2023 Sustainability Report

Every Day, Striving for Better

LEAR

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Table of Contents

3 Sustainability at Lear

17 Environmental Stewardship

54 Social Responsibility

108 Governance

136 Appendix

2023 Report

The data presented in this report covers all operations and production facilities within Lear's operational control for the calendar year 2023. 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 sustainability 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 2025.

Sustainability at Lear

4 A Message from Our CEO

5 2023 Sustainability Highlights

6 2023 Champions of Lear

8 This is Lear

9 How We are Making every drive better™

10 Our Sustainability Strategy

12 Materiality Assessment

15 Supporting the United Nations Sustainable Development Goals

LEAR

A Message from Our CEO

Sustainability at Lear has become about progress. We focus less on "Do we…?" but rather "How well do we…?" You can't improve what you don't measure, and as you'll see throughout this report, we are working to enhance data collection and analysis.

As we evolve as an organization, we are achieving new levels of operational excellence. Throughout the company, we are actively working to harness data, searching for new opportunities to increase efficiency, and transforming our operations through innovative technologies and the deployment of digital capabilities to improve safety, quality and sustainably.

Looking to the future, we are also pleased to report that our efforts to improve sustainability over the past few years are paying off. Major global automakers are adopting our sustainable innovations, such as our **ReNewKnit™** 100% recycled and 100% recyclable sueded surface material and our **FlexAir™** 100% recyclable nonfoam alternative. Our **Intercell Connect Boards** and **Battery Disconnect Units** also enhance the performance of electric vehicles (EVs).

As we strive to reach our **climate goals**, we have installed 14 on-site solar arrays at Lear facilities and are sourcing renewable energy for electricity used at 27% of our plants globally, including 100% at our sites in the United Kingdom (U.K.), Germany, Spain and Portugal. We are also reporting our **Scope 3 emissions** for the first time. Importantly, we are engaging with and monitoring our global supply partners to help them reduce their emissions and impact on the environment.

Of course, none of these achievements would be possible without our global team — and I believe we have the best in the business. Lear has been named to FORTUNE magazine's World's Most Admired Companies list for the eighth consecutive year. We honored the best-of-the-best at the fifth annual **Champions of Lear** event, recognizing teams from 33 locations in 14 countries. Our diversity, equity and inclusion **(DEI)** efforts are expanding to include more people with disabilities, and our opportunities for **training and leadership development** have never been greater.

We are becoming more efficient, more nimble and more focused on maintaining our outstanding reputation as a business and a great place to work. I'm 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 is continuing our commitment as a participant in the United Nations (UN) Global Compact, **the largest corporate sustainability initiative in the world.**

2023 Sustainability Highlights

ENVIRONMENTAL

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

27% of the electricity used at our plants globally, including 100% at our sites in the U.K., Germany, Spain and Portugal, is generated from renewable sources

11.7M tons of CO2 emissions avoided by EVs with the assistance of Lear's E-Systems solutions since 2019*

2023 PACE Award Finalist

ReNewKnit™ sueded surface material is made from 100% recycled plastic bottles and is 100% recyclable

SOCIAL RESPONSIBILITY

JumpStart "returnship" program piloted in the United States (U.S.)

$5.3B spent with **certified minority-owned, women-owned and veteran-owned suppliers** in the U.S. over the past decade

7.5M **hours of developmental, compliance and corporate training in 2023**

100% of Lear's **manufacturing sites have health and safety committees** run jointly by management and employees

WE SUPPORT UN GLOBAL COMPACT

UN Global Compact participant

$200,000 **in employee and company donations for survivors of the earthquake in Morocco**

GOVERNANCE

No Deforestation Policy reinforces **responsible sourcing and our commitment to conserving natural resources**

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

680+ employees volunteered as **security awareness ambassadors** in **35 countries**

** 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.*

2023 Champions of Lear

At Lear, we celebrate collaboration, innovation and teamwork with passion and enthusiasm! For the first time since 2019, our Champions of Lear celebration was held in-person at Lear's global headquarters in Southfield, Michigan, with 35 finalist teams from 33 locations in 14 countries walking down the red carpet to the rhythm of a marching band and cheers from their colleagues.

As sustainability is integrated into our business and one of our four strategic pillars, nearly every Champions of Lear Award contributes to our efforts. The awards recognize our manufacturing, plant support and corporate teams who represent the best-of-the-best in our global operations. Award categories honor a wide range of achievements, including culture, DEI, customer appreciation, innovation, supply chain, quality, safety, operational excellence, continuous improvement, sustainability, launch execution, and 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.

Stories from this year's Champions of Lear are featured throughout this report. We are very proud of every team's accomplishments and congratulate this year's winners and finalists.

CELEBRATE ▸ the 2023 Champions of Lear!

CEO Special Appreciation Award

E-Systems Intercell Connect Board (ICB) Team

Enabling the transition to EVs is a key step in helping the industry reach its climate goals. Lear's E-Systems ICB team went above and beyond to meet challenging deadlines, a complex design and demanding production schedules. Their efforts were rewarded when GM chose Lear's ICB technology for its all-new Ultium battery platform for EVs. Lear's ICBs connect the Ultium battery cells in series to meet the voltage and current requirements for the vehicle, in addition to continuously monitoring the health and performance of each cell to optimize operating conditions. Lear's vertical integration capabilities allowed us to engineer and produce complex parts for the Ultium program. By leveraging expertise from our Seating Structures and Connection Systems teams, more than 50% of the ICB is manufactured by Lear, including steel frames, busbars and plastics.

5 YEARS CELEBRATING
THE CHAMPIONS OF LEAR

16 unique award categories

78 winning teams

4 awards dedicated to sustainability

3,000+ submissions

This is Lear

Who We Are

100+ year heritage as a leading automotive supplier

SEATING

$17.6B sales

E-SYSTEMS

$5.9B sales

186,600 employees
with industry-leading talent and technical expertise globally

265 facilities in **38 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 $23.5B in global revenues in 2023

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 **475+ 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 industry megatrends**. Lear's technologies support the automotive industry in established, growing and future forms of mobility.

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.**

Sustainability as a Core Strategic Pillar

At Lear, **we have integrated sustainability** into our **everyday business practices** - including the areas of **strategy and operations.**

Don't take our word for it..

FORTUNE WORLD'S MOST ADMIRED COMPANIES 2024

Newsweek AMERICA'S MOST RESPONSIBLE COMPANIES 2024 statista

top EMPLOYER EUROPE 2024

MSCI ESG RATINGS AA

CCC | B | BB | BBB | A | AA | AAA

As of May 2024, Lear received an MSCI ESG Rating of AA.

* MSCI Disclaimer

GOLD 2023 ecovadis Sustainability Rating

2023 READERS' CHOICE A TOP 50 EMPLOYER MINORITY ENGINEER MAGAZINE

Our Sustainability Strategy

Lear prioritizes people and our planet, placing sustainability alongside business results and operational excellence. Sustainability 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 **Sustainability Oversight.**

Our Vision

Making every drive better™

cleaner, safer, smarter and more comfortable mobility

Our Core Values

Be Inventive + Be Inclusive + Get Results the Right Way

Dimensions of Sustainability

Environmental Stewardship	Social Responsibility	Effective Governance
Key Elements		
Our innovative technologies are enabling electrification and sustainable mobility. We use responsibly sourced, renewable and recyclable materials to protect the environment. Our efficient operations conserve energy and water, while minimizing waste and reducing emissions. Our Renewable Energy Strategy reduces our carbon footprint and supports our climate goals.	Meaningful employment provides competitive pay, benefits and development for union and nonunion employees around the world. Our diverse and engaged global teams work together with respect, integrity and inclusion. 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.	An experienced and diverse Board of Directors provides oversight. Carefully crafted policies and procedures enforce our commitment to ethics, integrity and human rights. Our focus on cybersecurity protects our products, data, customers and enterprise. We are partnering with suppliers to facilitate sustainability and protect human rights in our supply chains.

"Our people are our most important asset. We work hard to provide healthy and safe work environments as well as meaningful employment for 186,600 colleagues around the world. Millions of hours of training and development prepare our employees for upward mobility in a company where respect, collaboration, inclusion and excellence thrive.

It is our job to make our business sustainable for the benefit of the people who work here, as well as those who invest in us, the customers we supply, and the communities we support around the world. Our sustainability strategy is helping us Get Results the Right Way."

HARRY KEMP

Senior Vice President,
Chief Administrative Officer
and General Counsel

Materiality Assessment

In 2023, Lear refreshed its materiality assessment to further refine our sustainability strategy and align it with the topics that have the greatest impact on our internal and external stakeholders.

Cross-functional leaders and extended sustainability teams analyzed common topics recommended by the Global Reporting Initiative (GRI) Disclosure Standards and incorporated feedback from our various stakeholder groups to develop the list of our most material issues. We engaged with our stakeholders in a variety of ways, from regular, open discussions to completing sustainability assessments and questionnaires requested by our customers, sustainability raters and shareholders. Lear also monitors sustainability trends through white papers, studies and other publications.

As part of the materiality exercise in 2022, Lear surveyed sample groups of employees and supply chain partners from around the world to gather feedback and guidance more directly. We also included additional feedback received in our 2023 engagement efforts in this year's report.

As a result, a list of Lear's most material topics is below in alphabetical order.

We will continue to use and enhance this process to improve our sustainability strategy, increase transparency and refine the content of Lear's sustainability reporting.

Economic + Social + Environmental

Highest-Priority Material Topics (in alphabetical order)		
	BIODIVERSITY AND DEFORESTATION	Managing and reducing the impact of Lear's operations and products on natural habitats and ecosystems, including forests
	BUSINESS ETHICS AND COMPLIANCE	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
	CLIMATE RISK AND RESILIENCE	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

COMPANY ECONOMIC PERFORMANCE AND COMPETITIVENESS	How well Lear generates revenues and manages its assets, liabilities, and the financial interests of its stakeholders and stockholders, including programs and processes that ensure Lear's products, delivery and pricing meet or surpass customer expectations
CYBERSECURITY AND OPERATIONS/PRODUCTS	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
DIVERSITY, EQUITY AND INCLUSION (DEI)	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
ENVIRONMENTAL STEWARDSHIP	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
GHG EMISSIONS AND OPERATIONAL EFFICIENCY (SCOPES 1, 2 AND 3)	Reducing greenhouse gas (GHG) emissions from Lear's operations and products, including 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
HUMAN RIGHTS	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
OCCUPATIONAL HEALTH AND SAFETY	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
PRODUCT QUALITY AND DELIVERY	Taking a total quality approach to products and services to ensure that delivered products satisfy agreed upon customer specifications and requirements
PRODUCT SAFETY	Using specific procedures, designs and manufacturing processes, as well as meeting global automotive component regulations, to fulfill customer safety requirements

	SUSTAINABLE SUPPLY CHAIN	Requiring Lear's global supply chain partners to 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
	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
	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

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

	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

Supporting the United Nations Sustainable Development Goals

Lear addresses some of the world's 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 2023 in alignment with our sustainability strategy (listed in numerical SDG order):

8 DECENT WORK AND ECONOMIC GROWTH

- 7.5M hours of employee training and development
- 764 local plant surveys measuring engagement and culture since 2017
- Paid vacation, holidays, overtime pay and flexible work hours
- Nearly 20 years of success with high-performance self-directed work teams
- ~88,000 employees participate in 70+ labor unions globally

10 REDUCED INEQUALITIES

- $5.3B spent with certified minority-owned, women-owned and veteran-owned suppliers in the U.S. over the past decade
- 63% of salaried new hires in the U.S. were ethnic minorities or women
- Nearly 270,000 hours of DEI and Expect Respect training, including anti-harassment, nondiscrimination and zero tolerance for retaliation, since 2022
- 24 diverse employees from the U.S. participated in the **Together We Grow program** in 2023

11 SUSTAINABLE CITIES AND COMMUNITIES

- Engineered to reduce size and weight, our products help improve fuel economy, reduce emissions and extend driving range
- 3M+ EVs estimated to rely on Lear's new high-voltage connection systems as the main battery-to-vehicle interface by 2027
- 11.7M tons of CO_2 emissions avoided by EVs with the assistance of Lear's E-Systems products since 2019*

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Produced from 100% recycled plastic bottles and manufactured with 100% renewable energy, Lear's **ReNewKnit™** sueded surface material is part of a global circular economy
- Lear's new **FlexAir™** 100% recyclable nonfoam alternative reduces CO_2e emissions up to 50% and weight up to 20%
- 39 landfill-free** facilities in 15 countries

13 CLIMATE ACTION

- 50% reduction goal set for GHG emissions from electricity used at our sites by 2030
- 27% of the electricity powering our plants globally, including 100% at our sites in the U.K., Germany, Spain and Portugal, comes from renewable sources
- 14 on-site solar arrays in 6 countries
- 100% of our major product lines finalizing the **life cycle assessment (LCA)** process

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

- Comprehensive **Human Rights Policy**
- 96% of employees know our core values and expectations, which is aligned with benchmark and higher than last survey
- 50% of Lear's Board of Directors are women and/or minorities
- **Ethics & Compliance Helpline** allows employees, suppliers and business partners to anonymously report concerns in their local language

** Estimated avoided or saved CO_2 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.*

*** Disposing zero production waste in a landfill, not including nonproduction waste, such as construction waste.*

Here are a few additional examples of how Lear supported the SDGs in 2023:

3 GOOD HEALTH AND WELL-BEING

- 0.29 Total Recordable Injury Rate (TRIR) demonstrates best-in-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

7 AFFORDABLE AND CLEAN ENERGY

- 14 on-site solar arrays in 6 countries
- 100% renewable energy goal set for electric power consumed at all our sites by 2030
- 14.4M kWh of electricity from on-site solar installations produced in 2023
- 28% increase in renewable energy use in 2023
- 18% reduction in Scope 1 and 2 emissions since 2019

15 LIFE ON LAND

- **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

17 PARTNERSHIPS FOR THE GOALS

- UN Global Compact Participant since 2020
- Members of the Climate Group's RE100, participating in the U.S. Department of Energy's Better Climate Challenge and the Clean Energy Buyers Association (CEBA)
- 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 UN GLOBAL COMPACT

United Nations Global Compact

Lear has been a participant of the UN Global Compact since 2020 and recommitted to participate in 2023. 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

18 2023 Environmental Stewardship Highlights

19 On the Road to Achieving Our Climate Goals

20 Climate Goals

26 Life Cycle Assessments

28 Innovative Sustainable Products

36 Achieving New Levels of Operational Excellence

40 Protecting the Environment

41 Our Environmental Management System

44 Defending the World's Forests

45 Reducing Energy Use

49 Protecting Our Water

51 Eliminating Waste

2023 Environmental Stewardship Highlights

Progress toward our climate goals

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

27% of **electricity used at our plants** globally, including 100% at our sites in the U.K., Germany, Spain and Portugal, is generated from **renewable sources**

100% of our major product lines **finalizing the life cycle assessment (LCA) process**

Future-focused technologies

11.7M

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

2023 PACE Award Finalist **ReNewKnit™** sueded surface material is made from 100% recycled plastic bottles and is **100% recyclable**

100% recyclable nonfoam alternative FlexAir™ **reduces CO2e emissions up to 50% and weight up to 20%**

Protecting the environment

18% **reduction in Scope 1 and 2 emissions** since 2019

28% **increase in renewable energy use** in 2023

39 **landfill-free** facilities** in **15 countries**

** 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.*

*** Disposing zero production waste in a landfill, not including nonproduction waste, such as construction waste.*

On the Road to Achieving Our Climate Goals

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.

By 2050, we aspire to eliminate emissions and achieve net zero. **For the first time, in addition to reporting Scope 1 and 2 emissions, we are reporting our Scope 3 emissions** – which include indirect emissions from categories such as purchased goods, transportation, and business travel as well as end-of-life activities.

We have also made adjustments to our baseline (calendar year 2019) emissions due to acquisitions/divestitures. Since 2019, Lear acquired 18 new manufacturing facilities as part of different business acquisitions, which in turn affected our emissions during that time. Our baseline emissions data for 2019 was recalculated based on the Greenhouse Gas Protocol — A Corporate Accounting and Reporting Standard. For more information, see **Decreasing GHG Emissions**.

Lear's Climate Goals

*2019 Baseline**

2030**

50% reduction in Scope 1 (direct) and Scope 2 (indirect) carbon emissions at our facilities

100% renewable energy for electric power consumed at our facilities

2050

Lear aspires to achieve net-zero emissions at our facilities, and both upstream and downstream where Lear has influence

** Includes Scope 1 and 2 emissions, which were adjusted due to acquisitions/divestitures, based on the Greenhouse Gas Protocol — A Corporate Accounting and Reporting Standard.*

*** Lear has submitted its near-term GHG reduction targets to SBTi for validation.*

Progress Toward Achieving Our Climate Goals During 2023

Since 2019, Lear has reduced its Scope 1 and 2 emissions by 18%. In 2023, we are also reporting our Scope 3 emissions. We are making progress toward our climate goals through our sustainable products, operations and supply chain.

Learn more about our Scope 1, 2 and 3 emissions.

Sustainable Products

Scope 1, 2 & 3 Emissions

- Named 2023 PACE Award finalist for **ReNewKnit™** sueded surface material, made from 100% recycled plastic bottles, manufactured with 100% renewable energy, and launching with multiple major automakers in 2024
- Selected as supplier of **Battery Disconnect Units** and **Intercell Connect Boards** by multiple global EV makers
- Introduced **FlexAir™**, a 100% recyclable nonfoam alternative to traditional foam that reduces CO2e emissions and will launch with a major global automaker in 2024
- Developed SoyFoam™, which requires 60% less conversion energy to produce than conventional foam, resulting in 4 times less emissions
- Finalizing 40+ **LCAs** covering all major product groups

Operations

Scope 1 & 2 Emissions

- Installed 14 on-site solar arrays in 6 countries
- Sourcing renewable energy for electricity used at 27% of our plants globally, including 100% at our sites in the U.K., Germany, Spain and Portugal
- Completed ISO 50001:2018 certification for energy management at five global sites
- Implemented our **Energy Efficiency Playbook** at +90% of our global manufacturing sites
- Verified our Scope 1 and 2 emissions with a third party
- Saved an estimated 26M kWh of energy through nearly 400 energy efficiency projects completed globally

Supply Chain

Scope 3 Emissions

- Verified and published Scope 3 emissions with a third party
- Partnering with suppliers on sourcing **CO2-reduced steel**
- Collaborating on industry standards with the Supplier Partnership for the Environment for carbon reporting
- **Using returnable, reusable and recyclable packaging** where practicable
- **Optimized logistics** in Honduras, Mexico and Texas, avoiding more than 600 tons of total CO2e emissions a year
- Engaged with suppliers through the CDP Supply Chain Program

Our Renewable Energy Strategy

After setting our climate goals in 2020, we developed a multifaceted strategy to reach our goal of sourcing 100% renewable energy for electric power 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, 27% of the electricity Lear uses in its plants is from renewable sources, achieved through agreements with our electric utilities, procurement of EACs, and the installation of 14 on-site solar arrays in six countries. In addition, we have another seven on-site solar installations under construction in China, Poland, Spain and the U.K. When energized in 2024, these installations are expected to produce 6.6 million kWh of electricity annually.

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 will help us reach our climate goals, such as:

- **Science Based Targets initiative (SBTi) –** Lear submitted its commitment to establish near-term GHG reduction targets in accordance with the Paris Climate Agreement to limit global warming to 1.5 degrees Celsius compared with preindustrial levels. Following our commitment to SBTi in 2022, this year we submitted our near-term targets for SBTi validation.
- **Automotive Industry Action Group (AIAG) –** We are participating in the Greenhouse Gas Working Group to develop training materials for suppliers.
- **Supplier Partnership for the Environment –** Lear collaborated with automakers and suppliers on developing a framework to help companies in the automotive value chain set key performance indicators to track, report and reduce CO2 emissions throughout the supply chain in alignment with common industry expectations.
- **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 Association (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.
- **U.S. Department of Energy –** Lear worked with the agency on in-plant training for energy treasure hunts and evaluating on-site renewable energy projects.
- **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 facilities in Detroit, Michigan.
- **CDP –** Lear participates in CDP 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, supplemented with unbundled **EACs** in certain regions, utility programs and on-site renewable energy

2024

- Source **100% of electricity** for all facilities in Brazil from **renewable sources**
- Energize three on-site solar installations started in 2023
- Negotiating contracts with developers and utilities to increase renewable energy use in key markets globally

2023

- Began seven new on-site solar installations in four countries and completed four
- Increased renewable energy use 28% in 2023 compared with 2022
- Supplied 66% of electricity for all seven manufacturing facilities in Brazil from renewable sources
- Issued request for quotes for a virtual PPA to supply 50% of Lear's electric power in Europe
- Sourced renewable energy for electricity used at 27% of our plants globally, including 100% at our sites in the U.K., Germany, Spain and Portugal
- Completed installation of on-site solar arrays in Argentina, Belgium, China, Germany, Hungary and Spain; now have 14 on-site solar arrays
- Implemented our **Energy Efficiency Playbook** at +90% of our global manufacturing sites

2022

- 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
- Installed nine 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**
- Launched 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.

Launched in all global manufacturing sites in 2022, the playbook provides guides, checklists and trackers to help our plants improve energy efficiency and achieve our climate goals. Employees are empowered to identify and execute energy efficiency improvements locally by participating in projects known as "plays," such as optimizing heating, ventilation and air conditioning (HVAC) systems, improving compressed air systems, continuing efforts to switch to LED lighting, upgrading motors, and repairing boiler systems. Each play defines the opportunity, explains why we are pursuing the improvements, and lists tasks for each plant to perform. After completing a series of plays, plants progress to higher levels, tackling improvement projects that may require capital investments.

In 2024, Lear plans to publish its Energy Efficiency Playbook 2.0. Designed to help plants comply with ISO 50001, the playbook will provide guidelines on implementing energy management systems, monitoring power, and using building management systems with automated controls for heating and cooling systems. Similar to our strategy for **ISO 45001**, Lear plans to prioritize its highest energy-consuming sites, work toward compliance at all plants, and certify plants on a rolling timeline.

Energy Treasure Hunts

Lear engages employees in energy treasure hunts, where teams are trained to spot potential energy inefficiencies in their plant, estimate cost savings, and present top ideas to management. Working with the U.S. Department of Energy, we have trained leaders who, in turn, train employees at the plants. In 2024, Lear intends to begin rolling the program out globally.

Nearly 60 energy treasure hunts in North America saved almost 14M kWh of energy, enough to power nearly 1,300 homes for a year

80+ energy treasure hunts globally

Updated Facility Specifications

In addition to deploying the playbook, Lear updated our facility specifications for new construction and significant building refurbishments. Where we see practicable opportunities, we 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.

For example, a Lear plant 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.

Champions of Lear: Global Environmental Sustainability Award

MOROCCO

The team from our JIT Seating site in Kenitra, Morocco, used the Energy Efficiency Playbook and implemented numerous Kaizens to achieve its environmental target and maintain year-to-year reductions in all of its environmental key performance indicators (KPIs). In the past, the facility experienced large variations in its results. Implementing the playbook quickly helped create awareness around energy use, aligned the plant's results with corporate targets, and reduced energy consumption by 10%.

Nearly 400 energy efficiency projects completed by plants globally

resulting in 26M kWh of estimated savings in energy consumption

+90% of Lear's global manufacturing sites are implementing the Energy Efficiency Playbook

5 global sites have completed ISO 50001:2018 certification

Life Cycle Assessments

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

Our LCA Strategy

We are finalizing more than 40 LCAs on all of our major product groups. Lear's proprietary LCA tool helps 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, 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 variety of wire harnesses, electronics, and connection systems were determined based on a similar process.

For Eagle Ottawa leather, Lear commissioned a third-party LCA involving four Lear leather finishing facilities and four supplier 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 decision makers 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. 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 AIAG to ensure common LCA methodology is applied across the automotive value chain.

Lear's LCA Journey

2024

- Establish a global working group to further optimize data collection and output efficiency in the LCA process
- Engage with key suppliers to improve the carbon footprint of purchased components

2023

- 100% of our major product lines finalizing the LCA process
- Began implementing 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 about 7-11% 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.

Innovative Sustainable Products

Our sustainable product portfolio continues to grow, with more than 1,130 global patents and pending patent applications for sustainable product and manufacturing 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 for any new product or manufacturing change, engineers 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.

1,130+ global patents and pending patent applications for sustainable product and manufacturing technologies

VISIT OUR WEBSITE ▸ to learn more about our forward-thinking solutions

Lear's ReNewKnit™ sueded surface material is made from 100% recycled plastic bottles and is 100% recyclable. The innovation was named a 2023 PACE Award finalist.

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.

Best Innovation Award - Seating

GLOBAL TEAM

Lear's textile experts from Willich, Germany; Alfreton, U.K.; and Kenansville and Southfield, U.S., created a new sustainable suede material with a reduced environmental footprint. The proprietary sequence and processing developed for ReNewKnit™ avoids any solvent chemical treatments and is the only monomaterial, true suede textile in the automotive industry with 100% recycled content. ReNewKnit™ can be recycled into new raw material or revitalized into new textile applications for future use, making it the only closed-loop suede solution with a circular future for seating and interior systems. The innovation was named a 2023 PACE Award finalist and will launch with multiple global automakers in 2024.

Best Innovation Award - E-Systems

SPAIN

During the early phase of a project, the hardware team must wait for a functional software release, which can take months. The team from Valls, Spain, developed a new hardware validation tool based on the boundary scan protocol, which allows hardware testing as soon as the first prototypes arrive. Even before the software is ready, the new tool can perform functional tests, validate communications, and verify hardware integrity.

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 a variety of environmentally friendly bio-based, recycled, recyclable and/or renewable materials such as ReNewKnit™ fabrics, ZeoTech™ mineral tanning, and SoyFoam™

Thermal Comfort Systems

FlexAir™ foam alternative as well as lumbar, massage and thermal luxury comfort delivered through our suite of intuitive, intelligent seating system technologies optimizes vehicle energy for more efficient passenger comfort

Structures

Frames, recliners, tracks, latches as well as our award-winning Configure+™ reconfigurable track and cassette solution made from sustainable steel launching in 2027

E-Systems

Electrical Distribution Systems

Power and signal distribution for low-voltage, high-voltage, and high-speed data vehicle solutions

Connection Systems

High-performance terminals, connectors, engineered components, and high-voltage battery components (Intercell Connect Board)

Core Electronic Systems

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

Electrification

Innovative, customizable and scalable power management and battery power distribution

Lear's Latest Innovations and Sustainable Products

Enhancing EV Performance

BATTERY DISCONNECT UNIT

The primary interface between the battery pack and electrical system, Lear's game-changing Battery Disconnect Unit (BDU) enhances EV performance. 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. This award-winning innovation was first-to-market in 2019. Since then, several major global automakers have adopted the technology, including GM, which selected Lear as the exclusive supplier for all of its full-size SUVs and trucks built on the Ultium EV Platform through 2030.

Connecting and Managing Battery Cells

INTERCELL CONNECT BOARD

Lear's Intercell Connect Board (ICB) connects the battery cells in an EV 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 battery cell module, and the number of flexible battery modules can vary depending on the vehicle power requirements. More than 50% of the ICB is manufactured by Lear, including steel frames, busbars and plastics, with expertise from Seating Structures and Connections Systems. Lear's ICB product offering can support all cell formats within the industry, with flexibility to conform to rapidly evolving industry innovations in battery pack designs. Lear supplies ICBs for GM's Ultium EV platform.

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 interior applications with multiple global automakers 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 economy where repurposed textiles can be continually recycled. The manufacturing process uses low water consumption and 100% renewable energy. This premium luxury material challenges perceptions of reused and recycled textiles, offering a wide range of aesthetics. ReNewKnit™ is suitable for various interior applications, such as seats, headliners, sunshades, pillars, visors, and door panels, with improved functionality. The innovation was named a 2023 PACE Award finalist.

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. Designed to take advantage of the flat, more versatile load floor often seen in EVs, the wireless solution also reduces the number of required circuits, which decreases complexity and weight for more sustainable mobility.

Driving Mobility Forward…

Enhancing EV Performance

Lear's Battery Disconnect Unit delivers the power and performance large SUVs and trucks require, driving the 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.

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 1/2-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 enable optimization of operation conditions. Smart power distribution technology and software manage power more efficiently.

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

Continued advancements in Thermal Comfort Systems are targeted to optimize the overall thermal performance of the vehicle interior, which may reduce energy consumption for vehicles powered by internal combustion engines as well as those with electrified powertrains.

Lightweight Solutions

According to the U.S. Environmental Protection Agency (EPA), every 10% drop in vehicle weight reduces fuel use 5% to 10%. Our Seating and E-Systems technologies can reduce mass up to 15%. Examples include lightweight recliners, back panels, tracks and latches as well as integrated and miniaturized components that reduce overall vehicle weight, which enables lower emissions and increased battery driving range.

...with Sustainable Solutions

Sustainable Comfort

A 100% recyclable and 100% breathable nonfoam alternative to traditional foam, Lear's new FlexAir™ technology reduces CO2e emissions up to 50% and weight up to 20%. FlexAir™ is now in production with a major global automaker and under development with 15 global OEMs.

Recycling Plastics

Our Connection Systems products use recycled plastic content from both externally sourced and recycled raw materials.

Reclaiming Luxury

Launching with multiple automakers in 2024, Lear's ReNewKnit™ sueded surface material is made from 100% recycled plastic bottles and is 100% recyclable. Produced with low-water and low-energy methods at a facility powered with 100% renewable energy, this 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 monomaterials such as polyester made from recycled plastic bottles allows more fabrics to be recycled and revitalized for future applications. The innovation supports a circular economy without sacrificing appearance, style, design and acoustic performance.

Foam from Plants

Made from soybeans, our SoyFoam™ requires 60% less conversion energy to produce than conventional foam, which results in four 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.

Chrome-Free Leather

Derived from natural elements, ZeoTech™ leather utilizes zeolite minerals in the tanning process to produce bright white tanned hides with superior performance compared with other chrome-free alternatives. The process also results in increased biodegradability of leather and leather shavings.

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. For example, modular designs for our Thermal Comfort Systems reduce subcomponents by 50% and increase airflow directly to the occupant by 40%, compared with currently available designs.

11.7M tons of CO_2 emissions avoided by EVs with the assistance of Lear's E-Systems solutions since 2019*

3M+ EVs estimated to rely on Lear's high-voltage connection systems as the main battery-to-vehicle interface by 2027**

100 vehicle models for 10 customers included products from Lear's electrification portfolio

** Estimated avoided or saved CO_2 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.*

*** Estimate based on adjusted production volumes*

Up to **50%** of the steel and other metals in our seating products come from recycled content

40% of Seating components are recyclable at end of life

55% of E-Systems components are recyclable at end of life

129M plastic water bottles were estimated to have been recycled into yarn used by Lear

VISIT OUR WEBSITE

to learn more about our forward-thinking solutions

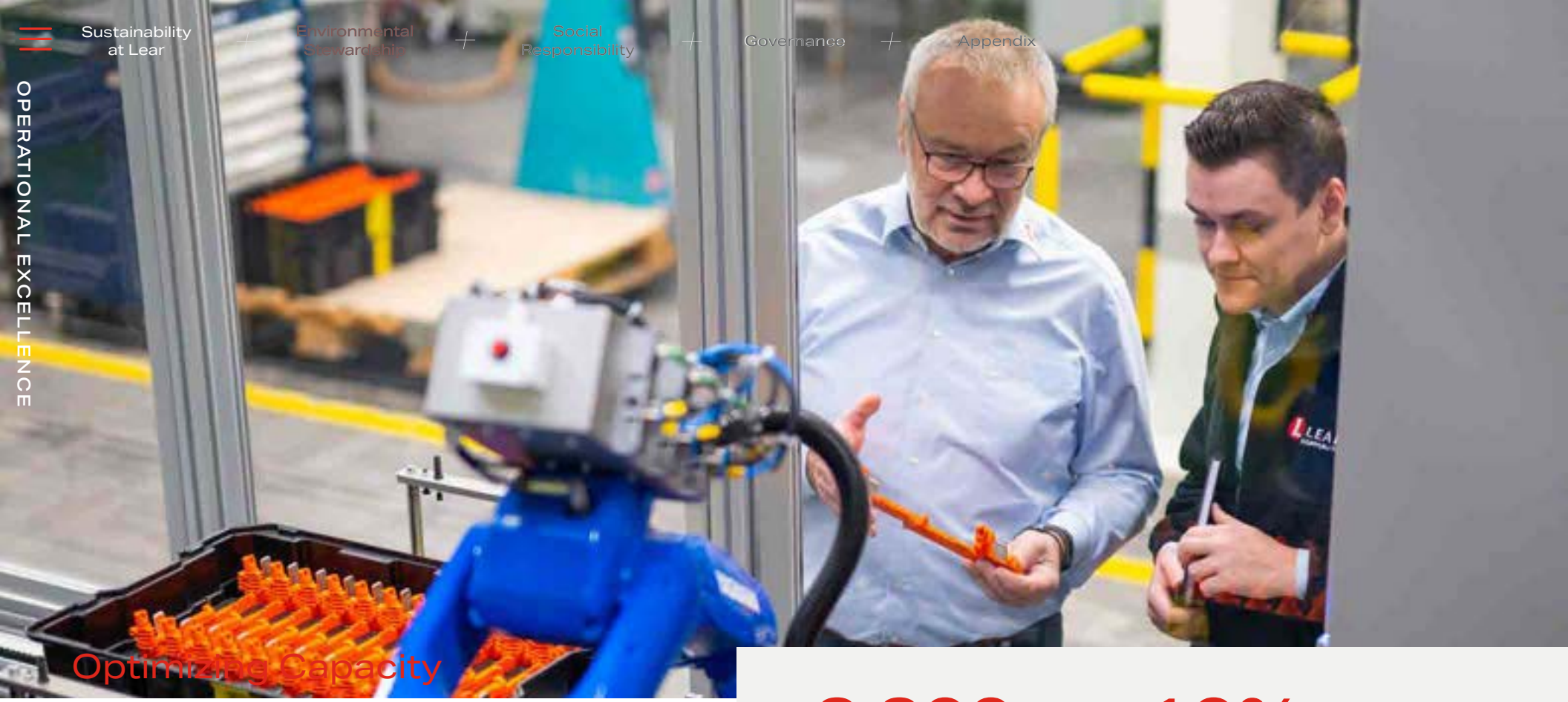
Achieving New Levels of Operational Excellence

Lear's outstanding reputation is built on our constant pursuit of operational excellence. At all levels, we are actively searching for new opportunities to increase efficiency, streamline processes, unlock value, reduce waste, accelerate digital transformation, and advance technology to improve safety, quality, and sustainability.

For example, co-locating production from different business units in the same facility can optimize our footprint, increase efficiency and boost capacity. Reconfiguring plant layouts and equipment can prevent unnecessary capital expenditures. Vertical integration can reduce supply chain risks. Developing advanced automation capabilities can increase efficiency, streamline processes, and improve safety and quality. All of these strategies can also save energy and cut emissions by minimizing added transportation, construction and packaging waste.

We are becoming more efficient, more nimble and more focused on maintaining our reputation as a leader in operational excellence.

Optimize Capacity	Drive Sustainability	Clear the Clutter	Advance Technology
Increase capacity utilization within our existing manufacturing footprint	Innovate resilient, growth-focused product and process solutions through engineering, operations, and supply chain	Streamline administrative processes through digital transformation, leveraging connected solutions and artificial intelligence (AI)	Accelerate our efforts to increase flexibility, automation, quality and safety throughout the organization



Optimizing Capacity

To increase capacity within our existing manufacturing footprint, we are looking across our operations to find ways to use our facilities and equipment more efficiently. For example, when faced with overwhelming customer demands on one production line and reduced capacity on another, a cross-functional team in San Felipe, Mexico, reconfigured production equipment to avoid overtime and maximize capacity. As a result, the plant achieved 100% on-time delivery without adding a new production line.

In Tangier, Morocco, employees improved the plant layout to make room for relocated production and several new program launches without investing in a new building. Consolidating cutting lines from two locations into one and optimizing others helped improve capacity. In addition, increasing packaging density, reducing transportation costs, using returnable packaging, and reducing cardboard and pallet consumption decreased costs and improved sustainability.

3,300+

automation and digitization projects implemented worldwide through December 31, 2023

10%

increase in operational efficiency by improving plant layouts in Tangier and Kenitra, Morocco

100%

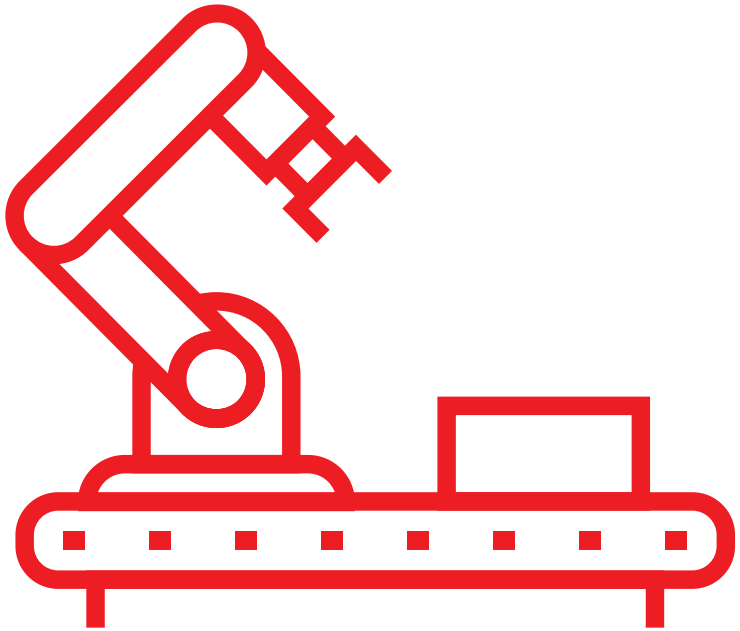
on-time delivery achieved through creatively reconfiguring production equipment to meet increasing customer demand in San Felipe, Mexico

Driving Sustainability

Lear's strategies to co-locate businesses into the same facility, reconfigure plant layouts and equipment, and employ vertical integration not only increase efficiency but improve sustainability by reducing energy consumption, cutting emissions, and avoiding added transportation, construction and packaging waste.

For instance, more than 50% of our **Intercell Connect Board** is manufactured by Lear, including steel frames, busbars and plastics. Vertical integration means Lear has more control over the production process.

In Brazil, Lear operated a Seating plant and an E-Systems plant near the facility of a global automaker. Co-locating production in one facility reduced costs for both Lear and the customer. Lear employees in both facilities successfully transferred production in just five weeks. The new operation earned the customer's highest score for logistics, quality, purchasing and risk assessment, and led to Lear's nomination for a new conquest program from the automaker.



Clearing the Clutter

We are streamlining our administrative processes through digital transformation. To improve accuracy and consistency, we consolidated or modernized 13 global data applications over the past year. Six more applications are currently undergoing consolidation. In addition, Lear is embarking on a pivotal digital transformation with a new software solution aimed at integrating data from across the company. Moving beyond traditional methods, the cloud-based platform will centralize and interpret data, elevating decisions across all functions. From improving plant operations to supporting strategic decision making, this tool will benefit every facet of our organization.

In another example, a global team embraced extreme standardization, negotiated with suppliers and implemented an online ordering catalog for maintenance, repair and operations (MRO) expenses. The effort streamlined the supply base, eliminated clutter, and allows our operations teams to concentrate on more valuable tasks.

Champions of Lear: Lear Forward Award

ASIA

Lear's finance teams around the globe are focused on delivering results while partnering with the operation teams in a challenging environment. The Finance Center of Excellence and Finance Global Business Services (GBS) established a global center to support finance groups across time zones and locations. Standardizing and automating a variety of financial reports and processes has improved efficiency, giving finance teams time to focus on strategic initiatives. The Asia Finance GBS supports centralized accounts payable, accounts receivable and general ledger activities for Lear entities globally, while the Finance Center of Excellence performs financial tracking and serves as a help desk, sharing expertise on security and the financial system.

Advancing Technology

Our efforts to advance technology 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.

For example:

2023 Operational Excellence Activities

900+ solutions implemented

1,600+ planned projects

5,400+ under evaluation

Lear's advanced technology dashboard tracks planned and completed advanced technology 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. Available to all employees on the company intranet, 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.

Robots improve accuracy. At the Lear joint venture Beijing BAI facility in China, robots retrieve materials, and drones count inventory, helping employees avoid dangerous tasks. A computerized receiving platform automatically arranges work orders, and QR codes enable precise inventory control. These efforts to increase efficiency and accuracy earned a Best Team Award from our customer, BAIC.

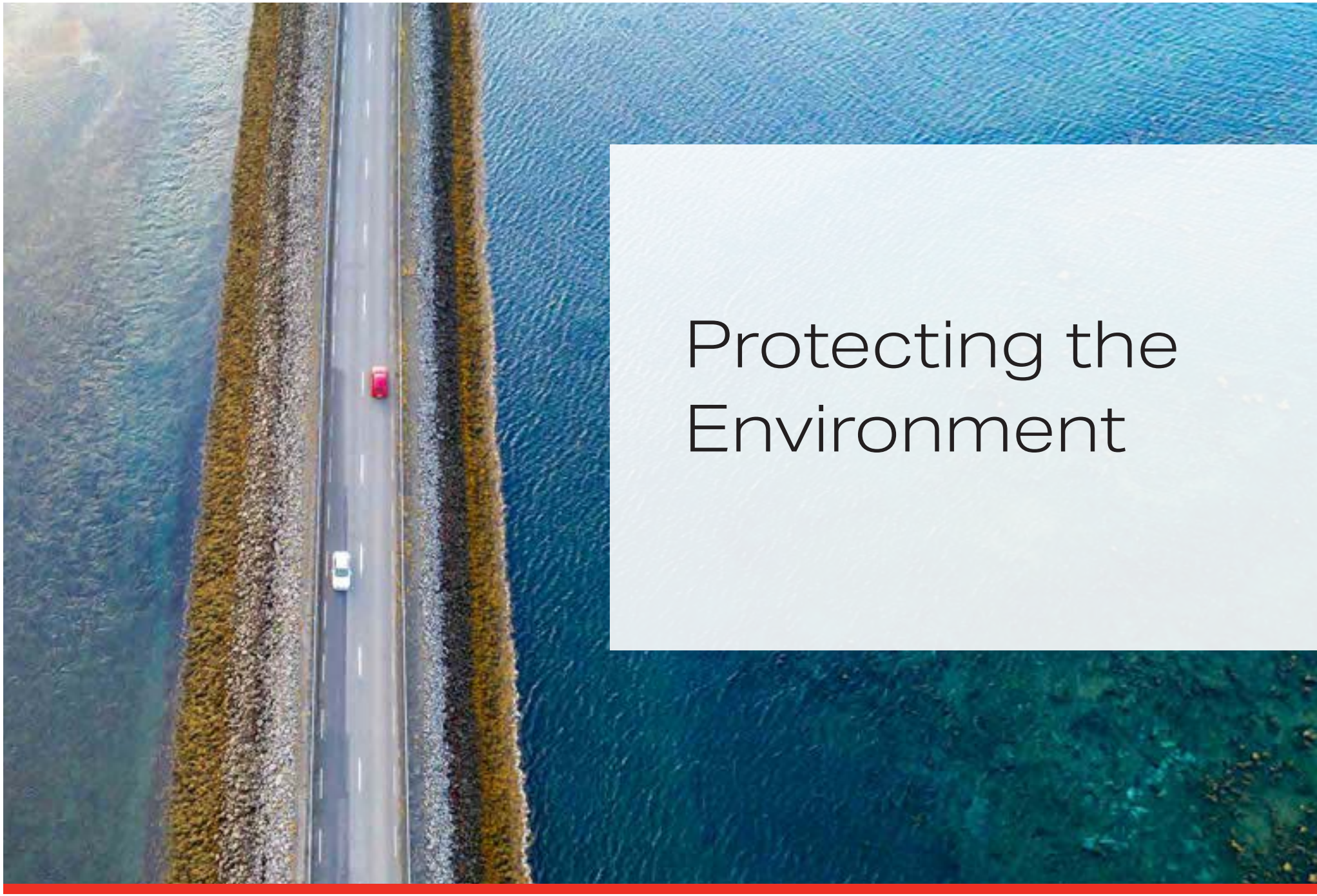
Intelligent systems improve quality, traceability and accuracy. In Yangzhou, China, automated guided vehicles increase warehouse efficiency, while industrial robots perform repetitive tasks to improve employee safety. Intelligent ovens provide traceability and thermal process documentation for every product and share real-time data. Smart equipment not only cleans nozzles and heads but inspects them. Radio-frequency identification (RFID) tags track products without paperwork, and smart meters monitor energy use. Harnessing data and using smart equipment earned the plant the Intelligent Workshop Award from the Jiangsu government.

Industrial ergonomics software with machine learning and motion capture technology automates 70% of an ergonomics assessment with up to 83% better accuracy. Global software deployment was completed in 2023 across all manufacturing locations. Since initial deployment in 2021, more than 900 employees have been trained to use the technology, and 7,900 ergonomics assessments were completed.

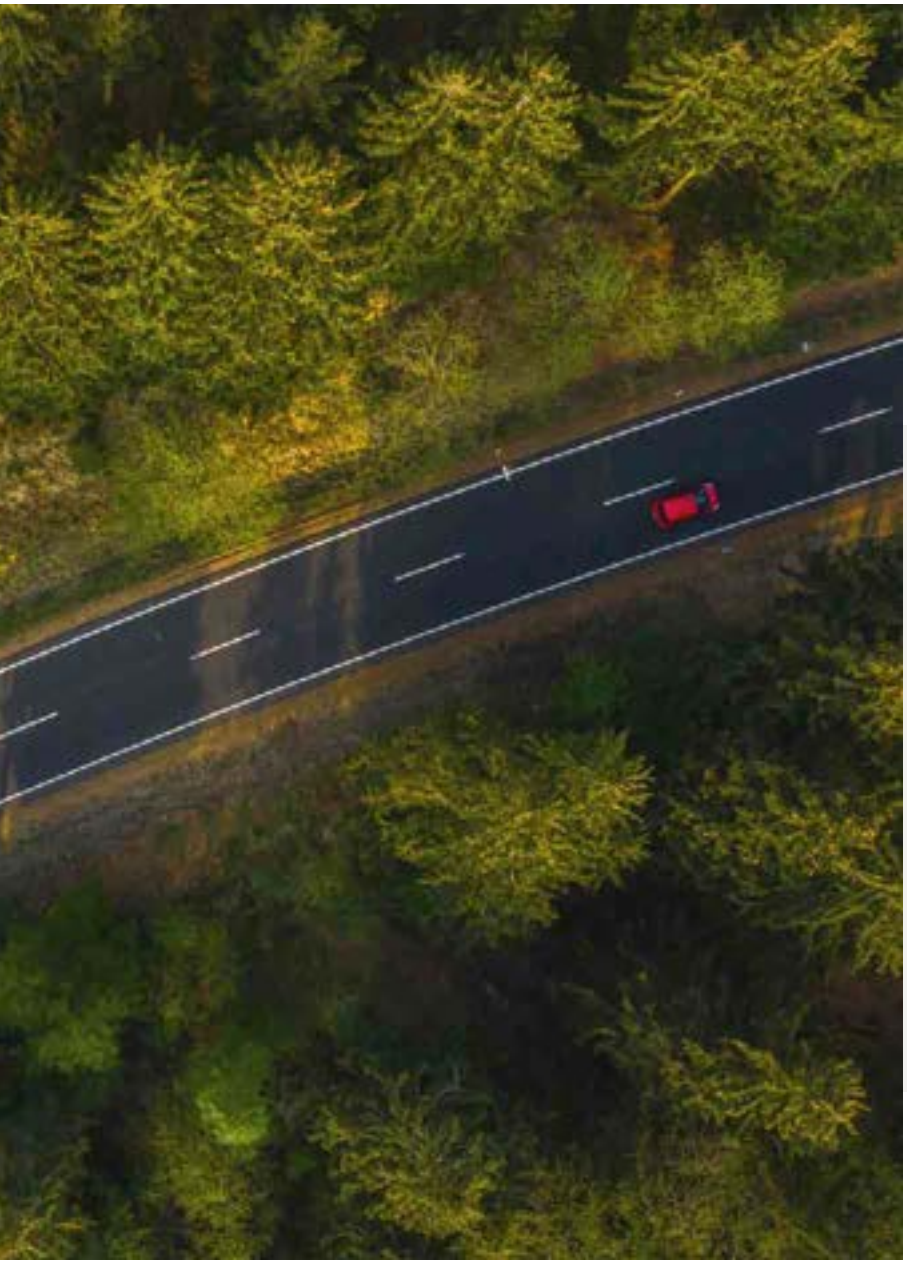
Scanning and mapping of raw material allows operators to efficiently position dies in our leather cutting operations. Obtained through Lear's acquisition of Thagora, these tools increase throughput and decrease scrap during manufacturing while reducing ergonomic risks.

Smart 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 multiple workstations. The technology is also used to inspect and finesse surface materials in our seating facilities.

Robots handle extreme temperatures during molding and precisely position metal busbars into injection molded parts to produce Lear's Battery Interface System. Robots also steam seats (*right*), an operation that would otherwise cause stress on shoulders and require employees to work with hot steam.



Protecting the Environment



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 energy efficiency treasure hunts and Kaizen events for 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 after opening.

Monthly energy, waste and water data 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**.

Lear sites complete third-party environmental regulatory audits every three to five years to ensure compliance.

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 in EHS&S activities
- 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**.

Green Star Award Presented in Thailand

For the second consecutive year, Lear's facility in Rayong earned a Green Star Award from the Industrial Estate Authority of Thailand. Through on-site audits, facilities are assessed on management of water, waste, air quality and green areas as well as financial management, community support, and employee safety and quality of life.

Clean Industry Certification Awarded in Mexico

In Mexico, 40 Lear facilities received Clean Industry certification from the Federal Attorney's Office for Environmental Protection (PROFEPA). In addition, four achieved environmental excellence honors. Based on audits, the program assesses a company's general environmental practices and compliance with Mexico's environmental standards as well as energy and water consumption, emissions, environmental management systems, and activities outside the company.

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 2023, Lear maintained a climate change score of B and a water security score of B-, both of which were higher than the North American and global averages.

Based on Lear's environmental data and value chain engagement, including survey responses provided by our suppliers, we earned a CDP Supplier Engagement score of B-, which was higher than the North American and global average of companies in the light manufacturing activity group.

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. These systems streamline data collection and timeliness, ultimately improving our reporting.

Climate Change

B

Water Security

B-

Supplier Engagement

B-

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, rubber for sealing components, 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 our suppliers to:

- Comply with all government laws, regulations and guidelines regarding deforestation
- Not to clear-cut or burn forested areas for production or development
- Only purchase and supply materials from legally compliant sources that are free of content acquired from illegally deforested, indigenous or other protected lands
- Encourage the protection of High Conservation Value (HCV) forests/lands and avert 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.

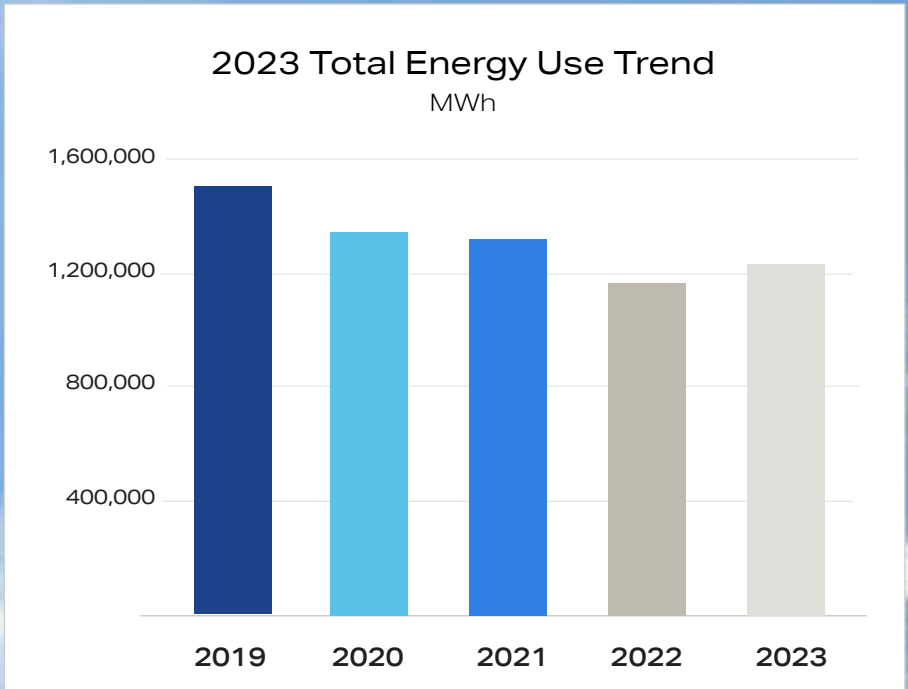
Lear was one of three companies in Germany selected to participate in the Factor Green Project. As part of the initiative, our Remscheid facility replaced asphalt with green spaces such as wildflower meadows, outdoor break rooms for employees, and habitats for birds and small animals. The facility's efforts earned an award from the Factor Green Project Conference.

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

Reducing Energy Use

To meet our **Climate Goals**, we are working to reduce energy generated from nonrenewable fuel sources, investing in renewable energy and, as a result, decreasing GHG emissions.

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 Lear's energy use around the world.



Nearly **400** energy efficiency projects completed in 2023, potentially saving 26M kWhs of energy globally

17% reduction in energy use since 2019*

** Adjusted to include Scope 1, 2 and 3 emissions as well as acquisitions/divestitures based on the Greenhouse Gas Protocol — A Corporate Accounting and Reporting Standard.*

Some of our energy efficiency projects include:

- Automating lighting, ventilation and air conditioning systems
- Deploying energy monitoring systems
- Optimizing HVAC systems
- Implementing process improvement projects to reduce natural gas and electricity usage
- Eliminating compressed air losses through audits, leak detection and repair/replace programs
- Performing energy audits and treasure hunts
- Systematically shutting down equipment during partial production, weekends or at peak energy use times
- Installing and using leakage detection devices to find heat and energy losses from operating equipment
- Replacing existing motors with variable speed motors and scheduling routine maintenance
- Replacing light fixtures with LEDs

Investing in Renewable Energy

Lear aims to use 100% renewable energy for electric power consumed at all of our sites by 2030. To meet this climate goal, we have developed a **Renewable Energy Strategy** and roadmap to achieve our targets on time.

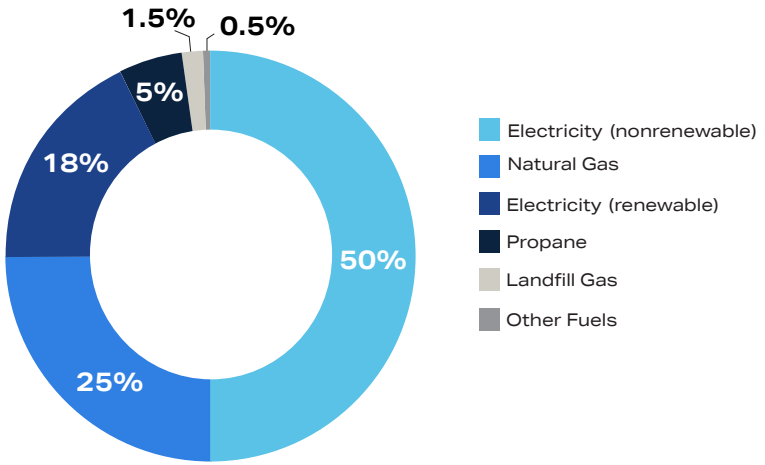
27% of electricity used at our plants globally, **including 100%** at our sites in the U.K., Germany, Spain and Portugal, is from renewable sources

14.4M kWh of electricity from on-site solar installations produced in 2023

14 on-site solar arrays in 6 countries

2023 Global Energy Use

By Fuel Sources



More data is available in the Appendix.

Lear partnered with Alight, a leading European solar developer and independent power producer, to install a 1.0 MW rooftop array at our facility in Valls, Spain.

Decreasing GHG Emissions

Greenhouse gases — such as CO2 — trap heat and warm the planet. According to the EPA, 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 at all of our facilities by 50%.

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

- All plants report their energy use through a third-party software data platform on a monthly basis. The data is reviewed by our corporate Environmental, Health and Safety (EHS) team and 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.

18% reduction in Scope 1 and 2 emissions since 2019*

** 2019 base year emissions adjusted for acquisitions/divestitures in accordance with the Greenhouse Gas Protocol — A Corporate Accounting and Reporting Standard.*

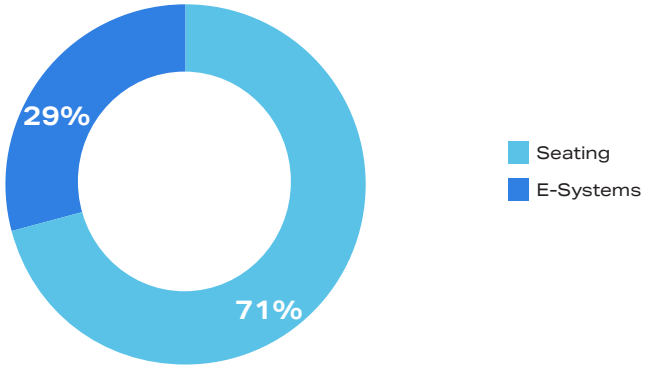
Our Scope 1, 2 and 3 Emissions

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 (directly from Lear's operations), Scope 2 (indirectly from energy generation), and Scope 3 (indirectly from the value chain) emissions.

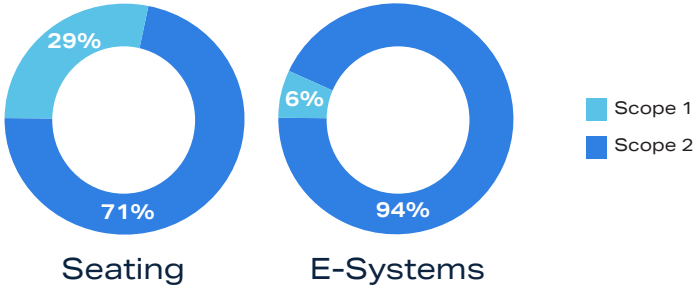
We adjusted our 2019 baseline for Scope 1, 2 and 3 GHG emissions to account for acquisitions/divestitures. Our Scope 1 emissions now also include process and fugitive Scope 1 emissions, which were previously not included.

2023 Global Scope 1 and 2 Emissions (Market Based)

by Division

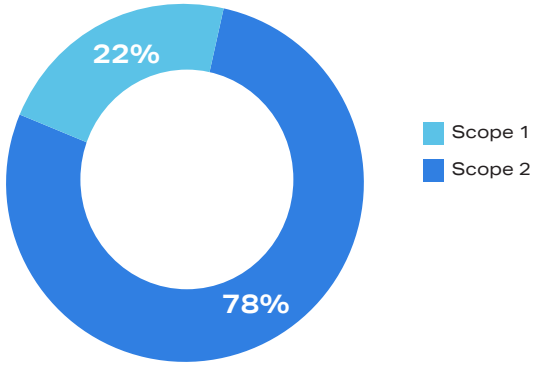


Divisional Breakdown



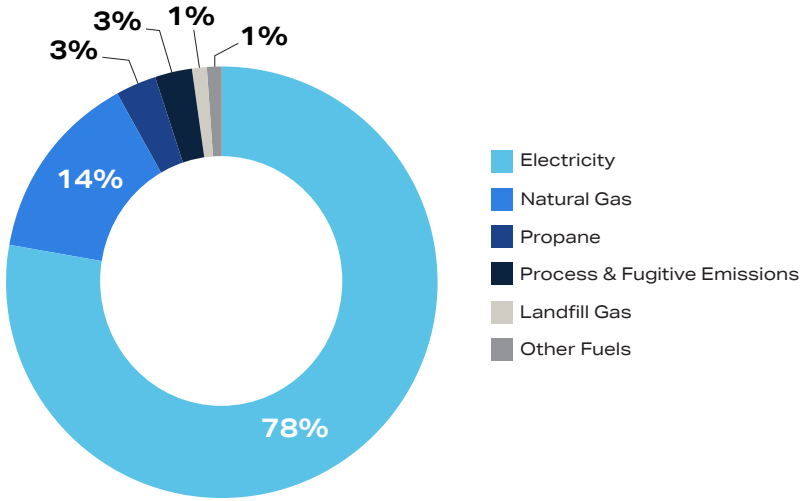
2023 Global Scope 1 and 2 Emissions (Market Based)

by Scope



2023 Global Scope 1 and 2 Emissions (Market Based)

by Fuel Source



More emissions data is available in the Appendix.

In 2023, we calculated our Scope 3 emissions, starting with extensive data collection efforts. We evaluated all 15 Scope 3 categories for relevance to Lear and developed methodologies for emission calculations, which included spend-based, quantity-based and/or a hybrid approach. We completed collection of granular data for each category to calculate Scope 3 emissions for 2023 and all prior years up to 2019 (base year).

Scope 3 data results identified "Purchased Goods and Services" as the biggest GHG contributor, followed by "Use of Sold Products." With this data, we can further refine our strategies to decarbonize. We will continue to work with our value chain to develop strategies for reduction of emissions in each of the applicable Scope 3 categories.

2023 Total Scope 3 Emissions

Total: 9.5M mtons CO2e

Categories	Percentages
Purchased Goods & Services	76%
Capital Goods	9%
End-of-life Treatment of Sold Products	7%
Upstream Transportation	4%
Other*	4%

** Includes fuel and energy-related activities, waste generated in operations, business travel, employee commuting, downstream transportation, and investments*

More emissions data is available in the Appendix.

Improving Logistics and Transportation

In Honduras, Mexico and Texas, our teams optimized our logistics networks for both inbound and outbound transportation. By switching from ocean shipments to trucking, the team not only avoids delays due to weather, port congestion and container availability but benefits from consistent and faster transit times, reduced material handling, less excess safety stock, lower storage costs, and improved predictability. More than 5,000 fewer miles traveled results in avoiding more than 600 tons of total CO2e emissions a year.

5,000+
fewer miles traveled

600+
tons of total CO2e emissions avoided

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.

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 and implemented it globally during 2023. 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. Similar to our strategy for **energy efficiency**, we plan to prioritize our highest water-consuming sites. 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

- Implemented the Water Stewardship Playbook globally

2022

- Developed and launched the 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

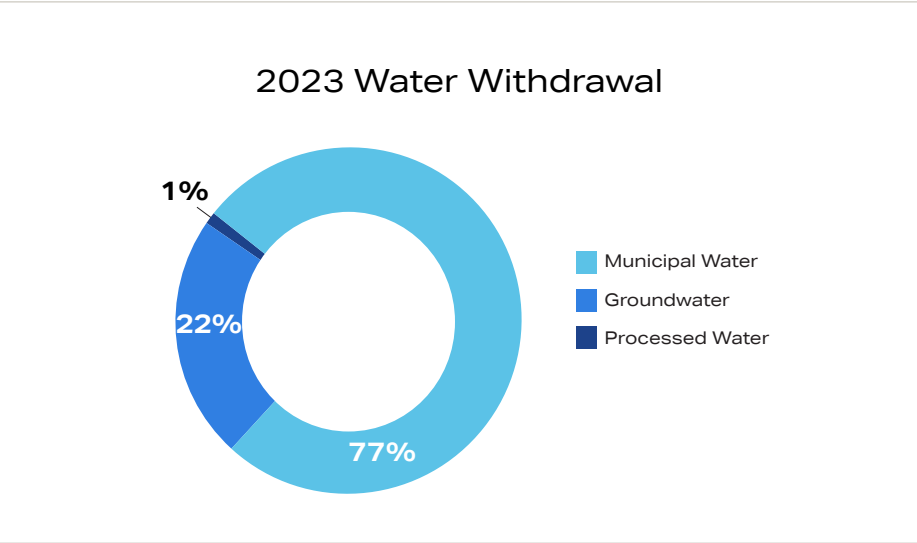
2019

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

Addressing PFAS

Increasing regulatory actions seek to reduce the use of polyfluoroalkyl substances (PFAS) and monitor and reduce concentrations found in drinking water. A class of more than 9,000 "forever chemicals," PFAS is used in the automotive industry to repel water and prevent staining in fire retardant fabrics as well as to lubricate motors and moving parts in addition to many other applications. Even before the new limits were finalized, Lear began developing our own chemistries to eliminate PFAS in our surface material products while meeting the automotive industry's extremely high standards. Working closely with our suppliers and customers, Lear is actively identifying and reformulating the chemicals we use. As always, Lear strictly complies with all environmental regulations.

The lawn in Torreon, Mexico, is greened with recycled water from the plant cafeteria.



More water data is available in the Appendix.

2% reduction in total water withdrawal in 2023

0 gallons of water used directly from lakes or rivers

166,800m³ of water savings from 50+ projects completed in 2023*

** 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.

Waste Reduction Playbook

Lear's Waste Reduction Playbook provides step-by-step guidelines to help our employees 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 are set, and strategies are developed to minimize waste streams at our facilities.

To promote a culture of sustainability, each manufacturing site established Waste Reduction Teams to plan activities, gather employee suggestions, set targets, track achievements and celebrate successes. Detailed action plan templates help track each project. Each facility is also responsible for satisfying applicable local, regional and country regulations. As each site progresses, goals are regularly evaluated and adjusted, results reported, and best practices shared. The Waste Reduction Playbook has significantly reduced the amount of waste produced, increased recycling and reuse, and diverted waste from landfills.

Landfill-Free Sites

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, 39 Lear sites in 15 countries have achieved landfill-free status.

Reusable and Recycled Packaging

Lear works with packaging suppliers that provide cardboard, wood pallets, plastic trays, returnable containers and plastic bags. A majority of these packaging materials are reusable, recyclable or made from recycled content.

Repurposing Scrap Materials

To reduce disposal in landfills, Lear donates some scrap leather and vinyl to local artisans. For instance, leather and vinyl scrap generated by facilities in Juarez, Mexico, is used to make sandals, shoes, bags, purses, bracelets, and other souvenirs. By reusing these scrap materials, Lear supports local artisans while enhancing its sustainability practices.

1,000+ tons of leather and vinyl scrap reused since 2022

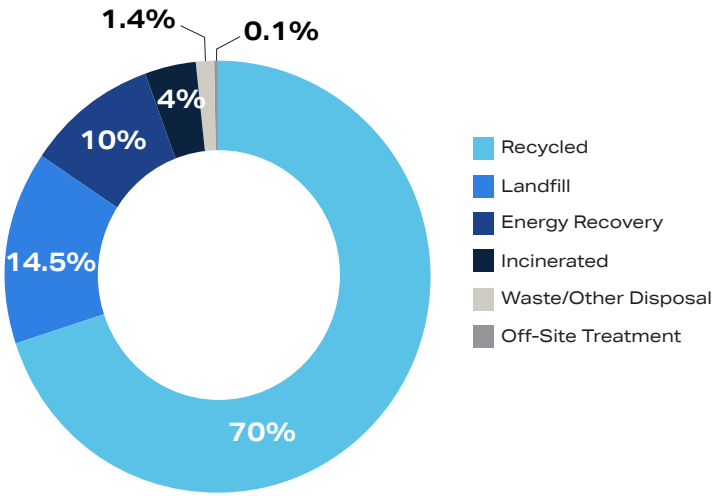
Suppliers Partnership for the Environment

Lear participates 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. As part of this organization, we helped establish best practices in sustainable packaging materials and other initiatives focusing on key sustainable materials criteria, metrics and methods.

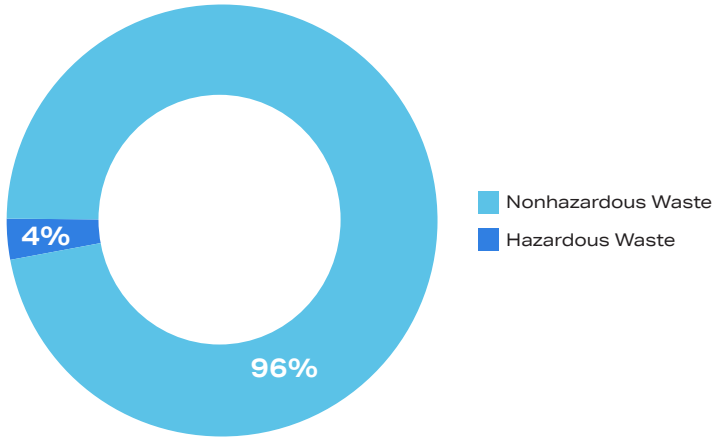
Envita Solutions

Since 2002, Lear has been working with leading total waste management provider Envita Solutions (formerly Heritage Interactive Services) to manage our waste streams. Today, Envita supports more than 70 sites in North America with their zero-waste-to-landfill efforts, circular economy packaging, closed loop systems, operational efficiencies, and capturing important data to support our corporate sustainability goals.

2023 Total Waste



2023 Hazardous vs. Nonhazardous Waste Data



More waste data is available in the Appendix.

429,700 kg of waste reduced from 130+ projects in 2023

39 landfill-free* facilities in 15 countries

1% reduction in waste volume in 2023 compared with 2022

** Disposing zero production waste in a landfill, not including nonproduction waste, such as construction waste.*

HOW WE MAKE BETTER COMMUNITIES

Social Responsibility

55 2023 Social Responsibility Highlights

56 Being Inclusive

57 Diversity, Equity and Inclusion (DEI)

68 We Expect Respect

69 Engaging Employees

70 Together We Win

72 Giving Back to our Communities

73 Teamwork & Talent

91 Labor Relations

94 Protecting Our People

95 Human Rights

96 Employee Safety

101 Quality Products & Product Safety

102 Quality Products

106 Product Safety & Compliance

2023 Social Responsibility Highlights

Meaningful employment opportunities

186,600 team members

Competitive pay & benefits

~88,000 employees covered by **labor agreements** globally

7.5M **hours of developmental, compliance and corporate training** in 2023

Engaged workforce

764 **local plant engagement surveys** since 2017

100% of Lear's manufacturing sites **have health and safety committees** run jointly by management and employees

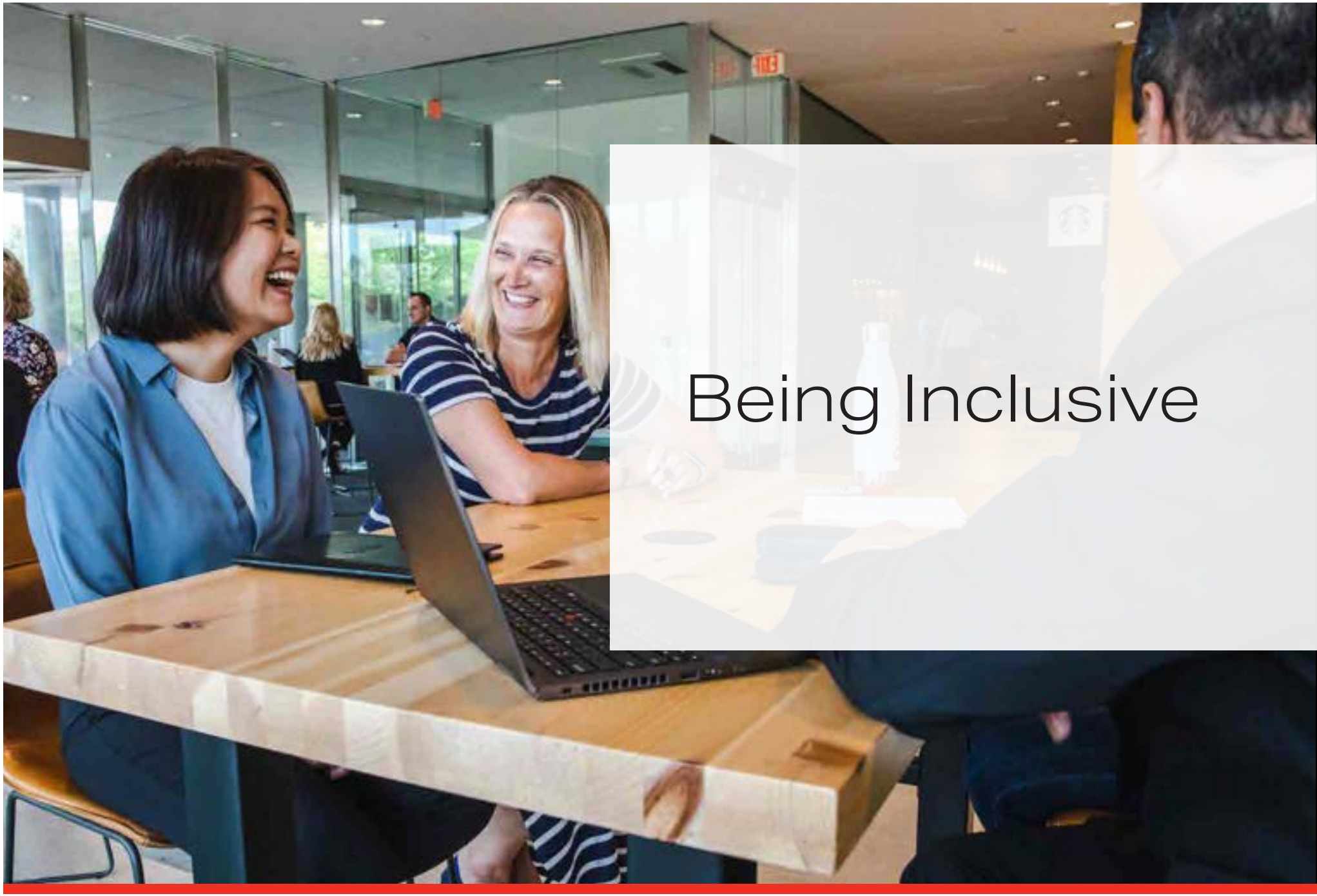
Driving Wellness expanded globally **to promote healthier lifestyles** among employees

Striving for diversity, equity and inclusion

Launched **JumpStart, a new "returnship" program** designed to attract degreed, mid-career professionals who have paused their careers

$5.3B spent with certified **minority-owned, women-owned and veteran-owned suppliers** in the U.S. over the past decade

Nearly **270,000** **hours** of **Expect Respect and sexual harassment training completed** since 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. 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 benefits of diversity and inclusion, learn to communicate effectively with a broad range of colleagues, and support minority teammates. Regional leaders share best practices, and DEI toolkits have been developed for plant deployment. Lear also funds initiatives that invest in and prepare diverse talent for success through a combination of grants to external organizations as well as internal investments to educate and engage our employees.

Drive	Educate		Fund
	DISCUSS	LEARN	
Connect grassroots efforts with our EDC, CEO and the leadership team to develop a comprehensive strategy, focus our initiatives, and drive accountability and results	Offer in-person and virtual events including **Employee Resource Groups**, lunch-and-learn sessions, panel discussions, educational presentations, social events and community engagement	Provide DEI toolkits for hourly employees and Expect Respect training for all employees in all locations	Provide financial and nonfinancial resources to local and national organizations that invest in and prepare diverse talent and diverse organizations for success to encourage greater diversity and inclusion throughout the workforce and supply chain

22 **college scholarships** plus tutoring and SAT test prep **for nearly 290 inner-city teenage girls** through the Rhonda Walker Foundation since 2018

15 **veteran mentorships** through American Corporate Partners in 2023

380+ students supported through the **Winning Futures mentoring and workforce prep program** in 2023

Lear volunteers

Around the globe, Lear employees devote their time to supporting the communities where they work. Below are just a few examples.

- Devoted 824 hours to mentor high school students through Winning Futures
- Introduced students to careers in the automotive industry through Tech Talks at Cornerstone Schools, fieldtrips to Lear with Winning Futures, and presentations at Lawrence Tech with the Detroit Children's Fund Compact program
- Provided 200+ hours of coaching for students in the Little Readers Tutoring Program at Cornerstone Schools in Detroit, Michigan
- Interacted with students at the Junior Achievement Finance Park and JA Inspire Virtual Career Fair attended by 8,600 students from 76 schools
- Mentored 15 veterans through American Corporate Partners, helping them improve resumes and interviewing skills, identify career fields and translate their military background into the corporate world
- Served on boards such as the Student Advocacy Center, Junior Achievement, the Rhonda Walker Foundation, Winning Futures and Cornerstone Schools

Together We Grow

Launched in 2021, 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 and 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 2023, 24 candidates from the U.S. were chosen to participate in Together We Grow. More than 200 employees were nominated as potential participants.

In 2024, the program is expanding to Europe/Africa and Mexico.

24 participants from the U.S. in 2023

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're committed to interviewing a diverse slate of candidates for all manager and above roles.

Lear works with the National Society of Black Engineers, National Black MBA Association, Women of Color Conference, the Society of Women Engineers, and historically Black colleges and universities to help fill our talent pipeline across our U.S. plants and offices. We also support these groups through internships, externships, conference participation and sponsorships.

To help mid-career professionals who have been out of the workforce update their skills and pursue new opportunities, Lear developed and piloted a 12-week **JumpStart** program in 2023. The highly successful paid program, which will be expanded globally in 2024, will provide Lear with a new source of experienced talent.

Lear is launching a new **Careers website** for 2024, featuring a new brand: Lear For You. To find more candidates for all levels throughout the company, we are also leveraging online technology such as Handshake, LinkedIn, and RippleMatch.

To support our critical plant hourly recruitment initiatives, we are piloting a Text2Apply program for our U.S. plants.

Champions of Lear: Together We Belong Award

HONDURAS

With 64% of the country's disabled population unemployed, the Leave Nobody Behind Team welcomed more than 35 people to work in nine different departments at our Green Valley wire harness plant in Honduras as part of an inclusion program. The plant adapted jobs and workstations to give people who are partially or permanently disabled the opportunity to take part in the workforce. Food, medical attention and equipment were also provided.

Expanding Our Diversity Efforts

At Lear, we've challenged ourselves to look beyond gender and ethnicity in our DEI efforts to include neuro-diverse people and those with physical disabilities.

- **People with neurodiversity** offer value to our diverse workforce. For example, at our global headquarters in Southfield, Michigan, we are working with a local school district to give young adults with mild cognitive disabilities — such as autism, Down syndrome and other developmental disabilities — the opportunity to work in jobs aligned with their abilities.

- **Physical disabilities** can often be accommodated to provide people with employment, purpose and valuable camaraderie with teammates. In Honduras, more than 35 people with disabilities work in nine departments as part of the plant's inclusion program (see **Champions of Lear**). In Mexico, employees who suffered permanent physical injuries due to motorcycle accidents find opportunities working at Lear. Our plants in Serbia, Macedonia, and Moldova also employ about 25 people with physical disabilities. In Brazil, 280 disabled individuals work on our production lines.

- **The deaf or hard-of-hearing 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 deaf. In Spain, Lear partners with the Association of Deaf People in Zaragoza and Aragon (ASZA), an organization dedicated to providing deaf people with resources for daily living, training and employment. Currently, six deaf employees work at the plant in Épila, Spain, performing the same tasks as other employees. Similarly, 32 deaf employees were hired and developed in Brazil, and 200 employees were trained in sign language.

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 U.S. Where potential pay equity concerns are identified, we work with business partners to understand differences and take appropriate corrective measures.

In 2023: **100%** of salaried women globally and ethnic minorities in the U.S. were included in pay equity analysis

Fewer than **1%** of salaried employees recommended for an adjustment to base salary

100% of hourly employees were included in the pay gap analysis globally

2% pay gap for hourly female employees compared with hourly male employees*

Equitable promotion rates and recognition awards for women and minorities

** The percentage pay gap for hourly employees is calculated by determining the weighted average of median female earnings compared with median male earnings for different employee groups. Employees in this analysis were grouped by identifying employees in the same country and job code. Note that pay for most hourly employees is driven by union agreements.*

Supporting Supplier Diversity

Our DEI efforts also extend to our suppliers and our global communities. No potential supplier is precluded from consideration on the basis of race, color, religion, sex, age or national origin.

$5.3B spent with certified minority-owned, women-owned and veteran-owned suppliers in the U.S. over the past decade

257 minority-owned, women-owned and veteran-owned suppliers in our U.S. supply base

25 supplier diversity events attended

14 minority business organization events supported

As a corporate partner, Lear promotes supplier diversity in organizations such as:

- **The National Black Supplier Development Program (NBSDP)**

  A joint initiative between the National Business League and Stellantis, the NBSDP offers a unique blend of knowledge transfer, mentoring, and advocacy to create detailed growth plans and bring business opportunities to fruition for selected companies. The program was launched in 2021 with the goal of developing and supporting Black-owned supplier companies through education, connections, and resources that eventually leads to business awards. In 2023, 13 suppliers graduated from the program and another nine joined as participants.

- **execWE Program**

  execWe's mission is to empower women executives and business leaders to step away from working in the business to focus on working on the business. Lear was the title sponsor and host for the 2023 execWE conference on Beyond Sustainability. The executive leadership and business event helped 190 attendees from 155 companies understand how sustainability can be a growth driver, competitive advantage and successful business model in an industry working to cascade sustainable practices throughout the supply chain.

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 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 and Minority Business Enterprises to coordinate efforts across functions. The team manages events, community support initiatives, training and other programs to attract, retain, develop and promote diverse talent.

Lear's Employee Resource Groups

Lear's Employee Resource Groups (ERGs) provide networking, mentorship and development opportunities for people who share common interests, backgrounds or demographics. Anyone can join an ERG, and all employees are invited to attend the many events and seminars they host throughout the year.

Formed by employees instead of leadership, Lear's ERGs address specific local needs and provide employees with leadership opportunities. Each ERG is also sponsored by an executive, allowing them to hear directly from employees, learn about new perspectives on what's happening throughout the organization, and receive valuable input on issues that may otherwise go unnoticed.

Lear's Immigrants & Refugees ERG in Argentina and Brazil supports more than 100 immigrants through incentives to study local languages, conversation circles to discuss common difficulties and exchange ideas, and reimbursement of expenses to revalidate technical, undergraduate or post-graduate courses taken in the country of origin. In 2023, the region also celebrated the first immigrant to be promoted to production manager.

GROW

Global Resources & Opportunities for Women

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

LEAR NEXT GEN

Lear Next Generation

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

LAAN

Lear African Ancestry Network

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

LION

Lear Indian Origin Network

increases visibility and growth prospects for Indian origin professionals at Lear.

LEAR LOVES

Lear LGBTQ+ Outreach, Visibility, Education & Support

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

VALOR

Veterans At Lear Offering Resources

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

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

Diversity at Lear

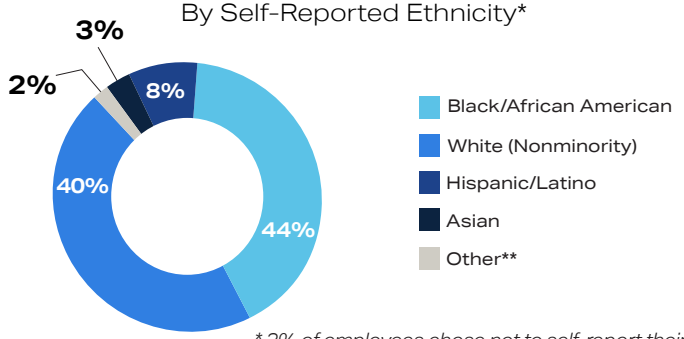
Diversity in the workforce values dimensions of gender, race, ethnicity, sexual orientation, culture, national origin, skills, age, education, military service and general life experiences. We strive to promote a culture where all employees feel engaged, accepted and encouraged to bring their whole selves 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 since 2021.

View Lear's Consolidated 2023 EEO-1 summary data **here**.

2023 U.S. Workforce

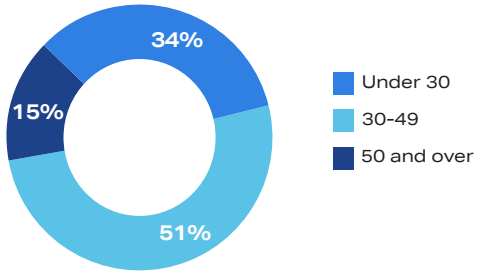
By Self-Reported Ethnicity*



** 3% of employees chose not to self-report their ethnicity*
*** American Indian/Alaskan Native, Native Hawaiian or other Pacific Island, two or more races*

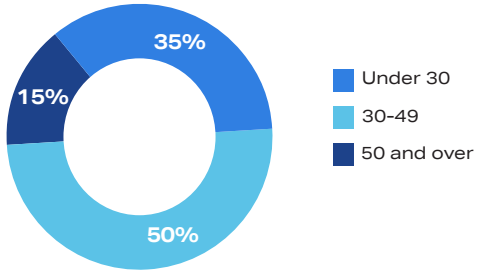
2023 Global Female Employees

By Age Group[1]



2023 Global Male Employees

By Age Group[1]



[1] *Includes hourly and salaried employees*

46% of Lear's U.S. leaders are ethnic minorities or women***

30% of Lear's **Board of Directors** are African American or Asian

63% of salaried new hires in the U.S. were ethnic minorities or women

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

To celebrate International Women's Day, Lear's GROW ERG invited Board member Kathleen Ligocki, right, to share her experiences as a female executive in the auto industry. Using wit and laughter, Kathleen inspired employees with her personal anecdotes and advice.

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*

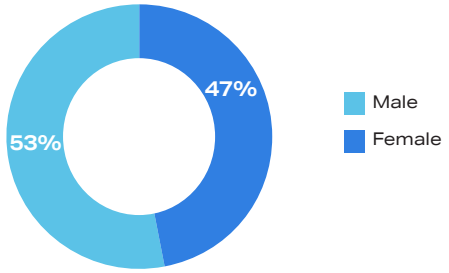
35% of global salaried new hires were female

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

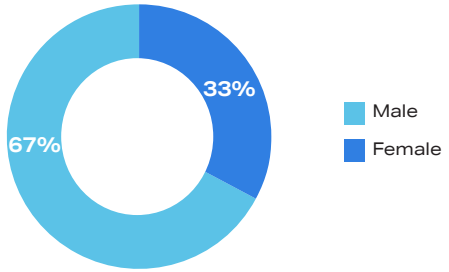
30% of Lear's **Board of Directors** are women

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

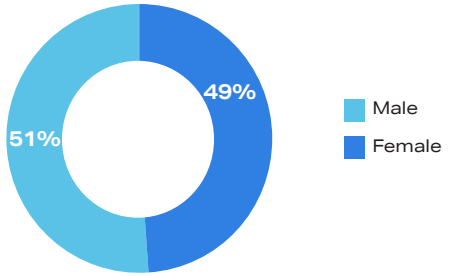
2023 Global Employees
By Gender



2023 Global Salaried Employees
By Gender



2023 Global Hourly Employees
By Gender



More data is available in the Appendix.

Community Partners & Engagement

- Asian Pacific American Chamber of Commerce (APACC)
- Canadian Aboriginal Minority Supplier Council (CAMSC)
- Center for Automotive Diversity, Inclusion and Advancement (CADIA)
- 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 Gay and Lesbian Chamber of Commerce (NGLCC)
- National Business League (NBL)
- National Minority Supplier Development Council (NMSDC)
- Veteran Owned Business Roundtable (VOBRT)
- Women's Business Enterprise Canada (WBE)
- Women's Business Enterprise National Council (WBENC)

Actions & Achievements

- 2023 Automotive News Rising Star – Julius Martin
- 2023 CADIA Impact Award – Systemic Change Award – Organization, Runner Up – **Lear JumpStart Program**
- AB Diversidade 2023 Award – Lear's third award since 2020
- Corp! magazine's Salute to Diversity Awards, Business Diversity Leader - Art McClellan
- Crain's Detroit Business Excellence in HR Award – Monica Dameron
- GLWBC Corporate Development Committee member
- GM Supplier Inclusion Board member
- Minority Business News USA magazine's Best of the Decade 100 for Supplier Diversity
- Minority Engineer magazine's Top 50 Employers 2023
- MMSDC Board of Directors and Corporate Development Committee co-chair
- MMSDC InFuse Corporate Mentoring Program participant
- Newsweek magazine's America's Greatest Workplaces for Diversity 2024
- Newsweek magazine's Greatest Workplaces for Women 2024
- Speakers at two GLWBC programs on business growth, the Rainbow PUSH Automotive Summit, and the CADIA Summit
- VOBRT Corporate Advisory Committee 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.

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. In addition, an Expect Inclusion module addresses other key topics, such as maintaining a respectful culture, embracing diversity of people and perspectives, standing up to harassment in all its forms, company policies, legal responsibilities and reporting. 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 2023, an **Ethical Culture Survey** confirmed that Lear's ethical culture is strong.

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 Audit Committee.

Nearly
270,000
hours of Expect Respect and sexual harassment training completed since 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 2017, 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 proprietary Together We Win Playbook provides a roadmap of best practices, and engagement surveys give employees a voice in measuring progress at each site.

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.

Global Engagement Surveys

Since 2017	In 2023
434,000+ participants	60,000 participants
764 local plant engagement surveys	114 local plant engagement 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.

CEO Coins

Lear employees who exemplify extraordinary commitment to our values – Be Inclusive, Be Inventive and Get Results the Right Way – are presented with coins from our CEO Ray Scott. Ray presented CEO Coins to a leader in our Coventry, U.K., facility for championing a mental health program, the team at our plant in Villa Ahumada, Mexico, for achieving 15 years without a lost time incident, and employees at our Gratiot facility in Detroit, Michigan, (pictured below) for their outstanding launch.

Champions of Lear: Together We Win Award

UNITED KINGDOM

Our Redditch and Coventry sites in the U.K. developed Team Improvement Circles (TIC) to empower employees to identify issues and implement improvements. The 10-step process invited teams of two to five employees to identify a problem, analyze it, develop opportunities for improvement, implement an idea and present the successful improvement. Nearly 250 employees submitted 47 solutions to improve safety, increase quality, reduce costs and speed delivery.

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
We help provide complete nutrition, clean drinking water, and safe living conditions — the essentials required to lead healthy and prosperous lives.	We support effective and quality learning, job preparedness, entrepreneurship, and science, technology, engineering, arts and math programs for children and young adults.	We help preserve the earth through environmental cleanup, recycling and reuse initiatives, and saving energy.

Nearly **$1M** donated by Michigan employees to the United Way, UNICEF, Save the Children, Habitat for Humanity, FIRST, the Ocean Conservancy, the Nature Conservancy, Capuchin Soup Kitchen and other organizations

45 charities supported

26 Lear executives serve on the boards of 34 nonprofit organizations

2.8M pounds of food for school pantries, 136,000 snacks and 100,000+ summer lunches from Forgotten Harvest generated with support from companies like Lear

For **10 years** Lear employees have been supporting the United Nations Clean Up the World program, collecting tons of waste from beaches in Navegantes City, Brazil

33,000+ volunteer hours logged by nearly 13,000 employees globally

$200,000 Raised for Survivors of Moroccan Earthquake

In September 2023, central Morocco was struck by a 6.8-magnitude earthquake, the most powerful in more than 120 years. Thankfully, no Lear employees were hurt, and our facilities were not damaged. However, the earthquake caused widespread destruction. Quick to support their local communities, our 22,000 employees in Morocco raised $100,000 for those impacted by the earthquake, and Lear matched their generosity for a total donation of $200,000. Lear employees from around the world also donated to the International Federation of the Red Cross (IFRC).

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 vision 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.

7.5M hours of developmental, compliance and corporate training in 2023

Attracting New Talent

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

- Strategically structuring our recruiting team to focus on manufacturing, advanced technology, and diverse pipeline partnerships
- Requiring a diverse slate of candidates, particularly by gender and ethnicity
- Ensuring all global open positions are highlighted on our careers website to reach the right audience, leveraging global channels and partners to rotate the distribution of positions based on our talent needs
- Partnering with our Total Rewards team to highlight key Lear employee benefits and extend competitive total compensation packages
- Offering flexible work arrangements
- Focusing on high-potential internal talent, giving current employees the opportunity to build their careers at Lear
- Developing new university and college partnerships to support talent needs in critical functional areas
- Connecting and recruiting with select historically Black colleges and universities (HBCUs) and diverse professional organizations as a source of top diverse talent

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 U.S., our employee referral program reminds team members that we are often our best resource for identifying future talent. Employee referrals are now the third most common source of new hires in the U.S.

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 operational excellence. Our team hosts events at universities and other early career forums to introduce Lear and our current available opportunities.

Lear's global headquarters in Southfield, Michigan, recruits from numerous universities such as:

- Alabama A&M University*
- Auburn University
- Central State University*
- Cleary University
- Clemson University
- Eastern Michigan University
- Ferris State University
- Grand Valley State University
- Hinds College
- Hope College
- Howard University*
- Indiana University
- Kettering University
- Lake Superior State University
- Lawrence Technological University
- Marquette University
- Michigan State University
- Northwestern University
- Oakland University
- Pennsylvania State University
- Purdue University
- The George Washington University
- Trine University
- Tuskegee University*
- University of Alabama
- University of Georgia
- University of Illinois
- University of Michigan — Ann Arbor
- University of Michigan — Dearborn
- University of Michigan — Flint
- University of Missouri
- University of Notre Dame
- University of Oregon
- University of South Carolina
- Wayne State University
- Western Michigan University

** historically Black college or university*

Summer Internships

Interns are a primary resource for future talent. For many years, Lear has partnered with a variety of universities to offer summer internships to college students. Our interns benefit from skill building, training opportunities, exposure to Lear leaders, off-site social events, lunch-and-learns on key topics related to Lear business and intern success, and end-of-summer intern presentations attended by executive leadership. Many are hired as full-time employees, and some go on to internal **rotational opportunities**. Interns often provide a way for Lear to continue to expand our thinking on how best to attract, retain and develop talent.

59 summer interns at our global headquarters in Southfield, Michigan, and 53% were diverse

186 interns in Asia, and 45% were diverse

49 interns in Brazil

10 interns from historically Black colleges and universities

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 students rotate between the classroom and workplace every three months, applying their engineering and business studies in the real world. Co-op 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 students take advantage of full-time career opportunities at Lear in their home country or region.

43 students participated in the co-op program

5 students hired

8 participated as Lear scholars

MEET A LEAR SCHOLAR

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

Supporting the Michigan Mobility Talent Consortium

Through the Michigan Mobility Talent Consortium (MMTC), Lear is helping increase the pool of qualified high-tech talent for the auto industry. The collaboration of industry, educational organizations and government institutions is increasing the skills and number of STEM graduates, exposing students to the industry, and offering training programs. In 2023, Lear and other automotive industry partners invited and accompanied more than 130 high school students to the North American International Auto Show in Detroit and helped design "Bring Your Engineer to School Day," a playbook teachers can use to partner with industry participants to engage students in engineering.

Trainee Program in Spain

In Valls, Spain, Lear offers trainee programs for final year university students. The Lear Trainee Program attracts students from the engineering or business administration fields, and assigns them to specific project teams within a department such as finance, purchasing, marketing or engineering. Trainees gain direct experience about project development in different departments within the automotive industry while completing their final university degree project. Engineering students in the program work within software, hardware systems, mechanical or advanced engineering, and have the opportunity to present projects to senior leaders. All students are closely mentored by Lear professionals and gain up to 10 months of work experience with the chance to become Lear employees upon completion.

15+ years of trainees

10 students typically participate each year

Internship Program in Mexico

In Mexico, Lear partners with 29 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 engineering, HR, materials, maintenance and customs.

49 interns in **19** Lear manufacturing sites in Mexico

Rotation Programs in the United States

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

28 employees currently involved in the rotation program

57% of participants in the rotation program are diverse

Lear is a Great Place to Work

Our Together We Win culture, future-forward technologies and reputation for operational excellence attract new talent.

- Fortune's 2023 World's Most Admired Companies – eighth consecutive year
- Forbes America's Best Large Employers 2024
- JUST Jobs Scorecard Top Performer - Employee Wellness
- Newsweek magazine's America's Greatest Workplaces for Diversity 2024
- Newsweek magazine's Greatest Workplaces for Women 2024
- Minority Engineer magazine's Top 50 Employers 2023
- Top Employers Europe 2023 Certification - Top Employers Institute
- Top Employer 2023 Certification - Czech Republic, Macedonia, Morocco, Romania, Serbia and Spain
- Great Place to Work Awards – Brazil

Winning the Way

Our Leadership Model

Our leadership model, Winning the Lear Way, embodies the next step in our cultural journey. Introduced at our 2022 leadership conference, we integrated the new model into the wide range of tools we offer to develop our leaders in 2023.

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.

Lear University

In 2017, Lear University was established in Mexico to create a strong pool of tool makers for our structures plants in the Saltillo area. Based on a corporate university model, Lear University now works with nine regional universities to offer educational and certification opportunities in 18 technical areas such as engineering, maintenance, foam and craftsmanship. The model has expanded to all business units in Mexico and Honduras.

480 graduates **18** specialties **17** plants

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 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. Several of these ideas have been implemented globally. 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.

The success of the CEO Academy inspired new leadership academies hosted by our business unit presidents. The E-Systems Leadership Academy was held in Morocco in fall 2023, and the Seating Leadership Academy was held in early 2024 in Southfield, Michigan.

58 attendees since 2019

70% expanded their leadership roles

Lear's Together We Grow program helps high-potential and diverse employees develop leadership skills.

Learn more **here**.

Rotational Advanced Management Program (RAMP)

Based on a project presented at the CEO Academy, Lear launched RAMP in the U.S. in 2023 to accelerate the development of high-potential employees in our plants and increase our pool of "ready now" candidates for future manufacturing roles. The program offers educational opportunities, formal rotations, development plans and talent reviews as well as participation in regional projects and exposure to leadership through executive lunch-and-learns.

34 participants **47%** diverse **14** ready for new role

New Global Finance Development Program

Lear's first Finance Development Program launched in early 2023. During the year-long program, more than 40 participants from the company's finance departments in Asia, Europe, Africa, Mexico, South America and the U.S. refined their leadership skills, envisioned their potential impact on the business, participated in small group coaching, and built global networks within the finance function. Facilitated by Lear's Global Leadership and Organizational Development team, the program also provided participants with the opportunity to meet with Lear's Chief Financial Officer (CFO) and other finance executives to learn about their career journeys, the lessons they learned along the way, and insights into the business. To complete the program, participants are finalizing capstone projects aimed at solving real-world accounting and financing challenges in alignment with Lear's strategic initiatives. The projects will be presented to our finance executives in early 2024.

40+ finance professionals from around the globe participated

First-Time Manager Program

First-time managers from nine countries in Europe and Africa made the transition from individual contributor to manager through the First-Time Manager Program. Led by Lear leadership and development experts, the six-day seminar focused on critical practices for leading a team, setting up teams to get results, creating a culture of feedback, leading a team through change, and managing time and energy.

30 participants **9** countries

Emerging Leader Development Program

Thirty-four high-potential employees from 10 countries in Europe and Africa were trained in leadership essentials. The six-day seminar featured sessions on interpreting financials, value-stream mapping, leading multicultural teams, presentation skills, responding to difficult events, and maximizing the leadership journey. Lear leaders with deep technical expertise presented real-world case scenarios, participated in panel discussions, and challenged new managers to multi-year business simulations designed to put their teamwork, knowledge and skills to work.

34 participants **10** countries

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 Cards

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.

In 2023, we realigned our Leadership Report Cards with our Leadership Model. Unique to Lear, the questions cover a broad range of behaviors and attributes such as DEI, aligning with our leadership model, and conducting coaching or mentoring conversations. 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.

Key Takeaways from 2023 Leadership Report Cards

800 global vice presidents and directors surveyed in 2023

8,000 responses from direct reports and peers

85% overall engagement score, **13 points higher than global benchmark**

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. A diverse range of high-potential employees is identified to increase exposure, explore potential next moves, and ensure each is challenged and recognized appropriately.

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

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 Coaching Conversations 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

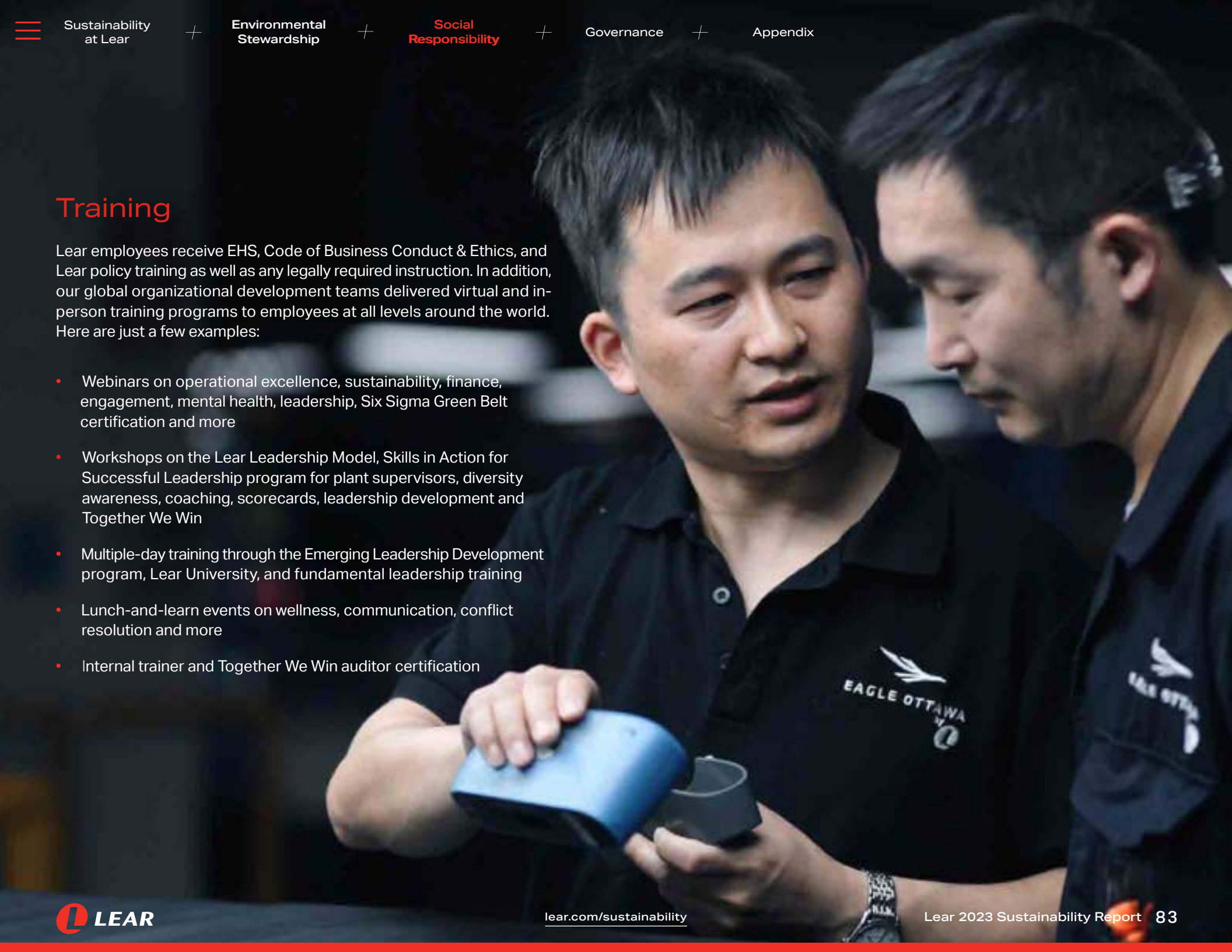
Scorecards enable individuals and teams to understand the key outcomes and metrics for their role and how they contribute to the strategy. This cascading process ensures a clear set of strategic priorities are set and communicated across the organization.

Coaching Conversations

Introduced in 2023, Coaching Conversations is a global tool designed for all salaried employees. These 30-minute quarterly conversations provide employees and leaders with a meaningful way to productively engage with each other to obtain feedback, review priorities, discuss development opportunities, and grow professionally. Unlike scorecards, employees are not rated, and the discussion is completely separate from compensation decisions. A one-page summary ties Winning the Lear Way behaviors — such as celebrating successes, driving meaningful outcomes, working smart, and developing our people — directly to day-to-day work.

The People Hub

Inspired by an employee idea presented at the CEO Academy, The People Hub is an online global resource offering guides on everything related to Lear's culture, talent and leadership, including recruiting, onboarding, our HR Service Center, Leadership Model and Coaching Conversations.



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 operational excellence, sustainability, 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, Lear University, 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 globally. For example, hourly employees can prepare to become a team leader through the Team Leaders in Action program. In Mexico, Lear awards 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.

90 employees involved in the U.S. tuition reimbursement program in 2023

231 employees received scholarships for high school, college and graduate degrees in Mexico in 2023

Klaus Rahm Memorial Scholarship

In 2023, Lear awarded three scholarships to select employees based on their performance, dedication and leadership potential. These scholarships provide the opportunity to attend the Eli Broad College of Business Executive MBA program at Michigan State University. The Broad Executive MBA program is designed to enhance employees' skills in areas such as critical thinking, decision making, leadership, and team building through a comprehensive business curriculum. The scholarship 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 nonbargained locations

Based on location, Lear may also provide:

- Life insurance, health care benefits and retirement provisions for full-time employees
- 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
- Transportation to and from work at some locations

Learn about our **Flexible Work Playbook** for managers.

Flexible Work Opportunities

Based on feedback from employee surveys, focus groups and benchmarking studies, Lear developed remote and flexible work opportunities at most of our locations across the globe. Lear's Flexible Work Playbook provides managers with tips on how to use our remote on-boarding process, manage hybrid teams, and keep employees engaged, productive and healthy in a hybrid environment.

Parental Leave

Welcoming a new child to the family is a happy and life-changing event. In the 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 six to eight 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.

JumpStart Program

People may choose to pause their careers for a variety of reasons, such as starting a family, caring for a relative, or attending school. In 2023, Lear launched JumpStart, a new "returnship" program designed to attract degreed, mid-career professionals who have been out of the workforce voluntarily for two years or more. The program is focused on reacclimating participants to the workforce and updating their business skills to pursue new opportunities. JumpStart is a 12-week paid program with custom onboarding and orientation sessions, professional development, technical training, and exposure to leaders across the company. At the conclusion of the program, participants are invited to apply for open full-time roles within Lear. The program will be offered globally in 2024.

5 participants **100%** hired

For its innovative approach to attracting a new diverse pool of talent, Lear's JumpStart program was named runner-up by the Center for Automotive Diversity, Inclusion & Advancement (CADIA) at their 2023 DEI Impact Awards.

Meet Our JumpStart Participants

HR GBS Transforms Human Resources

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.

Using kiosks in our plants or mobile phones, employees can securely log into our HR Service Center (HRSC) and access HR solutions in a single location. Robust libraries of knowledge-based articles answer common HR inquiries and empower employees with service request guidance and self-service solutions.

In 2023, HR GBS continued to deploy new HRSC capabilities:

- Additional hourly employees throughout Europe and Asia were introduced to HRSC
- Kiosks were installed in all manufacturing plants in the U.S.
- Cross-regional collaboration between the U.S. and Canada, South America, and Europe, and Middle East and Asia drove greater process standardization, best practices and efficiencies, enabling our regional teams to work as one global organization
- A certification process and 12-step checklist were created, focusing on technology, connectivity, brand awareness, and change ambassadors to ensure all plants achieve and maintain consistency and high-quality experiences
- HR GBS continued to drive education and awareness to increase access and adoption globally

During HR GBS Week, fliers and pamphlets provided salaried and hourly employees around the world with helpful reminders on how to access and use HRSC. Events in every region recognized local HR business partners, plant managers and change ambassadors for actively driving the adoption of our new processes and technologies. Globally, HR teams celebrated their successes and built camaraderie with other team members within and across regions.

Since Launching in 2021

500+ articles answer questions and empower employees to resolve issues

280+ associates support HR GBS globally

33 countries served with support in 29 languages

92% of salaried employees and 68% of hourly employees have logged in to HRSC globally

150+ global locations enable hourly employees to confirm their commitment to follow our **Code of Business Conduct & Ethics** through HRSC

600,000+ cases supported/resolved globally

Driving Wellness

First launched in Europe and Africa in 2020, Lear's Driving Wellness campaign promotes healthier lifestyles by addressing four aspects of well-being: body, mind, nutrition and balance. In 2023, Lear established a Global Wellness Council to synergize our efforts. Here are some examples of how our teams are Driving Wellness across the globe.

driving wellness.

Body

In France, employees collected hygienic items for women in need while employees in Slovakia participated in an assertiveness and personal security course. In Poland, yoga sessions were led by the quality director. In Spain, employees celebrated Pink October by selling breast cancer awareness merchandise and competing in a women's race to raise funds for a cancer charity. In the U.K., Pilates and yoga sessions were offered during National Fitness Day. Twice a day, employees in China take a break at their desks to stretch to music. Many also enjoy playing table tennis during lunch breaks. In Malaysia, a doctor presented a talk on the importance of correct posture and ergonomics. In Mexico, monthly presentations promote vaccinations, early disease detection, the myths and realities of breast cancer, and other health topics. In the Czech Republic, Philippines and Slovakia, employees were encouraged to bike to work. Many locations donate blood and participate in fun runs for charity.

Mind

During Mental Health Awareness Month, employees at our global headquarters in Southfield, Michigan, attended a presentation about supporting children's mental health and suicide prevention, participated in exercises to boost mood, visited with therapy dogs, and wore green shirts to build awareness and "break the stigma." Additionally, mental health awareness shirts were sold, and proceeds benefited 30+ certified therapy dogs at a local hospital.

In the U.K. and U.S., 95 employees have been trained and certified over the past three years to act as "mental health first aiders" to help their coworkers deal with emotional difficulties.

In France, employees attended a stress management workshop on art therapy, lunch-and-learn presentations on listening, and received information on mental health at all ages. In Spain, employees began the day with 10 minutes of mindfulness and watched relaxing videos while performing warmup exercises in the plant. In Thailand, employees participated in happiness skills training and stress management workshops. In China, mindfulness workshops helped employees relax while chess competitions sharpened mental skills.

Nutrition

In Mexico, employees with high blood pressure learned how losing weight could help their condition. During the "Merry Fitmas" campaign in December, employees were encouraged to avoid overeating during the holidays, listened to nutrition talks, received healthy menus, and enjoyed dinner with Santa Claus where a Lear family won a healthy Christmas dinner. In Malaysia, a doctor educated employees about preparing and storing food safely, and in Poland employees received free fruit on Fridays.

Balance

In the U.K., employees attended a workshop on balancing work and personal lives. In South America and China, a local financial partner presented financial education. Employees shared books they recommend on boosting motivation, embracing inclusion or improving knowledge in China and Thailand. In China, female employees planted succulents together. Presentations helped working mothers relieve stress and encouraged fathers to build strong relationships with their children. In Thailand, employees were encouraged to bring a plant to the office. In South America, employees celebrated Happy Friday once a month by wearing traditional costumes or uniforms from their favorite sports team.

Labor Relations

Our talented teams are experts 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 well as the employees who work in our plants. As champions of human rights and fair labor practices, Lear respects employees' rights and solicits their opinions to improve the quality of work-life balance.

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 local labor market, and pay competitive wages and benefits. And although the U.S. and Canadian automotive industry experienced contentious discussions this year, Lear managed negotiations without work stoppages.

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, automation and digital transformation, regional labor requests, and labor and management issue resolution, among others.

Securing a job is critical for refugees. In early 2024, Lear Mexico joined the TENT Partnership for Refugees, a network of 400 major companies committed to providing job and training opportunities to refugees and migrants.

~88,000 employees covered by labor agreements globally

70+ labor partners around the world

100% of Lear's manufacturing sites have health and safety committees run jointly by management and employees

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 — which allow many 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.

Ergonomics Kaizen Competition

Ergonomics focuses on designing the workplace for people — matching tasks, equipment and the work environment to the capabilities of the worker. During Ergonomics Month in 2023, more than 150 Lear plants around the world competed in regional Kaizen (continuous improvement) contests. Winning solutions from these cross-functional teams are improving safety, productivity and quality throughout the company.

For example, a team in Italy developed a device to semiautomate the assembly of zipper closures and attaching trim to seat backs, reducing repetitive injury risks by 70%. In Mexico, a team retrofit a leather cutting machine with a mechanized slide-out tray to reduce repetitive injury risks by 75%, decrease scrap by 97%, and increase production by more than 80%. A newly designed robot in China transfers seat cushions from racks to an automated guide vehicle, eliminating repetitive injury risks.

5,600+ training courses completed

6,100+ job assessments completed

1,700+ jobs with risk reductions implemented

700+ Kaizens with ergonomics

200+ manufacturing sites used industrial ergonomics software with AI technology to assess **3,800+ jobs**

Collaboration at Work

Our plants are the core of our success. Every year, we celebrate their achievements as Champions of Lear.

Here are a few examples.

Best Plant Collaboration Award

CHINA

The team developed and launched the most intricate seats in China, providing a fully integrated solution including the recliner, foam, leather, wire harness and just-in-time assembly. Five plants, our China Engineering Center and Shanghai team worked together to launch this program successfully. The team exceeded customer expectations, achieving an extremely high level of comfort performance and 100% on-time implementation of innovative changes.

Best Launch Award

USA

The Wentzville, Missouri, Launch Team faced several challenges: building a new greenfield plant, moving the current program to the new location, opening a quality lab for testing, and launching the new program. While maintaining their International Automotive Task Force (IATF) status, the team achieved a successful launch with zero customer or production supply issues, an outstanding achievement for a new launch team.

Kaizen of Kaizens Award

MEXICO

The Structures Welding Optimization Team in Piedras Negras is committed to improving key business metrics to reach best-in-class results. The team reduced its rework rate by 75%, decreased scrap by 45%, and improved efficiency by 14%. New welding techniques and improved procedures were shared as Lear best practices with 36 plants worldwide.

Operational Excellence Plant of the Year Award – Seating

MEXICO

Based on Together We Win surveys, the Hermosillo plant earned first place in engagement and retention scores in North America. The plant also completed 42 Kaizen projects, improved plant efficiency by 13%, reduced IPPM by 55%, and decreased scrap by 69%. Through continuous improvement and employee engagement, the plant implemented nearly 1,300 continuous improvement ideas, trained and certified 37 employees in lean tools, and established 20 high-performance teams. On its Ford Q1 Quality Status Award scorecard, the plant achieved 99 out of 100 points, a 50% year-over-year improvement.

Operational Excellence Plant of the Year Award – E-Systems

PHILIPPINES

Our team in Gabriela earned the highest scores in continuous improvement assessments with nearly 14,000 hours of training and 245 completed projects, resulting in significant savings. In addition, the plant was a Kaizen of Kaizens Asia Award winner for three consecutive quarters. With a total scorecard rating of 98.8 out of 100 points, Nissan North America named the plant a Regional Supplier Quality Award Finalist. During nearly 20 million employee hours, the plant also achieved zero lost time or recordable injuries or illnesses.

Protecting Our People

Human Rights

In 2023, we enhanced our **Human Rights Policy** to further define how we approach, govern and defend the dignity of people throughout our operations, communities and global supply chains. 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**.

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 Inclusion 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 and provide a safe and healthy work environment.

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 do not use materials in our products that 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 promote 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. New acquisitions become certified based on their integration plans, usually within two years. 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**

41% of Lear's production sites are ISO 45001:2018 **certified** as of December 2023

Lear's ISO 45001 Journey

Champions of Lear: Safety Leadership and Excellence Award

MEXICO

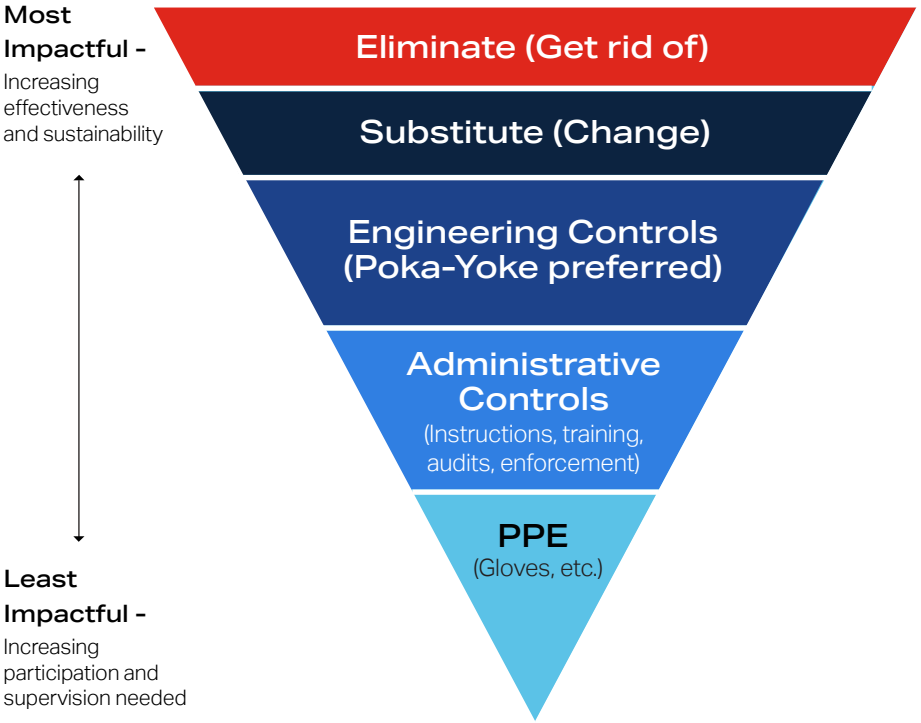
Achieving more than 15 years without a lost time accident at the Villa Ahumada Trim Plant is the result of constant efforts to outperform standard occupational health and safety requirements by preventing accidents and reducing or eliminating potential risks. The plant is certified in ISO 14001:2015, ISO 45001:2018 EHSMS and the Clean Industry Program by PROFEPA.

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 2023, we experienced consistent improvement on already best-in-class performance.

560,000+ hours of safety training in 2023

Best-in-class 0.29 TRIR

achieved compared with 0.60 benchmark and nearly best-in-class 0.09 LTIR attained compared with 0.06 benchmark

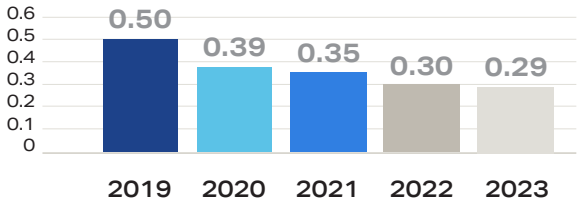
- The **Total Recordable Injury/Illness Rate (TRIR)** calculates the number of recordable incidents per 100 full-time employees.
- The **Lost Time Injury/Illness Rate (LTIR)** is the number of lost time injuries per 100 full-time employees.
- The **TRIR**, **LTIR** and **fatality rates** include Lear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

68 facilities* achieved 1 million hours or more with 0 lost time injury/illness cases in 2023

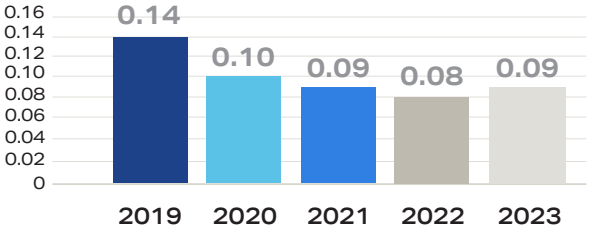
On average 90% of the time, plant safety meetings included participation from union and management representatives in 2023

** Includes administrative, engineering and headquarters facilities*

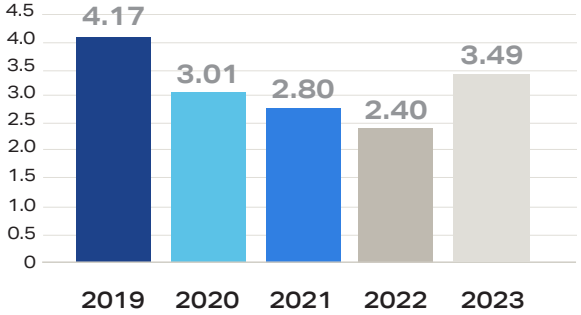
Total Recordable Injury/Illness Rates (TRIR)



Lost Time Injury/Illness Rates (LTIR)



Lost Time Injury/Illness Severity Rates

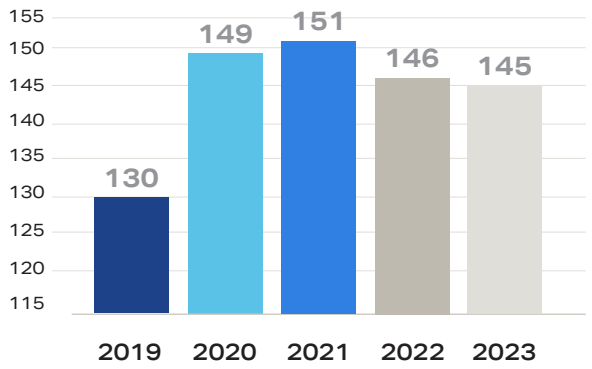


Number of Lost Days /Total Recordable Injuries and Illnesses

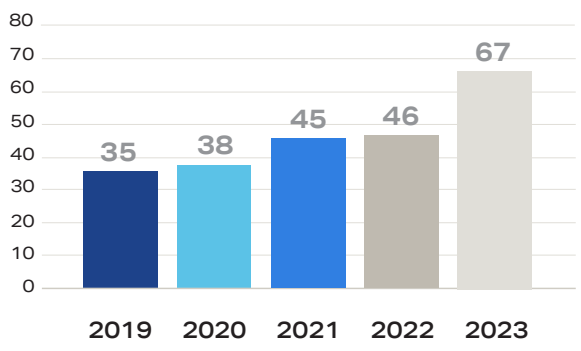
0 employee fatalities

in 2019 - 2023

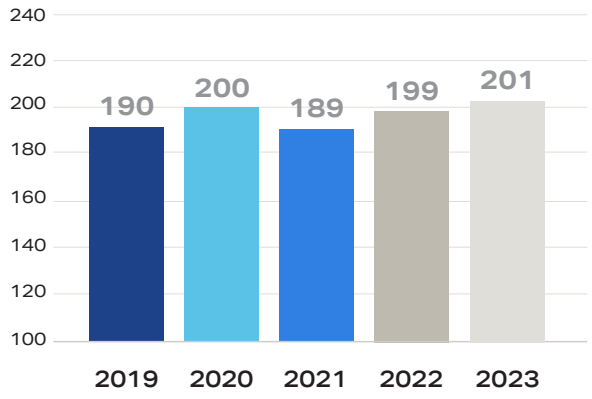
Facilities* with 0 Recordable Injuries



Facilities* Achieved 1 Million Hours without a Recordable Injury



Facilities* with 0 Lost Time Injury/Illness Cases



The JUST Jobs Scorecard named Lear a Top Performer in the Employee Wellness category based on our health and safety management systems, TRIR statistics, employee satisfaction surveys, anti-harassment training, and discrimination and harassment grievance mechanisms.

** Includes administrative, engineering and headquarters facilities*

Safety Focus Site Program

In our journey to zero incidents, Lear's Safety Focus Site Program provides added EHS assistance to plants with greater than average improvement opportunities. Sites included in the program may have high TRIRs, frequent near misses, repeated first-aid cases, or need to strengthen employee engagement to proactively prevent incidents. Each site submits a safety improvement plan to reduce recordable incidents by at least 20% and receives regular support through regional EHS teams. In 2023, nine sites joined the program. Overall, Safety Focus Program sites achieved a 51% reduction in LTIR and a 38% reduction in TRIR, respectively.

Expecting Safety for Pregnant and Breastfeeding Mothers

Pregnant and breastfeeding mothers have special safety concerns at work. In Mexico and Central America, 53 Lear plants implemented special protocols. For example, pregnant workers wear pink coats, are assigned to lower-risk areas of the plant, take advantage of dedicated rest areas, and are offered preferred parking and seating on employee transportation. During pregnancy, they receive wellness training on a variety of topics. When they return to work, breastfeeding mothers can use private lactation rooms.

Hand Safety Program

At Lear, 37% of injuries are related to hands. Lear's hand safety campaign engaged employees in training, toolbox talks and workshops, resulting in more than 290 "Find It, Fix It" employee-led events and nearly 3,270 safety hazards eliminated. To increase awareness, a contest called "Give Me 5" also invited employees to explain why keeping their hands injury-free is important. Nearly 140 employees from 31 countries created videos presenting creative skits, providing testimonials, or demonstrating proper hand safety at work.

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 2023, we published a directive defining the EHS requirements for contractors performing work at all Lear facilities. In addition to complying with Lear's security rules, all contractors and their subcontractors must agree to observe all health, safety, fire protection and environmental laws and regulations. Local contractor coordinators identify risks, perform site orientations, verify required qualifications and training, oversee inspections, and communicate with contractors and employees. Contractors must inform Lear of all first-aid accidents, recordable incidents or near misses, and follow Lear's investigation procedures. Noncompliance, unsafe work practices or violations of Lear EHS rules are addressed promptly.

In 2021, Lear began tracking occupational injuries and illnesses for external contractors. In 2023, our contractors reported 0 fatalities, a global LTIR of 0.072, and a global TRIR of 0.072 based on more than 5.48 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.

Approximately 9.5B production wire harnesses, terminals, connectors, electronics, electrical components and service parts produced

Approximately 49.5M production seats, seating components, surface materials and service parts produced

100% of eligible sites are IATF 16949:2016/ ISO 9001:2015 certified or in the certification process*

** The International Automotive Task Force (IATF) is an automotive standard. It excludes nonautomotive sites, nonmanufacturing 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
- Safety and compliance

In addition, Lear's quality group leads one-hour virtual meetings on a variety of quality standard-related topics every six to eight weeks. 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.

In 2023, Lear received 24 quality awards from customers around the world. Here are a few examples:

- GM Supplier of the Year 2023 – North America
- Jaguar Land Rover Quality Award – Europe
- J.D. Power Seating Quality Awards – 4 awards

World Quality Week

In 2023, Lear locations around the globe celebrated World Quality Week to raise awareness and recognize our employees' efforts to deliver the highest quality products to our customers. Built around the theme "Be EPIC," each letter in the slogan reminded employees of several ways they can help Lear maintain its outstanding reputation for quality.

Each day featured a key topic such as creating a quality mindset, global safety standards, the future of quality, and our successes. Events included lunch-and-learns, recognition celebrations, quality training, videos, scavenger hunts, team competitions and a contest to name next year's World Quality Week theme. Lear has received 59 customer-specific quality awards since 2018 plus four first-place J.D. Power 2023 U.S. Seat Quality and Satisfaction Study℠ awards.

E *employee engagement, empathy and expertise*

P *performance, prevention, proactivity and people*

I *innovation, improvements, interaction and integrity*

C *customer first, core quality tools, compliance and certification*

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 program 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.

In 2023, we raised the bar at all of our plants, setting higher targets for supplier sustainability, health and safety, and social responsibility. Focusing on stretch goals helps employees aim to be a great Lear Plant of the Future, not merely a good plant of the present.

Quality Assurance in Software Engineering

With millions of lines of code in our E-Systems products, our quality assurance program ensures our software meets the Automotive Software Process Improvement and Capability Determination (ASPICE) standard. In every location where we design and develop 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 conducts offline audits and process checks.

Also see **Cybersecurity**.

Champions of Lear: Global Quality Awards *E-Systems*

CHINA

E-Systems recognizes operational excellence in our global teams and awards the plant that best exemplifies product, process, and systems execution, exceeding customer requirements while using our strongest asset: the quality mindset of our people. Our facility in Wuhan, China, was selected for its strong customer performance, quality systems execution, employee engagement, product compliance, and customer recognition.

Champions of Lear: Global Quality Awards *Seating*

SPAIN

For three consecutive years, the team in Martorell, Spain, achieved zero defects on finished vehicle audits. The plant's excellent customer scorecard is based on its culture of quality. Every day, all departments are involved in 30-minute daily briefings with the plant manager as well as product audits and quality training. As a result, the plant can react to potential problems in only 30 minutes, achieved an 82% reduction in scrap over the last five years, and passed its IATF audit with zero nonconformities for two consecutive years.

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 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, sustainability 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**.

Champions of Lear: Customer Appreciation Award

CHINA

The team from our Yangzhou site maintained 100% on-time delivery during two years of pandemic lockdowns, earning two awards from Volvo. During the lockdowns, the team implemented closed loop management within the campus, maintained continuous production, and introduced a technical innovation in the cutting plant. In addition, they set up a temporary plant in Shanghai, completing a customer audit and approval within just five days. Their efforts won two new programs with Volvo as well as a Volvo Special Contribution Award for 100% on-time delivery and Lear's first Volvo Quality Excellence Award for outstanding quality and audit scores.

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 2023:

127 on-site product safety audits conducted

228 product safety design reviews conducted

132 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

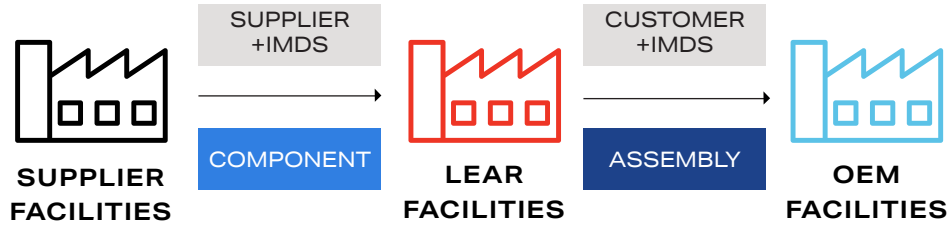
Identifies and lists all chemicals to keep the site's inventory current

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 chemical composition 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 work to proactively replace substances in our products that are in the process of being restricted. In 2023, Lear participated in CLEPA's 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.



Lear requires suppliers to:

- Complete PPAP
- Disclose IMDS data
- Comply with legal and customer-specific restricted substance lists

All Lear facilities:

- Complete PPAP
- Disclose IMDS data
- Ensure compliance with customer and legal product specifications
- Adhere to the GADSL related material content
- Work to eliminate substances of concern from new products

OEMs require Lear to:

- Disclose IMDS data
- Comply with legal and customer-specific restricted substance lists

WE GET RESULTS THE RIGHT WAY

Governance

109 2023 Governance Highlights
110 Sustainability Oversight
112 Corporate Governance
118 Ethics & Compliance
124 Data & Cybersecurity
128 Supporting Supplier Sustainability
131 Responsible Sourcing

2023 Governance Highlights

Experienced and diverse board and management team

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

100% of board members **have experience with sustainability topics**

Employees uphold our code

2023 Culture Survey conducted by third party

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

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

Cybersecurity protects our products, customers and enterprise

427 cyberattacks **blocked**

680+ employees volunteered as **security awareness ambassadors** in 35 countries

181,000 cybersecurity training modules **completed**

Partnering with suppliers

2,700+ **production suppliers** globally

Lear's Supplier Sustainability Policy is a required element **within our Global Requirements and Code of Conduct for Suppliers**

257 minority-owned, women-owned and veteran-owned suppliers **in our U.S. supply base**

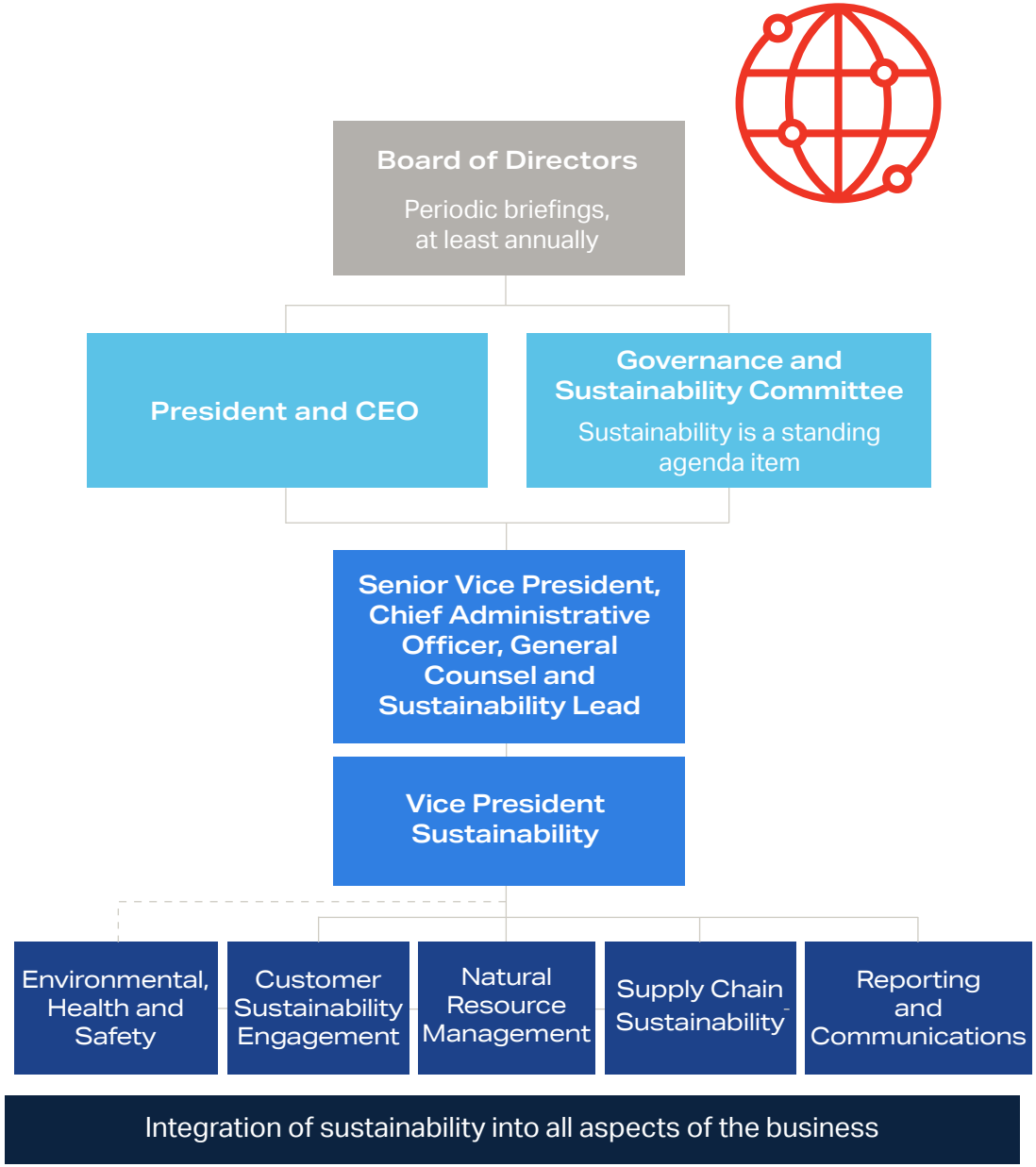
Sustainability Oversight

As the automotive industry evolves, sustainability 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 sustainability 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 2,700 production suppliers to share our commitment to corporate responsibility and ethical conduct.

Our commitment to sustainability, 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 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 sustainability 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 (NEOs) 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 2023, all of the annual incentive opportunity and the majority of the long-term incentive opportunity offered to our NEOs were contingent on the achievement of specific performance measures. As a result, 92% of our CEO's pay and on average 82% of our other NEOs' 2023 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 NEOs. 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

In the event of any accounting restatement, the company is required to recoup the amount of any erroneously received compensation under the terms of the clawback policy compliant with Rule 10D-1 of the Exchange Act. The company also adopted a new Improper Conduct Compensation Recoupment Policy which provides for the recovery of incentive compensation paid for material financial, operational or reputational harm to the company.

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, nonexecutive chairperson, 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, Lear maintains certain governance policies and practices, including:

- Annual election of directors
- Majority voting standard with a director resignation policy for uncontested director elections
- Robust stock ownership guidelines for directors and executive officers
- Annual board and board 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.

Audit	People and Compensation	Governance and Sustainability
Financial, compliance, cybersecurity and risk management oversight	Compensation oversight	Governance, ethics and **sustainability oversight**

See our **2024 Proxy Statement** for more detailed information.

2023 Board of Directors

10 members

9 independent directors

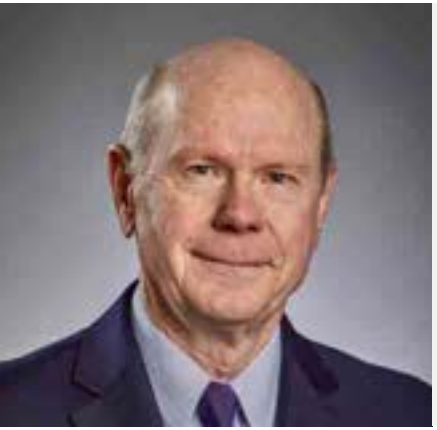
50% women and/or minorities

100% of directors elected annually

8.5 years average tenure

8 board meetings held

Our Board of Directors



Greg C. Smith

Nonexecutive Chairperson

Principal, Greg C. Smith, LLC

Former Vice Chairperson, Ford Motor Company

Risk Oversight Advisory Council Member, National Association of Corporate Directors

Jonathan F. Foster

Chairperson, Audit Committee

Member, Governance and Sustainability Committee

Managing Director, Current Capital Partners

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

Kathleen Ligocki

Chairperson, People and Compensation Committee

Member, Governance and Sustainability Committee

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.

Chairperson, Governance and Sustainability Committee

Member, Audit Committee

Corporation Counsel, City of Detroit

Former Deputy Mayor, City of Detroit

Former Chief Administrative Officer, Detroit Medical Center

Former Chief Justice of the Michigan Supreme Court

Mei-Wei Cheng

Member, Audit Committee

Member, People and Compensation Committee

Former Chief Executive Officer, Siemens Northeast Asia

Former Chairperson and Chief Executive Officer, Ford Motor (China) Ltd.

Dr. Mary Lou Jepsen

Member, Governance and Sustainability Committee

Member, People and Compensation Committee

Chief Executive Officer, Founder and Chairperson, Openwater

Former Executive Director of Engineering, Facebook, Inc.

Former Head of Display Division, Google, Inc.

Named "2008 Time 100 Most Influential People" by *Time Magazine*

Our Board of Directors

Bradley M. Halverson

Member, Audit Committee

Member, People and Compensation Committee

Former Group President and Chief Financial Officer, Caterpillar Inc.

Patricia L. Lewis

Member, Governance and Sustainability Committee

Member, People and Compensation Committee

Executive Vice President and Chief Sustainability Officer, UnitedHealth Group

Roger A. Krone

Member, Governance and Sustainability Committee

Member, Audit Committee

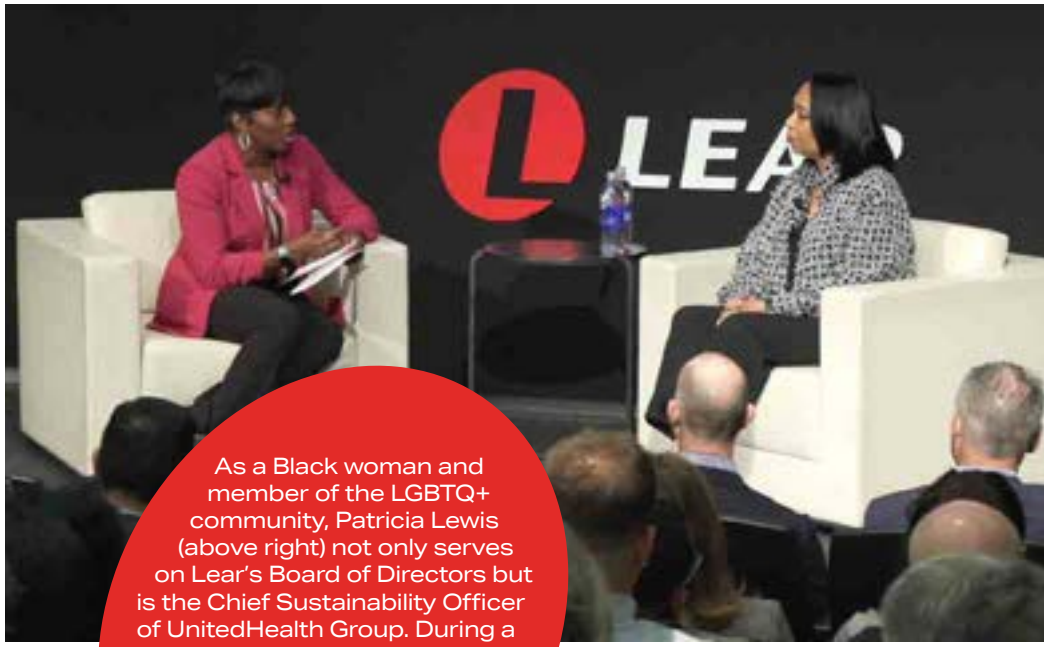
President and Chief Executive Officer, Scouting America

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

Ray Scott

President, Chief Executive Officer, Lear Corporation

30+ years of automotive industry experience



As a Black woman and member of the LGBTQ+ community, Patricia Lewis (above right) not only serves on Lear's Board of Directors but is the Chief Sustainability Officer of UnitedHealth Group. During a fireside chat with Lear employees sponsored by the Lear LOVES ERG, she shared advice for those encountering prejudice and dealing with stereotypes.

Director Skills Matrix

Our diverse Board of Directors offers a broad range of business experience, knowledge and skills to guide Lear. The table below provides a representative sample. A dot indicates experience in the category gained directly or through active oversight of the responsible person for the category.

Category	Profile / Skills	Mei-Wei Cheng	Jonathan Foster	Bradley 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	•	•			•			•		
	Sustainability	•	•	•	•	•	•	•	•	•	•
	International	•	•	•	•	•	•	•		•	•

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 sustainability 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 sustainability 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, nondeal roadshows, small group meetings and one-on-one meetings to discuss a broad variety of topics, including sustainability.

In 2023, we focused on high-quality stakeholder interactions. For example, we held seven sustainability-specific discussions with certain investors and hosted a Seating Product Day highlighting our latest technologies and new business awards. Our open dialogue is supplemented by Lear's:

- Annual sustainability report with reference to the GRI Standards, 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

340 investor interactions

7 sustainability-specific discussions conducted with certain investors

4 investor conferences attended

Hosted a Seating Product Day highlighting our latest technologies and new business awards

IR Magazine named Lear a finalist for its 2023 Best ESG Reporting - Small to Mid-Cap Award and for its 2024 Best Investor Event Award.

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.

Our Code of Business Conduct & Ethics

Our Code of Business Conduct & Ethics is designed to be intuitive, relevant and easy 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 real-world situations. Links to policies and resources as well as detailed information on how to Speak Up guide employees who need more information.

See Our Code of Business Conduct & Ethics ▸

Our code includes policies such as anti-bribery and anti-corruption, government meetings, conflicts of interest, insider trading, anti-retaliation, and gifts, meals and entertainment, among others.

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

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 considerations 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 illustrate ways they can support a culture of integrity. For example, employees hired or promoted to vice president received in-depth, face-to-face training beginning in 2023. Ethics and compliance issues are also regularly addressed in town hall, functional, divisional, and leadership meetings around the globe. In the future, we plan to publicize certain case outcomes and promote more discussions about ethics and compliance topics.

GOAL

2024

More comprehensive cross-functional training on forced labor for salaried employees to increase awareness and effective use of reporting tools

A third party will conduct an audit of our complete Ethics & Compliance program.

Compliance Week

Every two years during Compliance Week, employees around the world learn about topics such as conflicts of interest, anti-retaliation and speaking up via daily emails and videos. The event reinforces our values and reminds employees how to act with integrity through in-person training by our Ethics & Compliance team.

84,800+ participants in **37 countries** attended **5 online training sessions**

3,500+ participants in Africa, Asia, Europe and the Americas attended **94 in-person training sessions**

WATCH ▸ During Compliance Week in Mexico, 30 teams built recycled cars to show how ethics and environmental stewardship can work together to drive sustainability.

2023 Ethical Culture Survey

With the assistance of a third party, Lear conducted a survey of more than 8,000 global salaried employees to assess our company's ethical culture in 2023. With an overall score of 83.7 out of 100, the results were aligned with the benchmark and higher than the results from our last survey in 2019, confirming that Lear's ethical culture is strong. The benchmark included 12 companies from the industrial manufacturing sector.

96% know our core values and expectations

93% feel a strong personal responsibility to ensure Lear acts ethically

Results aligned with benchmark
and higher than last survey

8,000
global salaried employees surveyed

83.7
overall score out of 100

We will continue to encourage all employees to support our company's ethical culture and values by doing the right thing, speaking up and seeking advice.

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 their 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 their 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

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.

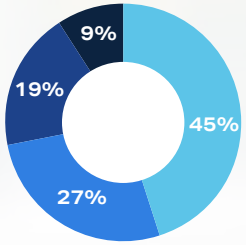
2023 Ethics & Compliance Helpline Reports

1,300+ total reports

7 reports **per 1,000 employees**

0 monetary losses due to noncompetitive behavior in the past 3 years

HOW PEOPLE ARE SPEAKING UP



- Managers
- Mobile App
- Helpline
- Web

TOPICS REPORTED

67% Workplace Concerns

18% Business-Related Issues

5% Sexual Harassment

1% Retaliation

3% Policy Violation

3% Other Harassment & Discrimination

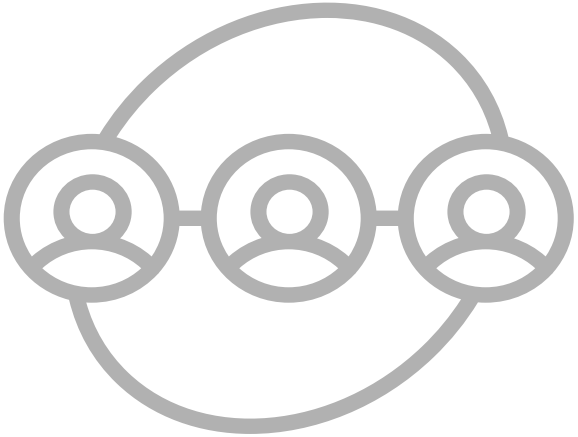
3% Other

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. In 2024, Lear will provide specialized sexual harassment training for investigators.

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

Investigating Reports

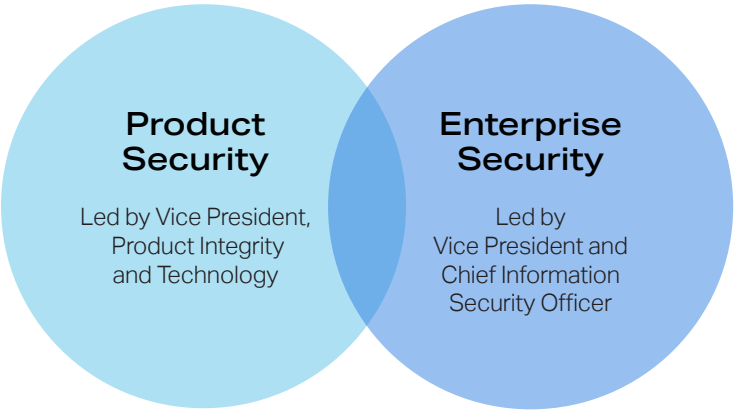
Within 48 hours, the Ethics & Compliance team reviews every report and, when appropriate, begins an investigation with the proper departments. Formal escalation criteria determine the level of people who are involved and made aware of the investigation. Substantiated reports result in counseling, verbal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

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.

For more information about cybersecurity at Lear, please read our **Form 10-K**.



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. With security expertise in six locations around the world, 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 annual global awareness training and technical security training

New Industry ISO Standard for Vehicle Cybersecurity

In the European Union and many other countries, car makers must implement a certified cybersecurity management system (CSMS) for all new vehicles produced starting July 2024 in compliance with UN Regulation No. 155. Most 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 standard, and our processes have been successfully ISO 21434:2021 certified.

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. In March 2024, we introduced a formal policy on Generative Artificial Intelligence (GenAI) and offered training on the proper use of these new tools.

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.

Training

Six times a year, Lear conducts security awareness training on specific topics such as social networking, privacy, working remotely, the Internet of Things, and email security on mobile devices. In 2023, we followed up our training on phishing with simulated phishing emails sent to participants. Immediate feedback informed employees if they fell for the phishing attempt and how they could have identified the security issue. Our training program also includes internal training on the ISMS delivered through web-based modules, various live training sessions, and on-demand recordings.

Security Awareness Ambassador Network

More than 680 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 Challenge Awards

To recognize outstanding achievements in enterprise security, Lear presents six types of Security Awareness Challenge Awards 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.

Security Action Month

To drive Lear's global security-first mindset, our Information Security Team hosts a variety of activities during Security Action Month and throughout the year. Employees learn important security tips, receive resources to stay safe online, and attend presentations given by relevant guest speakers and company leaders where security accomplishments and award winners are also recognized.

2023 Enterprise Security

0 material expenses related to security breaches in the past 3 years

181,000 training modules completed by employees

0 material security breaches in the past 3 years

38,800+ employees trained

680+ employees volunteered as security awareness ambassadors in 35 countries

627 Security Awareness Challenge Awards presented since 2018

427 cyberattacks blocked

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, 32 Lear sites around the world have earned certification with many more in progress.

Supporting Supplier Sustainability

One of Lear's core competencies is managing our complex global supply chain of more than 2,700 production suppliers. We work hard to carefully select our suppliers and develop long-term collaborative relationships for our mutual success. We continually evaluate supplier quality, delivery and price, as well as our suppliers' business ethics, human rights, health and safety, and environmental sustainability practices.

2,700+ production suppliers globally

257 minority-owned, women-owned and veteran-owned suppliers in our U.S. supply base

Enhanced supplier training on human rights awareness in 2023

The Changing Landscape of Supplier Sustainability

Supplier sustainability is evolving. Governments around the world are enacting 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 sustainability risks in our global value chain, Lear continues to advance our efforts to meet customer requirements and support our suppliers while complying with legislation from governments around the world. Through our targeted, risk-based strategy, we not only assess supplier sustainability but work with our suppliers to improve it.

Monitoring & Assessing 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 suppliers on a supplier sustainability scorecard. The scorecards are made available to our procurement group for consideration.

Suppliers that do not achieve a satisfactory SAQ score or do not meet Lear's **Minimum Supplier Sustainability Requirements** 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. Beginning in 2024, this may also include on-site visits by Lear's supplier quality teams or audits by 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 concerns with existing suppliers, we are prepared to take appropriate action, including termination of contracts, as and when appropriate or required.

GOAL

2024

Enhance our targeted strategy to assess new suppliers during the onboarding process

Expand training on human rights to our suppliers and procurement teams

Accelerate traceability and risk mitigation by deploying additional technology resources

CHAMPIONS OF LEAR

Supply Chain Excellence Award

SEATING

USA

Working closely with our supplier, the team from Farwell, Michigan, developed a new water-based sustainable material in the foam production process to eliminate a current chemical, reduce volatile organic compounds (VOCs) by more than 30%, and provide significant savings to Lear. Over several years, our supplier collaborated with Lear's purchasing, engineering and operations teams, attending trials in Lear's plant to refine the formulation and ensure the solution was ready for production.

Supply Chain Excellence Award

E-SYSTEMS

Global Team

When the capacity for rolled copper was constrained due to a flood in Germany, the Global Raw Metal Purchasing Team from Southfield and Traverse City, USA; Valls, Spain; Remscheid, Germany; and Yangzhou, China, mitigated significant cost challenges by diversifying and localizing suppliers. Re-sourcing with local suppliers resulted in lower costs as well as reduced transportation, which is expected to help reduce Lear's Scope 3 emissions.

Lear Core Competency: Managing Our Extensive Global Supply Chain

Qualifying Suppliers

Lear's suppliers must:

- Meet the standards in our **Global Requirements and Code of Conduct for Suppliers** and our **Supplier Sustainability Policy**
- Complete an SAQ administered by NQC, our global third-party supply chain sustainability management partner, and submit an action plan and timeline for improvement, if requested
- 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' production, Lear:

- Requires new or alternative suppliers to demonstrate production capability and obtain written approval before products can be substituted
- Performs risk-based assessments of suppliers and deploys SAQs
- Monitors supplier facilities for compliance and may terminate the relationship due to a breach of the **Global Requirements and Code of Conduct for Suppliers** or violation of law
- Obtains multiple component sources and dual validation, where practical

Monitoring

To monitor our suppliers, Lear:

- Performs regular evaluations including on-site reviews when and where practicable
- Uses risk management systems 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 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 sustainability topics such as human rights, working conditions, bribery and corruption, environmental, safety, and freedom of association, among others.
- **Supplier Sustainability Minimum Requirements and SAQ Validation Criteria** - explains the minimum elements suppliers are required to implement at the site level as well as Lear's SAQ validation procedures.
- **Human Rights Policy -** describes Lear's social responsibility principles and respect for human dignity, including collective bargaining, freedom of association and prohibition of child labor, forced labor, modern slavery and human trafficking.

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.

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 for child labor and EHS issues. 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.

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

Lear's 2023 Annual Conflict Minerals Report

805 total in-scope suppliers

84% response rate

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.

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 2023, 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. In addition, we have required suppliers to provide substantiation to confirm the smelters used for materials in products supplied to Lear are not from high-risk countries.

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**.

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 U.S. 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 high LWG certifications as of December 31, 2023

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 conducts risk-based assessments of all production suppliers and commodities, including hide suppliers, using Drive Sustainability's SAQ 5.0 sustainability criteria. 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.

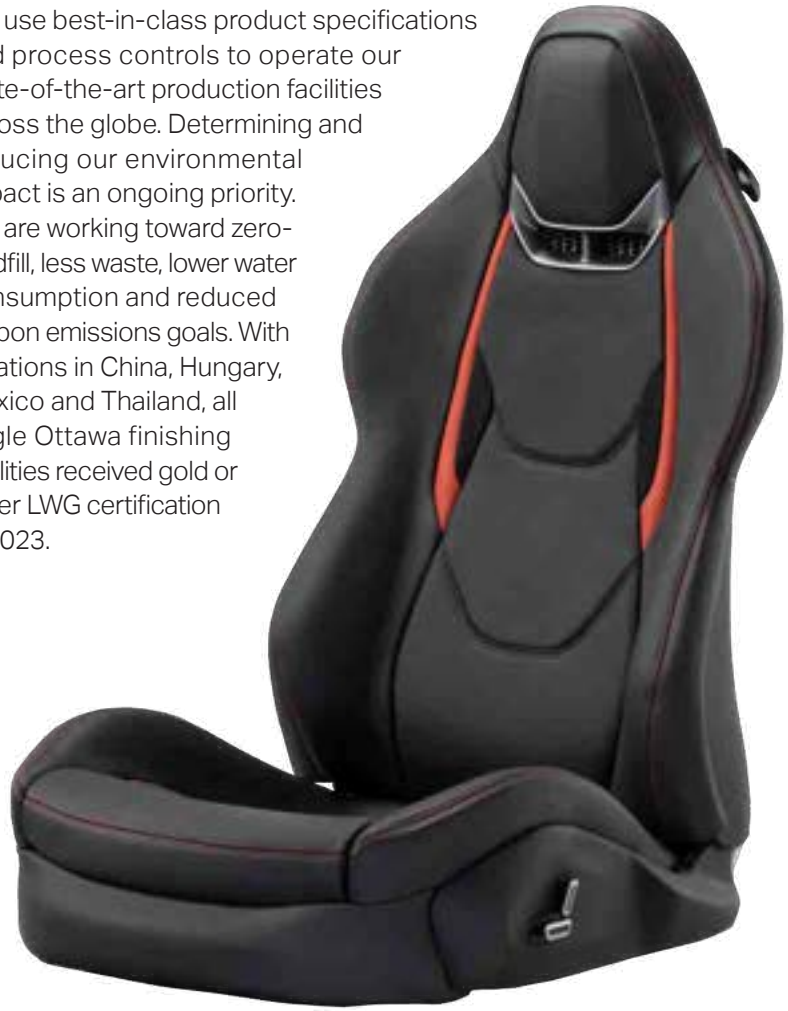
Responsibly Produced

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

2023	Achieved 4 gold and 1 silver LWG certification rating at all Eagle Ottawa finishing sites globally. Offering an OEM-approved and production-ready mineral tanning system called ZeoTech™, which is free of aldehyde, heavy metals and chrome. Initiated LCA study Phase 2 as part of the road map to carbon neutral leather products
2022	Completed comprehensive, third-party LCA benchmark study to assess the environmental impact associated with leather products. 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 road map to carbon neutrality, Lear has commissioned an LCA study to further improve the environmental impact of our leather product portfolio. The third-party study uses ISO 14040:2006 and ISO 14044:2006 compliant methods and addresses the complete value chain.

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. With locations in China, Hungary, Mexico and Thailand, all Eagle Ottawa finishing facilities received gold or silver LWG certification in 2023.



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 and willing to pay extra" feature compared with participants who chose synthetic seats.

The value chain begins with cattle raised to provide beef for the food industry. The resulting hides are classed as a by-product worth about **2%-4%** of the animal's market value. These hides are upcycled by the leather industry to produce a durable and desired luxury product. The global leather industry diverts an estimated 55% of available hides from landfills each year. Without the leather industry, these hides would become a waste product. 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

- Freedom from Hunger and Thirst
- Freedom from Discomfort
- Freedom from Pain, Injury or Disease
- Freedom to Experience Normal Behavior
- Freedom from Fear and Distress

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

137 About This Report

138 Statement of Verification

140 Additional 2023 Data

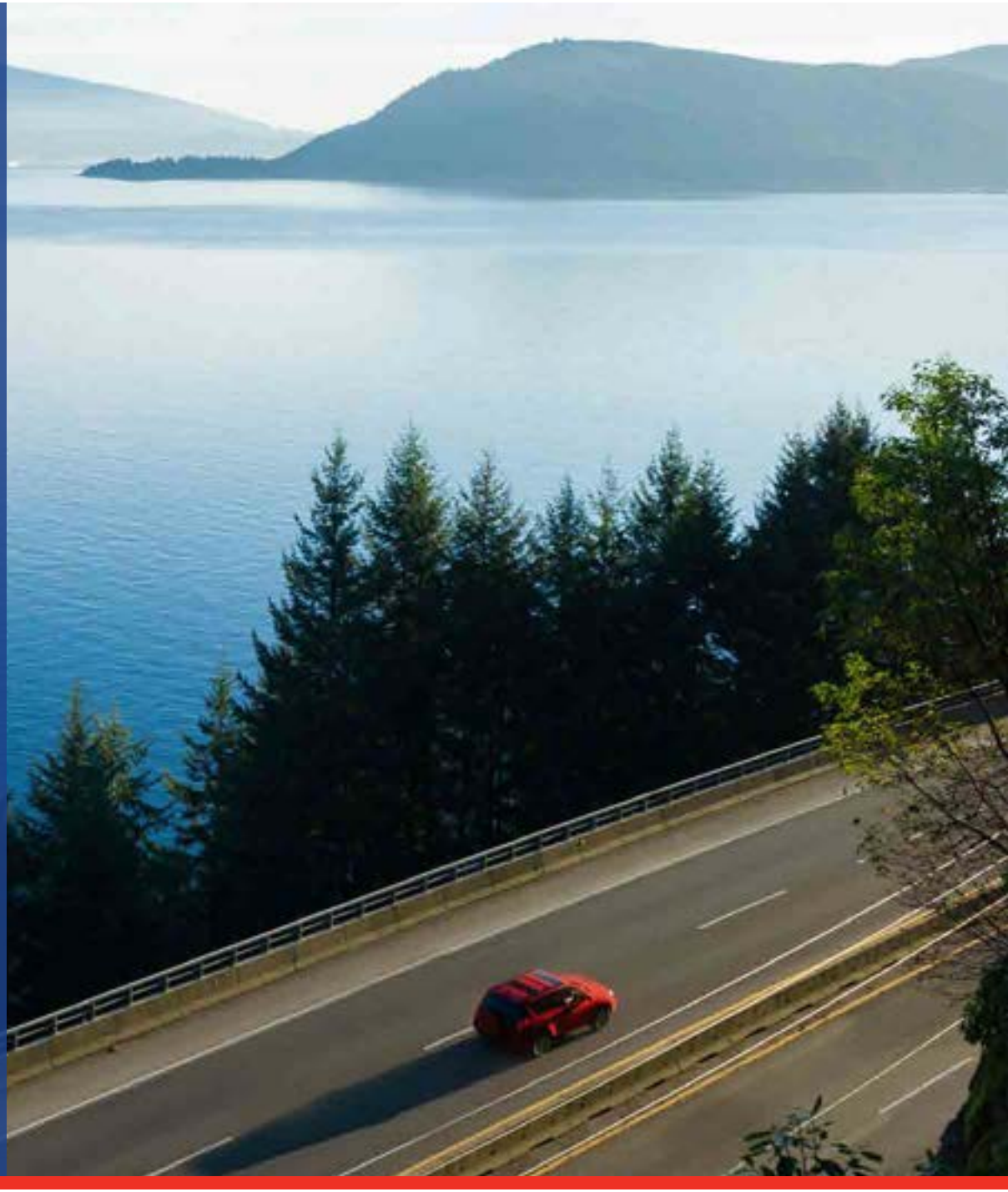
142 CDP Scores

143 Industry Associations

144 Global Reporting Initiative Content Index

150 Sustainability Accounting Standards Board (SASB) Index

152 Task Force on Climate-related Financial Disclosures (TCFD) Index 2022



About This Report

Except where otherwise noted, the data provided in this report covers the fiscal period from January 1 to December 31, 2023, 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 subsystems, components and software, to all of the world's major automotive manufacturers. We have 265 manufacturing, engineering and administrative locations in 38 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 2023. 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 and 3 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 2023 GHG Emissions Inventory (Scopes 1, 2 and 3). Trinity's full statement of limited assurance can be found on pages 138-139.

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 on pages 12-16.

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, 2023, and its other Securities and Exchange Commission filings.

Published date of previous report: 2022 Sustainability Report (July 2023)

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

Statement of Verification – Trinity Consultants, Inc.

Trinity Consultants

June 4, 2024

RE: CY2019, 2022, 2023 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) 2019, 2022, and 2023 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, Scope 2, and select Scope 3 categories for CY2019, select Scope 3 categories for 2022, and Scope 1, Scope 2, and select Scope 3 categories for CY2019.[1] 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.[2]

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, Scope 2, and select Scope 3 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.**

[1] Scope 3 categories include the following: Purchased Goods and Services, Capital Goods, Fuel and Energy Related Activities, Upstream Transportation and Distribution, Waste Generated in Operations, Business Travel, Employee Commuting, Downstream Transportation and Distribution, End of Life Treatment of Sold Products, and Investments.

[2] ISO 14064-3:2019 Standard: https://www.iso.org/standard/66455.html.

HEADQUARTERS

Lear Corporation – Page 2
June 4, 2024

2. Emissions and energy data verified – broken down by Scope 1, Scope 2, and Scope 3 categories, and energy consumption with figures given; option to include other relevant data that has been verified with figures:

- **CY2019**
  - Scope 1: 111,128 metric tonnes CO_2e
  - Scope 2 (location-based): 413,917 metric tonnes CO_2e
  - Scope 2 (market-based): 357,965 metric tonnes CO_2e
  - Scope 3 (Purchased Goods and Services): 6,825,898 metric tonnes CO_2e
  - Scope 3 (Capital Goods): 683,656 metric tonnes CO_2e
  - Scope 3 (Fuel-and-Energy-Related Activities): 133,148 metric tonnes CO_2e
  - Scope 3 (Upstream Transportation and Distribution): 270,166 metric tonnes CO_2e
  - Scope 3 (Waste Generated in Operations): 69,445 metric tonnes CO_2e
  - Scope 3 (Business Travel): 19,516 metric tonnes CO_2e
  - Scope 3 (Employee Commuting): 89,668 metric tonnes CO_2e
  - Scope 3 (Downstream Transportation and Distribution): 28,516 metric tonnes CO_2e
  - Scope 3 (End-of-Life Treatment of Sold Products): 732,045 metric tonnes CO_2e
  - Scope 3 (Investments): 68,232 metric tonnes CO_2e
  - Energy consumption (non-renewable and renewable): 1,502,267 MWh
- **CY2022**
  - Scope 3 (Purchased Goods and Services): 6,669,081 metric tonnes CO_2e
  - Scope 3 (Capital Goods): 695,436 metric tonnes CO_2e
  - Scope 3 (Fuel-and-Energy-Related Activities): 99,221 metric tonnes CO_2e
  - Scope 3 (Upstream Transportation and Distribution): 401,841 metric tonnes CO_2e
  - Scope 3 (Waste Generated in Operations): 41,747 metric tonnes CO_2e
  - Scope 3 (Business Travel): 9,987 metric tonnes CO_2e
  - Scope 3 (Employee Commuting): 107,879 metric tonnes CO_2e
  - Scope 3 (Downstream Transportation and Distribution): 40,113 metric tonnes CO_2e
  - Scope 3 (End-of-Life Treatment of Sold Products): 652,957 metric tonnes CO_2e
  - Scope 3 (Investments): 95,529 metric tonnes CO_2e
- **CY2023**
  - Scope 1: 86,256 metric tonnes CO_2e
  - Scope 2 (location-based): 376,739 metric tonnes CO_2e
  - Scope 2 (market-based): 299,567 metric tonnes CO_2e
  - Scope 3 (Purchased Goods and Services): 7,227,619 metric tonnes CO_2e
  - Scope 3 (Capital Goods): 817,075 metric tonnes CO_2e
  - Scope 3 (Fuel-and-Energy-Related Activities): 100,741 metric tonnes CO_2e
  - Scope 3 (Upstream Transportation and Distribution): 341,442 metric tonnes CO_2e
  - Scope 3 (Waste Generated in Operations): 44,546 metric tonnes CO_2e
  - Scope 3 (Business Travel): 14,214 metric tonnes CO_2e
  - Scope 3 (Employee Commuting): 96,576 metric tonnes CO_2e
  - Scope 3 (Downstream Transportation and Distribution): 33,873 metric tonnes CO_2e
  - Scope 3 (End-of-Life Treatment of Sold Products): 712,108 metric tonnes CO_2e
  - Scope 3 (Investments): 104,865 metric tonnes CO_2e
  - Energy consumption (non-renewable and renewable): 1,244,113 MWh

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

Statement of Verification – Trinity Consultants, Inc.

Lear Corporation – Page 3
June 4, 2024

- **CY2019: From January 1, 2019 through December 31, 2019**
- **CY2022: From January 1, 2022 through December 31, 2022**
- **CY2023: From January 1, 2023 through December 31, 2023**

4. GHG calculation, reporting protocols, and emission factors 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).**
- **WRI / WBCSD Corporate Value Chain (Scope 3) Guidance.**
- **AR4 and AR5 global warming potentials (GWP).**
- **U.S. EPA 2021, 2022, and 2023 Emission Factors.**
- **U.S. EPA Emission & Generation Resource Integrated Database 2019, 2020, and 2022 (eGRID).**
- **The Climate Registry (TCR) 2018, 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 CY2019, CY2022, and CY2023 corporate GHG emissions inventory is assured of being free of material misstatements for each category of emissions, including Scope 1, Scope 2, select Scope 3 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).

Lear Corporation – Page 4
June 4, 2024

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.

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

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

Grace Saunders
Senior Consultant, Sustainability Services

Additional 2023 Data

Environmental Data

Emissions and Energy Use				
Global Emissions (Metric Tons CO2e)	**2019** (Baseline)	**2021**	**2022**	**2023**
Scope 1	111,128	91,263	87,983	86,296
Scope 2 (market-based)	357,965	314,740	285,046	299,567
Scope 3	8,920,290	8,158,536	8,813,780	9,493,459
Total Global Emissions	**9,389,383**	**8,564,539**	**9,186,809**	**9,879,322**
Scope 3 Emissions by Category (Metric Tons CO2e)	**2019** (Baseline)	**2021**	**2022**	**2023**
Category 1: Purchased goods and services	6,825,898	6,113,710	6,669,081	7,227,619
Category 2: Capital goods	683,656	744,697	695,426	817,075
Category 3: Fuel- and energy-related activities	133,148	123,957	99,221	100,741
Category 4: Upstream transportation	270,166	305,034	401,841	341,442
Category 5: Waste generated in operations	69,445	46,011	41,747	44,546
Category 6: Business travel	19,516	6,779	9,987	14,214
Category 7: Employee commuting	89,668	100,297	107,879	96,976
Category 9: Downstream transportation	28,516	31,124	40,113	33,873
Category 12: End-of-life treatment of sold products	732,045	620,541	652,957	712,108
Category 15: Investments	68,232	66,386	95,529	104,865
Total Scope 3 Emissions by Category	**8,920,290**	**8,158,536**	**8,814,410**	**9,493,459**
Global Energy Use (Megawatt Hours - MWh)	**2019** (Baseline)	**2021**	**2022**	**2023**
Electric Power	957,405	886,414	799,255	848,747
Electricity (nonrenewable)	860,616	789,867	623,442	622,441
Electricity (renewable)	96,789	96,547	175,813	226,306
Natural Gas	409,739	332,832	320,580	309,132
Propane	72,982	69,391	28,018	61,350
Landfill Gas	31,770	27,631	20,739	18,246
Diesel	17,089	11,461	8,427	4,524
Fuel Oil	11,198	746	267	468
Gasoline	2,084	1,339	1,629	1,646
Total Global Energy Use	**1,502,267**	**1,329,814**	**1,178,915**	**1,244,113**

Environmental Data

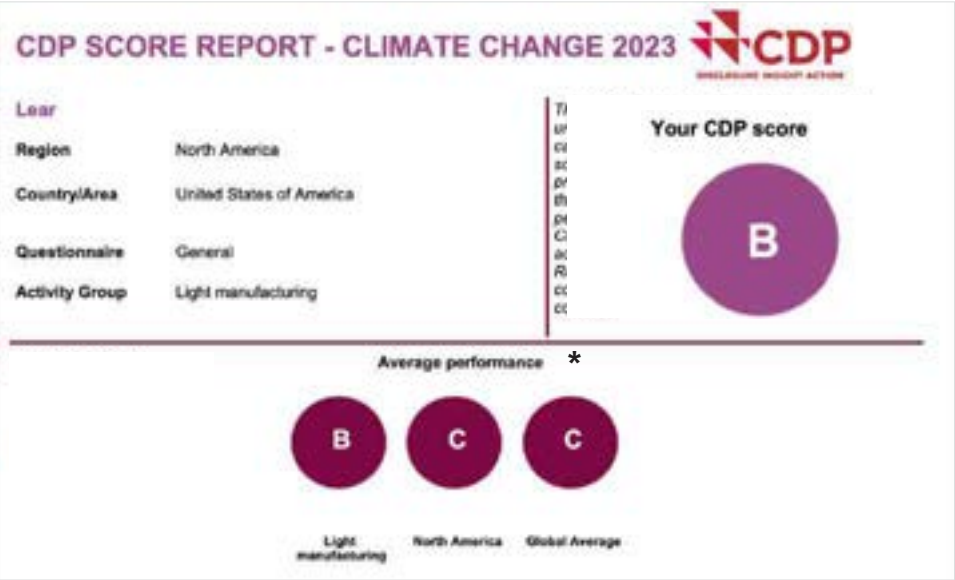
Waste and Water			
Waste (Metric Tons)	**2021**	**2022**	**2023**
Recycled	145,642	140,631	130,255
Landfill	30,141	31,603	26,768
Waste/Other Disposal	10,382	2,739	2,482
Off-Site Treatment	-	9,941	194
Incinerated	4,092	1,782	6,835
Energy Recovery	-	-	18,401
Total Waste	**190,260**	**186,696**	**184,935**
Hazardous Waste	1,971	5,125	6,783
Nonhazardous Waste	188,289	181,571	178,152
Total Waste	**190,260**	**186,696**	**184,935**
Water Withdrawal (Cubic Meters)	**2021**	**2022**	**2023**
Municipal	3,405,886	3,711,330	3,882,148
Groundwater	1,242,945	1,383,156	1,146,700
Processed Water	68,777	52,225	25,424
Total Water Withdrawal	**4,717,608**	**5,146,711**	**5,054,272**

Global Workforce Demographics

Approximate Global Workforce as of December 31, 2023					
Region	**Approx. Total Workforce**	**% Hourly Female**	**% Hourly Male**	**% Salaried Female**	**% Salaried Male**
United States and Canada	11,600	27%	46%	8%	19%
Mexico	56,400	51%	43%	2%	4%
Central and South America	23,700	46%	48%	2%	4%
Europe and Africa	68,400	43%	44%	4%	9%
Asia	26,500	34%	46%	7%	13%
Total Approx. Global Workforce	**186,600**				

Additonal information in **Lear's Form 10-K** (page 15) and **Lear's 2023 Cosolidated EEO-1 summary**

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 sustainability 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 Subgroups:
  - Global Requirements and Raw Materials Sourcing
  - Responsible Materials Supplier Communication
  - Smelter Engagement Team (AIAG-RMI Partnership Coordinated)
  - Sustainability Assessment Questionnaire Subgroup
- Forced Labor/Human Rights Group
- Greenhouse Gas Reporting Work Group
  - Product Carbon Footprint (PCF) Guidance Development
- Health & Safety Ad Hoc Group
- Living Wage Definition Project Team

Clean Energy Buyers Alliance (CEBA)

Climate Group's RE100

Drive Sustainability

- DRIVE+ member

DTE On-Site Energy Management Pilot Program

European Association of Automotive Suppliers – CLEPA

- Automated Driving Executive Group
- Corporate Social Responsibility (CSR) Executive Group
- Cybersecurity Work Group
- Euro New Car Assessment Programme (NCAP) Work Group
- General Assembly
- Materials and Substances Work Group
- Sustainability Task Force

National Institute for Occupational Safety & Health (NIOSH)

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

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
- Chemical Management Committee
- Carbon and Energy Committee
- Water Stewardship Committee

U.S. Department of Energy (DOE)

- Better Climate Challenge member
  - Participation with Office of Energy Efficiency & Renewable Energy
  - National Renewable Energy Laboratory

Diversity Partners

- Asian Pacific American Chamber of Commerce (APACC)
- Canadian Aboriginal Minority Supplier Council (CAMSC)
- Center for Automotive Diversity, Inclusion and Advancement (CADIA)
- 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 Gay and Lesbian Chamber of Commerce (NGLCC)
- National Business League (NBL)
- National Minority Supplier Development Council (NMSDC)
- 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, 2023, to December 31, 2023, with reference to the GRI Standards. In some cases, the referenced information partially satisfies the referenced disclosure standard.

GRI Standard	Disclosure	Location
GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021		
2-1	Organizational details	Pages 2, 8-9, 137 Lear Corporation
2-2	Entities included in the organization's sustainability reporting	Pages 2, 137
2-3	Reporting period, frequency and contact point	Pages 2, 137
2-4	Restatement of information	Pages 20, 137-139
2-5	External assurance	Pages 138-139
2-6	Activities, value chain and other business relationships	Pages 4, 8-9, 28-35 Lear's 2023 Annual Report 02/08/24, pages 3-13 Lear Corporation
2-7	Employees	Pages 8, 55, 65-66, 141 Lear's 2023 Annual Report 02/08/24, pages 3, 15 Lear's EEO-1 Summary Data
2-9	Governance structure and composition	Pages 109, 112-115 Lear Proxy Statement 04/03/24, pages 6, 11-17 Lear's 2023 Annual Report 02/08/24, pages 29-30, 105 Lear Corporation
2-10	Nomination and selection of the highest governance body	Pages 112-115 Lear Proxy Statement 04/03/24, pages 10-19
2-11	Chair of the highest governance body	Lear Proxy Statement 04/03/24, pages 10-19
2-12	Role of the highest governance body in overseeing the management of impacts	Pages 112-115 Lear Proxy Statement 04/03/24, pages 10-19
2-13	Delegation of responsibility for managing impacts	Pages 110, 112-115 Lear Proxy Statement 04/03/24, pages 10-19
2-14	Role of the highest governance body in sustainability reporting	Pages 110, 112-115
2-15	Conflicts of interest	Page 118 Lear Code of Business Conduct and Ethics pages 12-13
2-16	Communication of critical concerns	Pages 110, 121-123
2-17	Collective knowledge of the highest governance body	Pages 112-115 Lear Proxy Statement 04/03/24, page 17

GRI Content Index

GRI Standard	Disclosure	Location
2-18	Evaluation of the performance of the highest governance body	Lear Proxy Statement 04/03/24, pages 32-37
2-19	Remuneration policies	Page 111 Lear Proxy Statement 04/03/24, pages 40-47 Lear's 2023 Annual Report 02/08/24, page 104
2-20	Process to determine remuneration	Page 111 Lear Proxy Statement 04/03/24, pages 3, 42, 54-77 Lear's 2023 Annual Report 02/08/24, page 104
2-21	Annual total compensation ratio	Lear Proxy Statement 04/03/24, page 68
2-22	Statement on sustainable development strategy	Pages 4, 10-11
2-23	Policy commitments	Lear's policies and commitments are featured throughout the 2023 Sustainability Report. Pages 42, 44, 95-96, 118, 129-130 Lear Corporation
2-24	Embedding policy commitments	Lear's policies and commitments are featured throughout the 2023 Sustainability Report. Pages 20, 42, 44, 95, 110, 129-130, 132 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 2023 Sustainability Report. Pages 45-48, 95, 121-123, 129-130
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 2023 Sustainability Report. Pages 112, 117, 120-122
2-27	Compliance with laws and regulations	Lear Code of Business Conduct and Ethics Lear's 2023 Annual Report 02/08/24, pages 15, 18
2-28	Membership associations	Pages 16, 22, 67, 143
2-29	Approach to stakeholder engagement	Pages 12, 117
2-30	Collective bargaining agreements	Pages 91, 95 Lear's 2023 Annual Report 02/08/24, page 15
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Pages 12-14
3-2	List of material topics	Pages 12-14

GRI Content Index

GRI Standard	Disclosure	Location
GRI 201: Economic Performance 2016		
3-3	Management of material topics	Pages 20-21, Environmental Stewardship: Lear's Climate Goals Pages 22-24, Environmental Stewardship: Our Renewable Energy Strategy Pages 28-35, Environmental Stewardship: Sustainable Products Pages 36-39, Environmental Stewardship: Achieving New Levels of Operational Excellence Pages 45-48, Environmental Stewardship: Reducing Energy Use Pages 57-68, Social Responsibility: Diversity, Equity & Inclusion Pages 73-88, Social Responsibility: Teamwork & Talent
201-1	Direct economic value generated and distributed	Page 8 Lear's 2023 Annual Report 02/08/24, pages 55-103
201-2	Financial implications and other risks and opportunities due to climate change	Pages 20-21 Lear's 2023 Annual Report 02/08/24, page 25 Lear's 2023 TCFD disclosure
201-3	Defined benefit plan obligations and other retirement plans	Lear's 2023 Annual Report 02/08/24, pages 72, 82-90, 108 Lear Proxy 04/04/24, pages 51, 57-59, 62-67
GRI 201-4: Financial Assistance Received from Government 2016		
GRI 202: Market Presence 2016		
GRI 203: Indirect Economic Impacts 2016		
GRI 204: Procurement Practices 2016		
3-3	Management of material topics	Pages 129-136
GRI 205: Anti-Corruption 2016		
3-3	Management of material topics	Pages 119-124 Lear Code of Business Conduct and Ethics
205-2	Communication and training about anti-corruption policies and procedures	Pages 119-124 Lear Code of Business Conduct and Ethics
205-3	Confirmed incidents of corruption and actions taken	Page 123
GRI 206: Anti-Competitive Behavior 2016		
3-3	Management of material topics	Pages 118-123 Lear Code of Business Conduct and Ethics
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Page 123
GRI 207: Tax 2019		

GRI Content Index

GRI Standard	Disclosure	Location
GRI 301: Materials 2016		
3-3	Management of material topics	Pages 28-35
301-1	Materials used by weight or volume	Page 102 Lear's SASB 2023 disclosure, Pages 150-152
301-2	Recycled input materials used	Lear's SASB 2023 disclosure, Pages 150-152
301-3	Reclaimed products and their packaging materials	Pages 51-52 Lear's SASB 2023 disclosure, Pages 150-152
GRI 302: Energy 2016		
3-3	Management of material topics	Pages 24, 45-46, 140-141
302-1	Energy consumption within the organization	Pages 24, 45-46, 140-141
302-4	Reduction of energy consumption	Pages 24, 45-46, 140-141
302-5	Reductions in energy requirements of products and services	Pages 28, 33
GRI 303: Water and Effluents 2018		
3-3	Management of material topics	Pages 49-50
303-1	Interactions with water as a shared resource	Pages 24, 49-50, 141
303-3	Water withdrawal	Pages 50, 141
303-5	Water consumption	Pages 49-50, 141
GRI 304: Biodiversity 2016		
GRI 305: Emissions 2016		
3-3	Management of material topics	Pages 19-27, 46-48
305-1	Direct (Scope 1) GHG emissions	Pages 47, 140
305-2	Energy indirect (Scope 2) GHG emissions	Pages 47, 140
305-3	Other indirect (Scope 3) GHG emissions	Pages 48, 140
305-5	Reduction of GHG emissions	Pages 46-47, 140
GRI 306: Waste 2020		
3-3	Management of material topics	Pages 51-53
306-1	Waste generation and significant waste-related impacts	Pages 53, 141
306-2	Management of significant waste-related impacts	Pages 52-53, 141
306-3	Waste generated	Pages 53, 141

GRI Content Index

GRI Standard	Disclosure	Location
306-4	Waste diverted from disposal	Pages 51-53, 141
306-5	Waste directed to disposal	Pages 53, 141
GRI 308: Supplier Environmental Assessment 2016		
3-3	Management of material topics	Pages 128-132
308-1	New suppliers that were screened using environmental criteria	Page 130
308-2	Negative environmental impacts in the supply chain and actions taken	Pages 128-132
GRI 401: Employment 2016		
3-3	Management of material topics	Pages 55-70, 73-100
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 85, 87-88
401-3	Parental leave	Page 86
GRI 403: Occupational Health and Safety 2018		
3-3	Management of material topics	Pages 96-100
403-1	Occupational health and safety management system	Pages 92, 96-100
403-2	Hazard identification, risk assessment, and incident investigation	Pages 92, 96-100
403-3	Occupational health services	Pages 92, 96-100
403-4	Worker participation, consultation, and communication on occupational health and safety	Pages 96-100
403-5	Worker training on occupational health and safety	Pages 92, 98
403-6	Promotion of worker health	Pages 89-90, 92, 96-100
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 95, 100
403-8	Workers covered by an occupational health and safety management system	Pages 96-100
403-9	Work-related injuries	Pages 98-99
403-10	Work-related ill health	Pages 98-99
GRI 404: Training and Education 2016		
3-3	Management of material topics	Pages 73-84
404-2	Programs for upgrading employee skills and transition assistance programs	Pages 73-84
GRI 405: Diversity and Equal Opportunity 2016		
3-3	Management of material topics	Pages 57-68
405-1	Diversity of governance bodies and employees	Pages 65-66, 113-115
405-2	Ratio of basic salary and remuneration of women to men	Page 62
GRI 406: Nondiscrimination 2016		
3-3	Management of material topics	Pages 68, 121-123
406-1	Incidents of discrimination and corrective actions taken	Page 123

GRI Content Index

GRI Standard	Disclosure	Location
GRI 407: Freedom of Association and Collective Bargaining 2016		
GRI 408: Child Labor 2016		
3-3	Management of material topics	Page 95
408-1	Operations and suppliers at significant risk for incidents of child labor	Pages 128-131
GRI 409: Forced or Compulsory Labor 2016		
3-3	Management of material topics	Pages 95, 128-131
GRI 410: Security Practices 2016		
3-3	Management of material topics	Page 95
410-1	Security personnel trained in human rights policies or procedures	Page 95 Lear's Human Rights Policy includes accommodations for private or public security personnel.
GRI 413: Local Communities 2016		
3-3	Management of material topics	Page 72
413-1	Operations with local community engagement, impact assessments, and development programs	Page 72
GRI 414: Supplier Social Assessment 2016		
3-3	Management of material topics	Pages 128-134
414-2	Negative social impacts in the supply chain and actions taken	Pages 128-134
GRI 415: Public Policy 2016		
3-3	Management of material topics	Page 117
415-1	Political contributions	Page 117

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) 4,478,807 GJ 2) Approximately 50% 3) 18% 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) 184,935 metric tons (t) of waste from manufacturing 2) 4% of manufacturing waste is hazardous. Lear tracks hazardous waste generated according to the U.S. EPA Resource Conservation & Recovery Act (RCRA) 3) Approximately 70% 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 2023, Lear had $1.8 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	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/**. 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 2023 Sustainability Report, **pages 132-133**, and in **Lear's 2023 Annual Report**.
Materials Efficiency	Percentage of products sold that are recyclable	Quantitative	Percentage (%)	TR-AP-440b.1	40% of Lear's Seating products are recyclable. 55% of Lear's E-Systems products are recyclable.
	Percentage of input materials from recycled or remanufactured content	Quantitative	Percentage (%)	TR-AP-440b.2	Up to 50% of the steel and other metals in Lear's seating comes from recycled or remanufactured content. Up to 90% of copper and other metals in Lear's E-Systems products are recycled.

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 2023.

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 – approximately 9.5 billion Seating – approximately 49.5 million
Weights of parts produced	Quantitative	Metric tons (t)	TR-AP-000.B	E-Systems - approximately 14.9 million metric tons Seating - approximately 1.25 metric tons
Area of manufacturing plants	Quantitative	Square meters (m^2)	TR-AP-000.C	3,604,988 m^2

Task Force on Climate-related Financial Disclosures Index

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**.