| GRI 304: Biodiversity 2016 | | |
| 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Information unavailable |
| 304-2 | Significant impacts of activities, products and services on biodiversity | Lear's 2022 TCFD disclosure |
| 304-3 | Habitats protected or restored | Information unavailable |
| 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations | Information unavailable |
| GRI 305: Emissions 2016 | | |
| 305-1 | Direct (Scope 1) GHG emissions | Page 42 |
| 305-2 | Energy indirect (Scope 2) GHG emissions | Page 42 |
| 305-3 | Other indirect (Scope 3) GHG emissions | Page 42 Lear has begun to engage our global supply partners in the CDP Supplier Engagement survey and will report Scope 3 emissions in the future. |
| 305-4 | GHG emissions intensity | Pages 32, 42 |
| 305-5 | Reduction of GHG emissions | Pages 40-42 |
| 305-6 | Emissions of ozone-depleting substances (ODS) | Information unavailable |
| 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Information unavailable |

GRI Content Index

| GRI Standard | Disclosure | Location |
|--|---|---|
| GRI 306: Waste 2020 | | |
| 306-1 | Waste generation and significant waste-related impacts | Page 47 |
| 306-2 | Management of significant waste-related impacts | Pages 46-47 |
| 306-3 | Waste generated | Page 47 |
| 306-4 | Waste diverted from disposal | Pages 46-47 |
| 306-5 | Waste directed to disposal | Page 47 |
| GRI 308: Supplier Environmental Assessment 2016 | | |
| 308-1 | New suppliers that were screened using environmental criteria | Page 119 |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | Pages 117-124 |
| GRI 401: Employment 2016 | | |
| 401-1 | New employee hires and employee turnover | Pages 49, 57-58 Lear reports key new hire data points. |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Pages 78-79 |
| 401-3 | Parental leave | Page 79 |
| GRI 402: Labor/Management Relations 2016 | | |
| 402-1 | Minimum notice periods regarding operational changes | Information unavailable |
| GRI 403: Occupational Health and Safety 2018 | | |
| 403-1 | Occupational health and safety management system | Pages 88-92 |
| 403-2 | Hazard identification, risk assessment, and incident investigation | Pages 88-92 |
| 403-3 | Occupational health services | Pages 88-92 |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | Pages 88-92 |
| 403-5 | Worker training on occupational health and safety | Page 90 |
| 403-6 | Promotion of worker health | Pages 88-92 |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Pages 88-92 |
| 403-8 | Workers covered by an occupational health and safety management system | Pages 88-92 |
| 403-9 | Work-related injuries | Pages 90-91 |
| 403-10 | Work-related ill health | Pages 88-92 |
| GRI 404: Training and Education 2016 | | |
| 404-1 | Average hours of training per year per employee | Page 49 Lear reports total training hours globally. |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Pages 68-77 |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | Pages 68-77 Lear reports on development programs available to employees. |

GRI Content Index

| GRI Standard | Disclosure | Location |
|---|--|---|
| GRI 405: Diversity and Equal Opportunity 2016 | | |
| 405-1 | Diversity of governance bodies and employees | Pages 57-58, 104 |
| 405-2 | Ratio of basic salary and remuneration of women to men | Page 54 |
| GRI 406: Non-discrimination 2016 | | |
| 406-1 | Incidents of discrimination and corrective actions taken | Page 112 |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | | |
| 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Information unavailable |
| GRI 408: Child Labor 2016 | | |
| 408-1 | Operations and suppliers at significant risk for incidents of child labor | Pages 117-120 Information incomplete. Lear reports on policies and management programs to identify and mitigate risks of child labor. |
| GRI 409: Forced or Compulsory Labor 2016 | | |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | Pages 117-124 Information incomplete. Lear reports on policies and management programs to identify and mitigate incidents of forced or compulsory labor. |
| GRI 410: Security Practices 2016 | | |
| 410-1 | Security personnel trained in human rights policies or procedures | Page 112 Lear's Human Rights Policy includes accommodations for private or public security personnel. |
| GRI 411: Rights of Indigenous Peoples 2016 | | |
| 411-1 | Incidents of violations involving rights of indigenous peoples | Page 86 Information unavailable. Lear's Human Rights Policy requires the protection of the rights of indigenous peoples. |
| GRI 413: Local Communities 2016 | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | Page 65 |
| 413-2 | Operations with significant actual and potential negative impacts on local communities | Information unavailable |
| GRI 414: Supplier Social Assessment 2016 | | |
| 414-1 | New suppliers that were screened using social criteria | Pages 117-119 Lear reported the total number of production suppliers screened using social criteria in 2022. |
| 414-2 | Negative social impacts in the supply chain and actions taken | Pages 117-124 |
| GRI 415: Public Policy 2016 | | |
| 415-1 | Political contributions | Page 109 |

GRI Content Index

| GRI Standard | Disclosure | Location |
|---|---|-------------------------|
| GRI 416: Customer Health and Safety 2016 | | |
| 416-1 | Assessment of the health and safety impacts of product and service categories | Pages 93-97 |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | Information unavailable |
| GRI 417: Marketing and Labeling 2016 | | |
| 417-1 | Requirements for product and service information and labeling | Information unavailable |
| 417-2 | Incidents of non-compliance concerning product and service information and labeling | Information unavailable |
| 417-3 | Incidents of non-compliance concerning marketing communications | Information unavailable |
| GRI 418: Customer Privacy 2016 | | |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | Information unavailable |

Sustainability Accounting Standards Board (SASB) Index

About SASB

The Sustainability Accounting Standards Board (SASB) is an independent nonprofit organization that sets standards to guide the disclosure of financially material sustainability information by companies to their investors. The table below includes Lear's disclosures and responses.

| SASB Standard – Auto Parts | | | | | |
|----------------------------|---|--------------|------------------------------------|---------------|--|
| Topic | Accounting Metric | Category | Unit of Measure | Code | Response/Comment |
| Energy Management | (1) Total energy consumed (2) percentage grid electricity (3) percentage renewable | Quantitative | Gigajoules (GJ), Percentage (%) | TR-AP0-130a.1 | 1) 4,173,195 GJ 2) Approximately 68% 3) 15% renewable energy according to SASB definition. Learn more at Our Renewable Energy Strategy . |
| Waste Management | (1) Total amount of waste from manufacturing (2) percentage hazardous (3) percentage recycled | Quantitative | Metric tons (t), Percentage (%) | TR-AP-150a.1 | 1) 186,696 metric tons (t) of waste from manufacturing 2) 3% of manufacturing waste is hazardous. Lear tracks hazardous waste generated according to the U.S. EPA Resource Conservation & Recovery Act (RCRA) 3) Approximately 75% of manufacturing waste is recycled |
| Product Safety | Number of recalls issued, total units recalled | Quantitative | Number | TR-AP-250a.1 | Code is not applicable: Lear engages in product validation and implements quality systems that contribute to the safety of our products. The National Highway Traffic Safety Administration and original equipment manufacturers control the initiation of recalls on vehicles. Therefore Lear does not itself initiate recalls of Lear products. |

+

+

+

+

SASB Standard – Auto Parts

| Topic | Accounting Metric | Category | Unit of Measure | Code | Response/Comment |
|----------------------------|--|-------------------------|--------------------|--------------|---|
| Design for Fuel Efficiency | Revenue from products designed to increase fuel efficiency and/or reduce emissions | Quantitative | Reporting Currency | TR-AP-410a.1 | In 2022, Lear had \$1.3 billion in revenue from our sustainable product portfolio, including electrification, products that are lighter as a result of new innovations, and electrical improvements that increase fuel efficiency. |
| Materials Sourcing | Description of the management of risks associated with the use of critical materials | Discussion and Analysis | N/A | TR-AP-440a.1 | <p>A variety of minerals—such as tin, tungsten, tantalum and gold (also known as 3TG) and additional minerals of concern including cobalt and mica—are raw materials in certain products found in both our Seating and E-Systems businesses. Product information is available at https://www.lear.com/Site/Technology/.</p> <p>A comprehensive overview of critical materials used in our products and Lear’s responsible sourcing and supply chain management processes can be found in our 2022 Sustainability Report, pages 120-121, and in Lear’s 2022 Annual Report.</p> |
| Materials Efficiency | Percentage of products sold that are recyclable | Quantitative | Percentage (%) | TR-AP-440b.1 | <p>40% of Lear’s Seating products are recyclable.</p> <p>55% of Lear’s E-Systems products are recyclable.</p> |
| | Percentage of input materials from recycled or remanufactured content | Quantitative | Percentage (%) | TR-AP-440b.2 | <p>Up to 50% of the steel and other metals in Lear’s seating comes from recycled or remanufactured content.</p> <p>Up to 90% of copper and other metals in Lear’s E-Systems products are recycled.</p> |

SASB Standard – Auto Parts

| Topic | Accounting Metric | Category | Unit of Measure | Code | Response/Comment |
|----------------------|--|--------------|--------------------|--------------|---|
| Competitive Behavior | Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations | Quantitative | Reporting Currency | TR-AP-520a.1 | Lear had no monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations in 2022. |

Table 2. Activity Metrics

| Activity Metric | Category | Unit of Measure | Code | Response/Comment |
|------------------------------|--------------|---------------------------------|-------------|---|
| Number of parts produced | Quantitative | Number | TR-AP-000.A | E-Systems – 8.4 billion Seating – 47.7 million |
| Weights of parts produced | Quantitative | Metric tons (t) | TR-AP-000.B | E-Systems - 13 million metric tons Seating - 1.2 million metric tons |
| Area of manufacturing plants | Quantitative | Square meters (m ²) | TR-AP-000.C | Approximately 4,418,363 m ² |

Task Force on Climate-related Financial Disclosures Index 2022

The **Task Force on Climate-related Financial Disclosures (TCFD)** has developed a voluntary, climate-related financial disclosure framework for companies to provide consistent information to their stakeholders while incorporating climate-related risks and opportunities into their risk management and strategic planning processes. Lear shares the TCFD's commitment to market transparency and stability, and creating a more sustainable world now and for future generations. For more information, see [Lear's TCFD Index 2022](#).