

2024

Sustainability  
Report

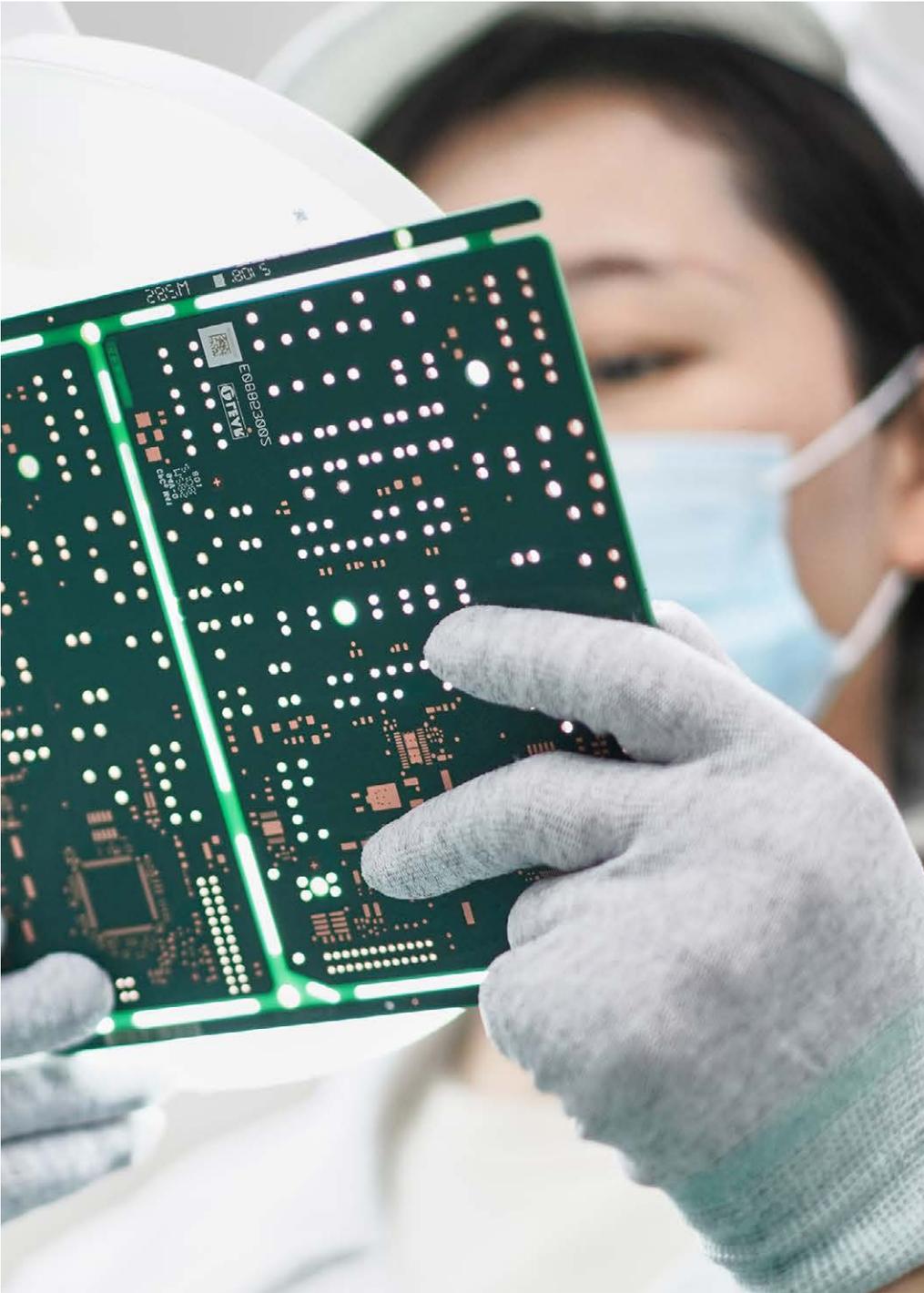
*Every day,  
Striving for Better*



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Please refer to the [Supplemental Report](#) for additional information.



# Sustainability at Lear

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## **2024 Report**

The data presented in this report covers all operations and production facilities within Lear's operational control for the calendar year 2024. We have disclosed our material topics with reference to the Global Reporting Initiative (GRI) Standards. Please refer to the [Supplemental Report](#) for our GRI, SASB, TCFD and UN SDGs indices, along with additional environmental and workforce data. 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 2026.



# A Message from Our CEO

Once again, the automotive industry is challenged by uncertainty. Like many times during our more than 100-year history, Lear is positioned to emerge better and stronger than ever.

We have a clear strategy for the future. IDEA by Lear – a realignment of our businesses around Innovative, Digital, Engineered and Automated solutions – is changing traditional thinking, accelerating automation, streamlining enterprise-wide applications, and upskilling the organization to support our digital transformation and automation initiatives. IDEA by Lear is supported by our continuous efforts to improve sustainability in our products, operations and supply chain. Our Seating and E-Systems products provide unique opportunities to enhance the sustainability of the vehicles they support, regardless of powertrain. Focused on efficiency, our technologies help improve vehicle performance, enable lower emissions and increase driving range. To advance sustainability, our products support a global circular economy, increasing the use of recycled raw materials and making our products easier to recycle at the vehicle’s end of life.

Throughout our operations, our teams are working to protect the planet by increasing renewable energy use, improving efficiency, reducing water consumption and avoiding waste. In 2024, we commissioned more on-site solar installations, bringing our global total to 17, and continued to make progress on our renewable energy strategy and goals. Employee-led energy treasure hunts will save 32 million kWh of energy around the world. We also received validation of our near-term greenhouse gas (GHG) reduction targets from the Science Based Targets Initiative (SBTi).

Our more than 2,500 global production suppliers are partners in our efforts to reduce emissions and improve human rights. To help our global supply partners reduce their emissions and impact on the environment, we launched internal initiatives to standardize and scale a supply chain decarbonization program. We also increased focus on human rights by strengthening supply chain transparency, risk analysis and awareness campaigns, as well as internal and external training.

None of these achievements would be possible without our outstanding global team. Our inclusion efforts continue to expand and involve more people with disabilities. Our automation efforts are improving safety and ergonomics while offering our workforce higher-level skills. Training and leadership development opportunities have never been greater. It is no surprise that Lear certified as a Top 100 Employer of Excellence in China, Best Workplaces in Auto and Auto Components in India, Top Employer in Brazil, Morocco and Europe as well as a Great Place to Work in Brazil and Argentina.

In the face of tough times, we remain dedicated to our values – Be Inclusive, Be Inventive and Get Results the Right Way – the very foundation of our sustainability strategy. While the future is uncertain, I am confident that we have the people and the plan to make our company even better so that we can continue to 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.**



# 2024 Key Sustainability Metrics

		2023	2024
 <b>Greenhouse Gas (GHG) Emissions</b>	Total Global Emissions	<b>9,879,322</b> metric tons CO2e	<b>9,229,051</b> metric tons CO2e
	Scope 1	<b>86,296</b> metric tons CO2e	<b>75,850</b> metric tons CO2e
	Scope 2	<b>299,567</b> metric tons CO2e	<b>288,574</b> metric tons CO2e
	Scope 3	<b>9,493,459</b> metric tons CO2e	<b>8,864,627</b> metric tons CO2e
	Scope 1 & 2 Reduction since 2019	<b>18%</b>	<b>22%</b>
 <b>Energy Use</b>	Total Global Energy Use	<b>1,244,113</b> kWh	<b>1,203,218</b> kWh
	Reduction in Energy Use since 2019	<b>17%</b>	<b>20%</b>
	Energy Reduction Projects and Potential Energy Savings*	<b>399</b> 26M kWh energy savings	<b>515</b> 21M kWh energy savings
	Global Energy Treasure Hunts	<b>80</b>	<b>150</b>
 <b>Renewable Energy</b>	Total Electric Energy from Renewable Sources	<b>27%</b>	<b>29%</b>
	On-Site Solar Arrays	<b>14</b> in 6 countries	<b>17</b> in 7 countries
 <b>Biodiversity</b>	Reforestation	<b>95,000+</b> trees planted since 2021	
 <b>Water</b>	Water Withdrawal Reduction Year-Over-Year**	<b>1.6%</b>	<b>3.5%</b>
 <b>Waste</b>	Landfill-Free Sites	<b>39</b> in 15 countries	<b>61</b> in 19 countries
 <b>Driving Wellness</b>	Employees Trained and Certified as Mental Health First Aiders since 2022	<b>95</b> in France, the U.K. and U.S.	<b>140+</b> in France, the U.K. and U.S.
 <b>Health &amp; Safety</b>	Facilities Achieved 1 Million Hours without a Recordable Injury	<b>43</b>	<b>46</b>
	Total Recordable Injury/Illness Rate (TRIR)	<b>0.29</b>	<b>0.26</b>

\* This data is estimated based on project totals \*\* The 2022-2024 water data has been updated to correct errors in data collection and calculations

# IDEA by Lear

The pace of change is accelerating. Technological innovation, automation, artificial intelligence (AI), and digital tools are transforming the world with amazing speed. We are witnessing dramatic shifts in labor force demographics and attitudes toward manufacturing careers. Inflation around the globe is impacting labor and commodity costs. And geopolitical changes are raising questions about trade restrictions, tariffs, nearshoring, cybersecurity and energy — impacting what we produce and where we produce it.

In uncertain times, winners are those who anticipate challenges and implement strategies, not just to survive but emerge stronger than ever. Lear has a plan for the future and is already executing it.

IDEA by Lear is a realignment of our businesses around Innovative, Digital, Engineered and Automated solutions. Launched in 2024, IDEA by Lear builds on our outstanding reputation for operational excellence, helping employees throughout our businesses think differently, move quickly and take ownership. By combining innovation, modularity and automation with advanced technology and manufacturing, we are creating a competitive advantage.



[See how IDEA by Lear is transforming our plants around the globe.](#)



## Innovative

Drive the development and adoption of new products, processes and technologies by thinking differently to increase company value and growth.

## Digital

Streamline processes and transform business practices by integrating technology platforms, consolidating data, and leveraging cloud computing and AI to drive greater efficiency, security and innovation.

## Engineered

Blend digital innovation with functional and engineering expertise to set new standards in design, quality and efficiency, while driving product development for smart manufacturing.

## Automated

Enhance productivity, quality and safety through robotics and smart devices, optimizing workforce capabilities and ensuring flexibility to quickly meet market and customer demands.

# IDEA by Lear in Action

Here are a few examples of projects initiated in 2024.

## Innovation on the Line

Comprised of many manual tasks, wire harness assembly is becoming more complex and moving toward a more customized model. In the U.K., our teams used proprietary vision systems, grippers and robotics to develop new streamlined processes, resulting in four patent applications. In other locations, Lear is automating wire cutting, assembly and other manual functions while offering opportunities for experienced employees to gain new skills.

## Digital Transformation

We deployed a unified cloud-based platform to consolidate data across the company, eliminate information silos, and offer a comprehensive real-time operational perspective. For example, a seating plant in Europe used the platform to connect data previously scattered across various legacy systems, avoiding manual data collection and empowering teams to make informed shop floor decisions quickly.

## Engineered for Modularity

Currently under development, modular designs will allow Lear to manufacture our ComfortFlex by Lear™ modules and ComfortMax Seats by Lear™ on the same automated production lines using ultrasonic welding, camera guidance and robot positioning.

## Upskilling

Lear's acquisition of Thagora in 2022 is driving automation in seven global leather-cutting facilities. Hiring, training and retaining employees for this labor-intensive work is an ongoing challenge. Automating the process with propriety scanning and cutting software has improved quality, ergonomics and employee satisfaction. With these technologies, our facility in Juarez, Mexico, was able to upskill employees and improve retention.

## Automating

In China, eight processes for our seating heat mats are now fully or partially automated to reduce cycle and change-over times, decrease tooling costs, and cut training time from more than 10 days to less than three. The new processes are expected to expand globally by the end of 2025. In the Czech Republic, a robotic system transports seats from production lines to shipping pallets. In multiple plants, smart vision systems inspect and finesse surface materials in our seating facilities.

## Improving Safety

In Germany, robots handle extreme temperatures during molding and precisely position metal busbars into injection molded parts to produce Lear's Battery Interface System. In the Czech Republic, automatic head rest testing enhances ergonomics and eliminates health and safety risks. In multiple facilities, robots steam seats where needed, which reduces energy use and avoids an operation that would otherwise cause stress on shoulders and require employees to work with hot steam.

**\$150M**

to be invested in automation and advanced manufacturing

**600+** new proposed projects in addition to 100+ digital transformation ideas

**4,100+**

users accessed our unified cloud-based platform globally with 400 daily users on average

**1,200+**

applications developed

# This is Lear

## Who We Are

An innovator in automotive seating and electronic modules, connection systems and electrical distribution systems, Lear designs, engineers and manufactures world-class products to facilitate future sustainable mobility trends.

**100+ year heritage** as a leading automotive supplier

**Serving every major automaker in the world**, including 480 nameplates

**Largest U.S. headquartered supplier** of automotive parts

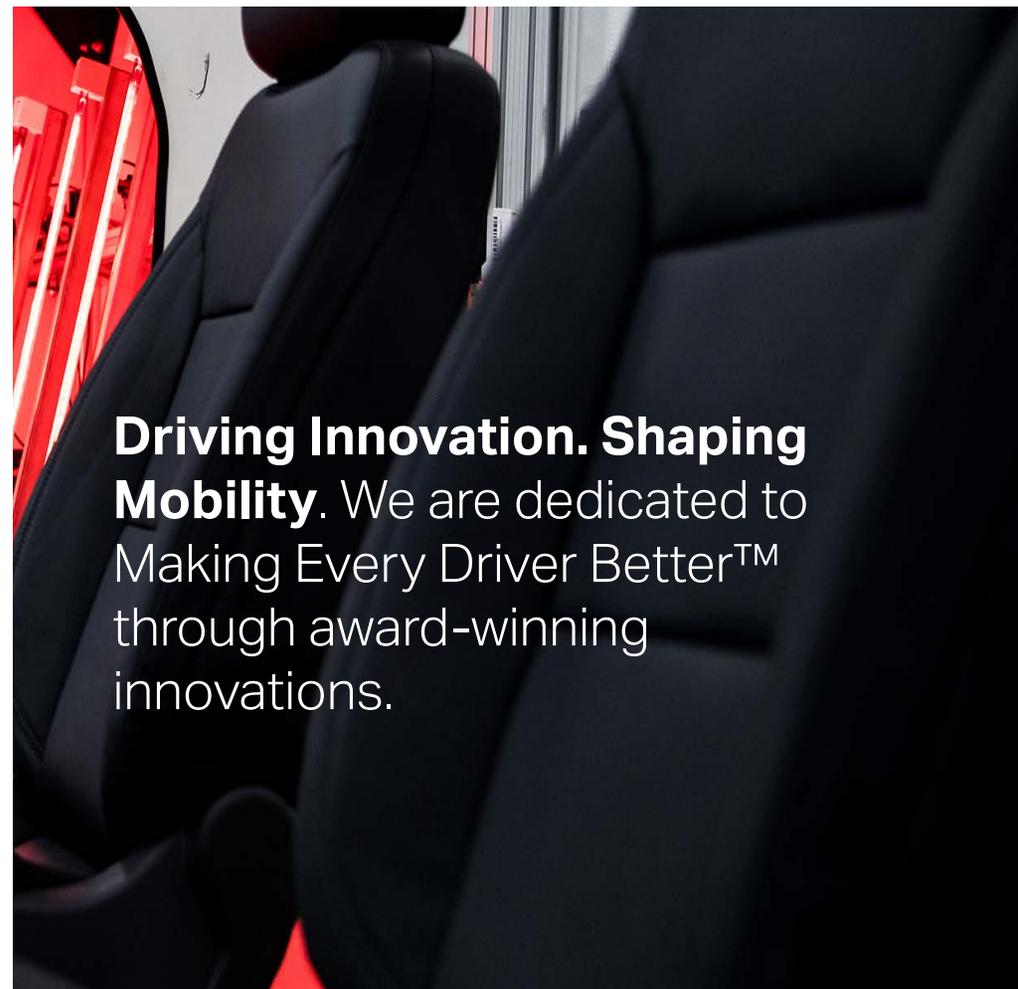
**\$23.3B** in global revenue in 2024

**173,700 employees** with industry-leading talent and technical expertise globally

**255 facilities** in 37 countries with an efficient global engineering and manufacturing footprint

### Committed to...

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



**Driving Innovation. Shaping Mobility.** We are dedicated to Making Every Driver Better™ through award-winning innovations.

**SEATING**

**\$17.2B sales**

**E-SYSTEMS**

**\$6.1B sales**

# 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 more than 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 world's most vertically integrated Seating and E-Systems supplier, uniquely positioned as the only Tier 1 supplier with the expertise and capabilities to deliver complete seat solutions alongside advanced electrical distribution systems and 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...



#1 IN AUTOMOBILES & PARTS

by CNBC 2025

As of May 2025, Lear received an MSCI ESG Rating of AA. \* MSCI Disclaimer

# 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™. 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™		
Our Core Values		
Be Inventive	Be Inclusive	Get Results the Right Way
Dimensions of Sustainability		
Environmental Stewardship	Social Responsibility	Effective Governance
KEY ELEMENTS		
<p>Our innovative technologies are enabling electrification and sustainable mobility.</p> <hr/> <p>We use responsibly sourced, renewable and recyclable materials to protect the environment.</p> <hr/> <p>Our efficient operations conserve energy and water, while minimizing waste and reducing emissions.</p> <hr/> <p>Our Renewable Energy Strategy reduces our carbon footprint and supports our climate goals.</p>	<p>Meaningful employment provides competitive pay, benefits and development for union and nonunion employees around the world.</p> <hr/> <p>Our diverse and engaged global teams work together with respect, integrity and inclusion.</p> <hr/> <p>Safety is at the core of everything we do, from creating safe work environments and ensuring our sites are prepared to identify and mitigate potential risks, to providing support to our communities responding to natural disasters.</p>	<p>An experienced and diverse Board of Directors provides oversight.</p> <hr/> <p>Carefully crafted policies and procedures enforce our commitment to ethics, integrity and human rights.</p> <hr/> <p>Our focus on cybersecurity protects our products, data, customers and enterprise.</p> <hr/> <p>We are partnering with suppliers to facilitate sustainability and protect human rights in our supply chains.</p>



“At the heart of our sustainability strategy lies a commitment not only to the world we live in but also to the people who make our vision possible.

We believe our greatest strength lies in our people. By empowering our global team through meaningful engagement and development opportunities, we create an environment where innovation and sustainability thrive.”

**HARRY KEMP**

Senior Vice President  
and Chief Administrative Officer

# Materiality Assessment

In 2024, 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. We engage in industry associations and workgroups to share knowledge and collaborate on issues impacting our customers and suppliers.

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 2024 engagement efforts in this year's report.

As a result, a list of Lear's most material topics is shown below and on the following pages 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.

## Highest-Priority Material Topics (in alphabetical order)

 Economic

 Social

 Environmental



### **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

## Highest-Priority Material Topics (in alphabetical order)

 Economic

 Social

 Environmental



### **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**

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



### **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



### **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

## Highest-Priority Material Topics (in alphabetical order)

 Economic

 Social

 Environmental



### 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 electric vehicles (EVs) and other mobility trends



### 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



### 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



### 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



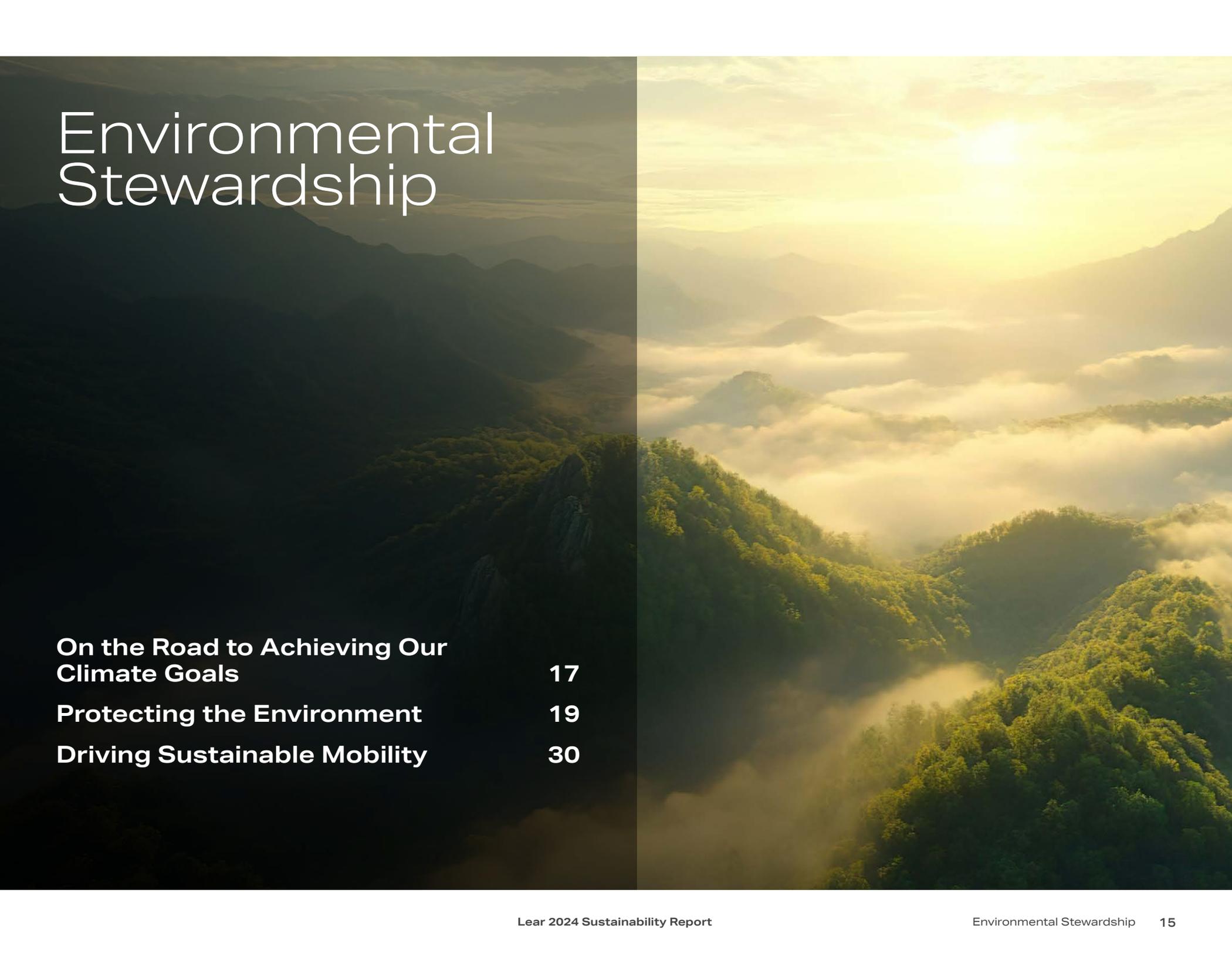
### GLOBAL COMMUNITIES

Supporting Lear's global communities through employment, local volunteering, charitable contributions and investments, educational 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



# Environmental Stewardship

<b>On the Road to Achieving Our Climate Goals</b>	<b>17</b>
<b>Protecting the Environment</b>	<b>19</b>
<b>Driving Sustainable Mobility</b>	<b>30</b>

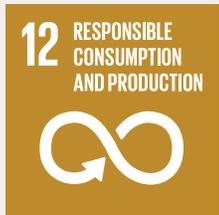
# Climate Goals

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

In 2024 Lear's near-term GHG reduction targets were validated by the Science Based Targets initiative (SBTi) in alignment with the Intergovernmental Panel on Climate Change (IPCC) goal to limit global warming to 1.5°C above preindustrial levels. For more information, see [Decreasing GHG Emissions](#).



Lear aspires to achieve Net-Zero Emissions by 2050



## Lear's Climate Goals

2019 Baseline

### 2030

**50% reduction in Scope 1 & 2 carbon emissions** at our facilities (SBTi validated)

**100% renewable energy for electric power** consumed at our facilities

### 2033

**35% reduction in Scope 3 emissions** (SBTi validated)

# Progress Toward Achieving Our Climate Goals During 2024

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

- Received the 2024 Creativity in Implementing Sustainable Practices Award from the Suppliers Partnership for the Environment (SP) for **ReNewKnit™** sueded surface material, which is made from 100% recycled plastic bottles and manufactured with 100% renewable energy
- Introduced Lear’s **lightweight solid aluminum harness**, which reduces weight up to 35% and enhances efficiency
- Selected as supplier of **Battery Disconnect Units** and **Intercell Connect Boards** by multiple global EV makers
- Developed **ComfortFlex by Lear™** and **ComfortMax Seat by Lear™** innovations to deliver heat and ventilation with 40% faster time-to-sensation and a 50% reduction in parts
- Launched **FlexAir™**, a 100% recyclable nonfoam alternative to traditional foam that reduces CO2e emissions, with a major global automaker in 2024
- Completed 100+ **life cycle assessments (LCAs)** covering 100% of our major product lines

## Operations Scope 1 & 2 Emissions

- Operated 17 on-site solar arrays in seven countries
- Sourcing 29% of the total electric energy used at our global plants from renewable sources, including nearly 100% at our sites in Argentina, Brazil, Germany, Hungary, Poland, Portugal, Spain and the U.K.
- Completed ISO 50001:2018 certification for energy management at five global sites
- Implemented our **Energy Efficiency Playbook** at all of our global manufacturing sites with +90% achieving full implementation
- Verified our Scope 1 and 2 emissions with a third party
- Saved an estimated 21M kWh of energy through 515 energy efficiency projects completed globally

## Supply Chain Scope 3 Emissions

- Created the Lear Climate Action Group to assist suppliers in emissions inventory, goal setting, training, and decarbonization scaling
- Engaging with suppliers to provide innovative solutions to reduce the carbon footprint of our parts
- Collaborating with SP on industry standards 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

# 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.

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.

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.

**29%** of the total electric energy used at our global plants from renewable sources

**17** on-site solar arrays in 7 countries produce 14.7M kWh of electricity annually

## A Collaborative Effort

Lear currently partners with a variety of organizations that help us to reach our climate goals, such as:

- **Science Based Targets initiative (SBTi)** – Lear received validation of our near-term GHG reduction targets from SBTi.
- **Automotive Industry Action Group (AIAG)** – We are participating in the Greenhouse Gas Working Group to develop training materials for suppliers.
- **Suppliers Partnership for the Environment (SP)** – 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 in 2024, Lear received guidance on renewable energy procurement strategies, collaborated on low-carbon energy solutions, and built 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 southeast 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. See our [CDP scores](#).

# 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 treasure hunts and Kaizen events for waste reduction, Lear's EMS is reducing our environmental impact.

Lear sites complete third-party environmental regulatory audits every three to five years to ensure compliance. 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 a central online 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](#).



View our [EHS&S Policy here](#).

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

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Integrating environmental, health, safety and sustainability elements into our overall business strategy and supply chain management

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Preventing pollution

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Providing a safe and healthy work environment

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Involving and empowering employees in EHS&S activities

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Developing and using environmentally acceptable, safe, sustainable and efficient production methods and processes

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Complying with government requirements and obligations

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Protecting natural resources, including the responsible management of forests and water

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Enhancing environmental stewardship, social responsibility and economic prosperity

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Conserving energy, water and other natural resources, reducing waste and chemical use, decreasing GHG emissions, and supporting climate initiatives

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Striving to continually reduce the environmental impact and improve the performance of our products

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# CDP Supply Chain & Investor Surveys

The CDP (formerly known as the Carbon Disclosure Project) helps more than 24,800 organizations benchmark their progress toward environmental stewardship against their peers.

In 2024, Lear maintained a climate change score of B and increased our water security score from B- to B. For the first time, we participated in the forests survey, also earning a score of B. All three scores are considered management level, signifying that Lear is taking coordinated action on environmental issues.

Lear has reported our annual CDP climate change data to customers since 2011. We currently report our climate change and water data to customers and CDP investor signatories, and our forests questionnaire to 700+ Capital Markets Signatories. See our CDP Score Reports in the [Supplemental Report](#).

Climate Change B

Water Security B

Forests B



## Third Green Star Award Presented in Thailand

For the third 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 green areas, water, waste, and air quality as well as financial management, community support, and employee safety and quality of life.



## Clean Industry Certifications Awarded in Mexico

In Mexico, 29 Lear facilities received Clean Industry certifications from the Federal Attorney's Office for Environmental Protection (PROFEPA). In addition, three 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.

# 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, natural rubber for 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.

We recognize the important role natural forests and rainforests play in the health of the global ecosystem. Lear and our suppliers work within credible, landscape-level frameworks where they exist. We are committed to working with our supply chain to protect these forests, and 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



**95,000+** trees planted  
since 2021 by our global teams



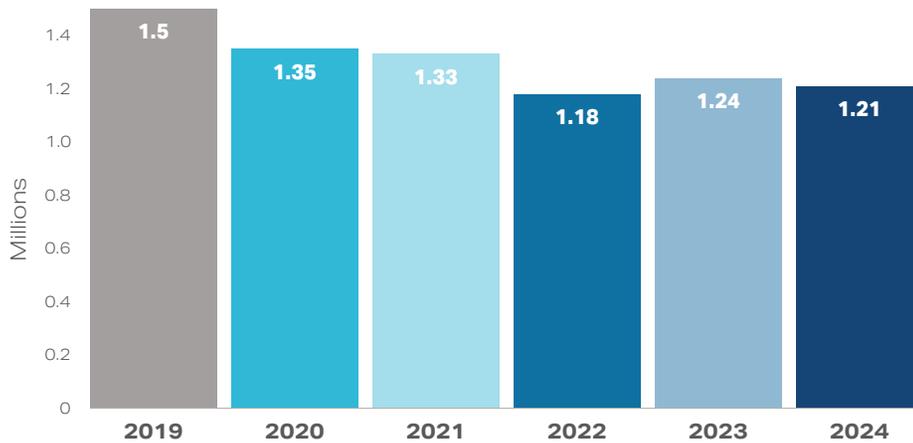
Lear's facility in Remscheid, Germany, received a Leader Award from Interreg North-West Europe for their efforts to make industrial and business parks more climate resilient. The site developed a blue-green infrastructure, replacing asphalt with green spaces such as wildflower meadows, outdoor break areas for employees, and habitats for birds and small animals.

# 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.

2024 Global Energy Usage (MWh)



**20%** reduction in energy use since 2019

**515** energy efficiency projects completed in 2024, potentially saving an estimated 21M kWh of energy globally

## Some of our energy efficiency projects include:

Automating lighting, ventilation and air conditioning systems

Deploying energy monitoring systems

Optimizing heating, ventilation and air conditioning (HVAC) systems

Implementing process improvement projects to reduce natural gas and electricity use

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

Upgrading existing motors with variable speed motors and scheduling routine maintenance

Replacing light fixtures with LEDs

# Lear's Energy Efficiency Playbook

Lear's proprietary Energy Efficiency 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 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 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 participated in the U.S. Department of Energy's ISO 50001:2018 Ready program. Designed to help plants comply with ISO 50001:2018, the program provides guidelines on implementing energy management systems, power monitoring, and using building management systems with automated controls for heating and cooling systems. Similar to our strategy for ISO 45001:2018, Lear plans to prioritize implementation at its highest energy-consuming sites, then work toward incorporating all plants, and certify plants on a rolling timeline. As of 2024, five global Lear sites were ISO 50001:2018 certified.



## Energy Treasure Hunts

Lear employees engage 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 expanded the program globally.

**150+** sites held energy treasure hunts identifying **800+** projects with the potential to save 32.4M kWh of energy, or enough to power about 3,000 homes annually

**+90%** of Lear's global manufacturing sites executed "plays" outlined in Lear's Energy Efficiency Playbook



2025 Goal

**100%** implementation of our Energy Efficiency Playbook

# 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.



Additional data is available in the [Supplemental Report](#).

**10%** increase in renewable energy in 2024 compared with 2023

**29%** of total electric energy used at our plants globally is from renewable sources, including nearly 100% at our sites in Argentina, Brazil, Germany, Hungary, Poland, Portugal, Spain and the U.K.

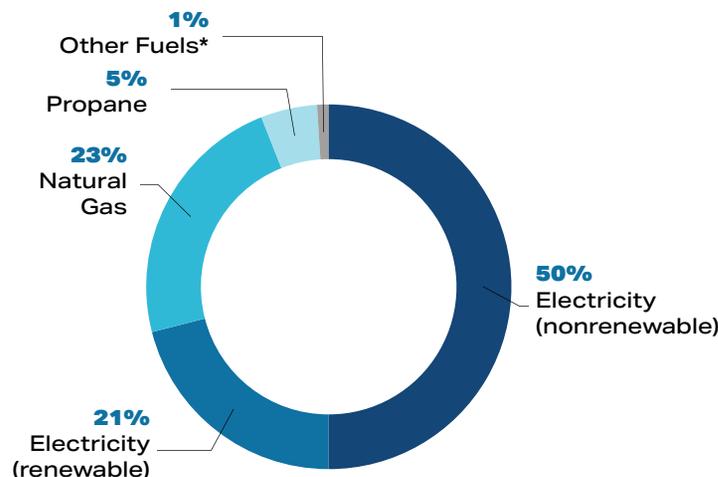


2025 Goal

**2% reduction in absolute electricity use**

**2% reduction in natural gas use**

2024 Global Energy Use by Fuel Source



\*Landfill gas, diesel, fuel oil, gasoline



**22%** reduction in Scope 1 and 2 emissions since 2019

## Decreasing GHG Emissions

Greenhouse gases — such as CO<sub>2</sub> — trap heat and warm the planet. According to the U.S. Environmental Protection Agency (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.

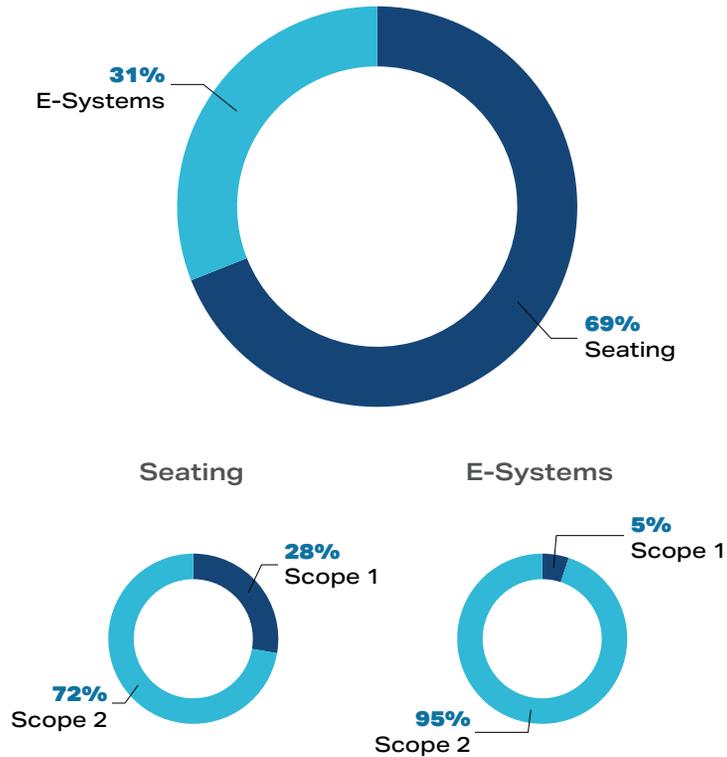
# Our Scope 1, 2 and 3 Emissions

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.

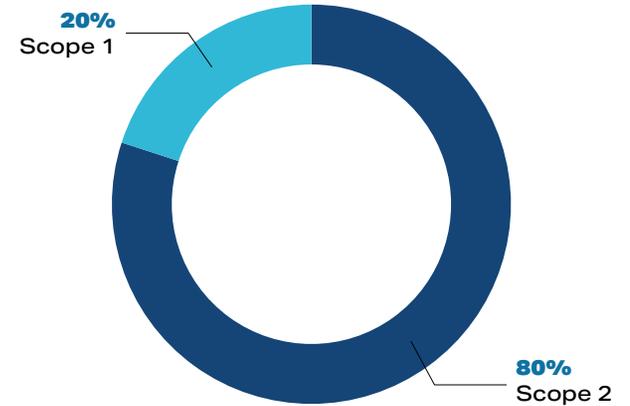


Additional data is available in the [Supplemental Report](#).

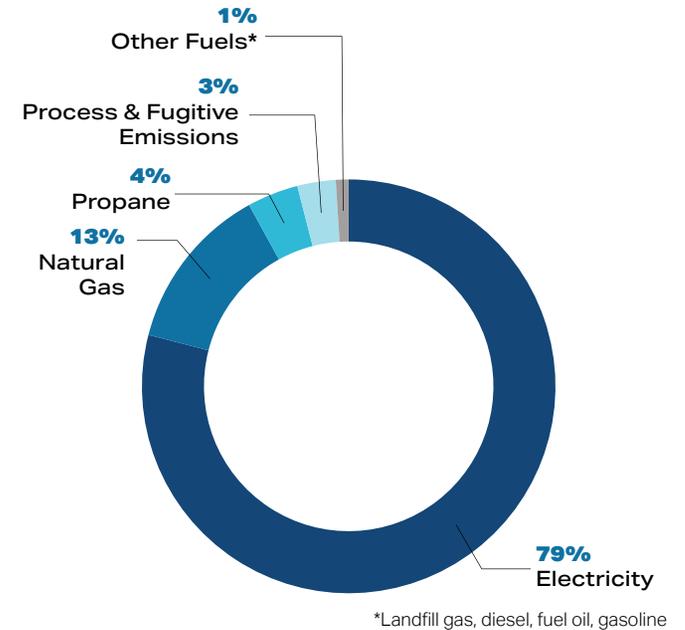
2024 Global Scope 1 and 2 Emissions by Division



2024 Global Scope 1 and 2 Emissions by Scope (Market Based)



2024 Global Scope 1 and 2 Emissions by Fuel Source



To calculate our Scope 3 emissions, we collected extensive data, evaluated all Scope 3 categories for relevance to Lear, and developed methodologies for emission calculations, which included spend-based, quantity-based and/or a hybrid approach. With this data, we will continue to refine our strategies to decarbonize and work with our value chain to reduce emissions in each of the applicable Scope 3 categories.

2024 Global Scope 3 Emissions	
Total: 8.9M mtons CO2e	
Categories	Percentages
Purchased Goods & Services	76%
Capital Goods	8%
End-of-Life Treatment of Sold Products	8%
Upstream Transportation	3%
Other*	5%

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



### Improving Logistics & 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.



More emissions data is available in the [Supplemental Report](#).

# Protecting Our Water

Lear is working to protect our precious water resources. Our strategy is to prioritize our highest water-consuming sites, provide our global facilities with tools to reduce water use, and ultimately encourage a circular approach to water and wastewater management where facilities continuously reduce, reuse and recycle water wherever possible.

## Lear's Water Stewardship Playbook

Implemented in 2023, Lear's Water Stewardship Playbook helps every Lear facility implement water reduction and reuse plans. Using the playbook, teams:



The playbook also offers tools and guidance on 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. At Lear's Eagle Ottawa facilities, state-of-the-art biological water treatment plants remove organic material without the use of chemicals.

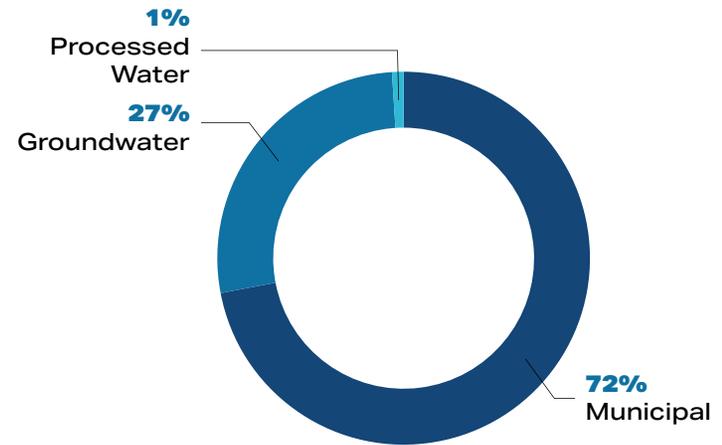
**0** gallons of water used directly from lakes or rivers



2025 Goal

**2% absolute water reduction globally**

2024 Total Water Withdrawal



## High-Risk Water Areas

In 2024, our 120 sites located in high-stress water areas reported a total water consumption of approximately 3.3 million cubic meters. By leveraging our Water Stewardship Playbook, these sites are actively implementing strategies to reduce water use and are sharing best practices on a global scale, reinforcing our dedication to responsible consumption.

## Addressing PFAS

A group of over 9,000 "forever chemicals," per- and polyfluoroalkyl (PFAS) substances are widely used in automotive applications, including water repellency, stain prevention, and motor lubrication.

In advance of regulations, Lear has been working proactively to develop alternative chemistries to reduce and eliminate PFAS while continuing to meet customer standards.



More water data is available in the [Supplemental Report](#).

# Eliminating Waste

With a strategy of continuous improvement, Lear focuses on minimizing waste generation from both administrative offices and production facilities at the source. Through initiatives and partnerships, the progressive step-by-step process aims to:



After these options are exhausted, we properly segregate, treat and dispose of any remaining waste, including chemical and hazardous waste, based on local and national regulations. Landfill disposal is only used as a last resort.

Our processes for hazardous and nonhazardous waste management are outlined in various work instructions, global procedures and our global ISO 14001:2015 Environmental Management System Level 1 and Level 2 documents. Further guidance and instructions are provided in Lear's Waste Reduction Playbook, Environmental Policy, and Landfill-Free Guidance. Lear works with the Suppliers Partnership for the Environment (SP) and Envita Solutions to continuously improve our waste management efforts.

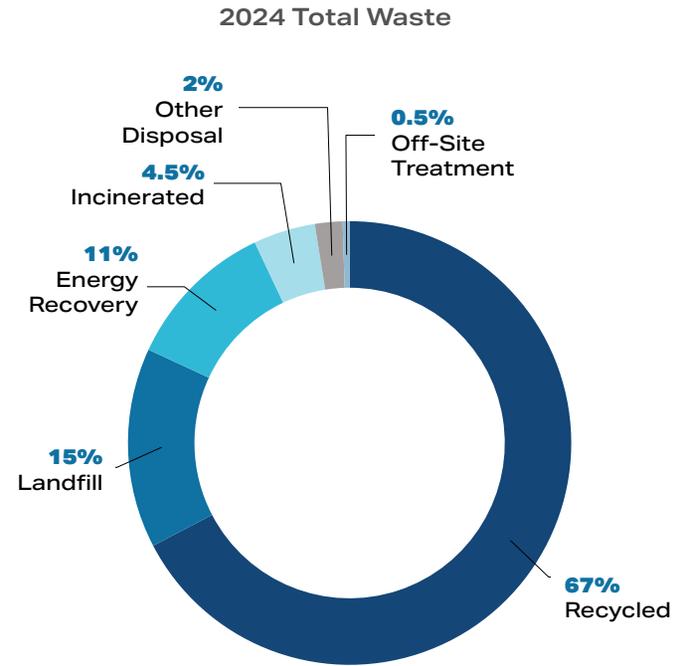


2025 Goal

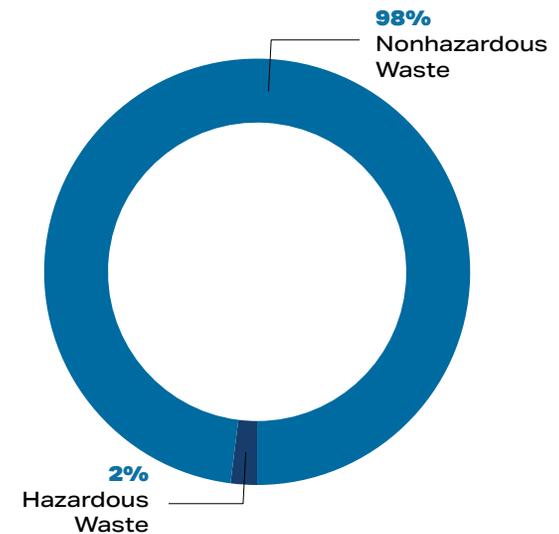
**100% implementation of our Waste Reduction Playbook**



More waste data is available in the [Supplemental Report](#).



2024 Hazardous vs. Nonhazardous Waste Data\*



\*Lear tracks hazardous and nonhazardous waste per local regulations worldwide.

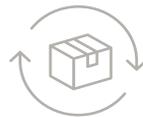
# Our Progress on Eliminating Waste



**7,400+** metric tons of waste reduction from **80+** projects in 2024 achieved by plant teams using our Waste Reduction Playbook.



**61** Lear sites in **19** countries have achieved landfill-free\* status.



Using **recyclable, reusable or recycled-content packaging** such as cardboard, wood pallets, plastic trays, returnable containers and plastic bags.



**Global chemical management initiative** developed by the Lear Chemical Steering Committee to enhance and standardize processes for approval, storage, use and disposal of chemicals to further minimize environmental impact, set goals, and develop strategies to reduce waste throughout our facilities. [Learn more about chemical management.](#)



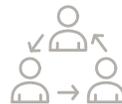
**99%** of lubricants were recovered at Lear's facility in Arteaga, Mexico, significantly reducing hazardous waste generation by **680,000+** liters per year.



**1,200+** tons of donated leather and vinyl scrap were reused by local artisans in Mexico to make sandals, shoes, bags, purses, bracelets and other souvenirs since 2022.



**Improving recyclability** at the end of our products' life cycle by working with our customers and suppliers, [Lear contributes to a circular economy.](#)



**Participating on the board of directors for the Suppliers Partnership for the Environment (SP)** to establish best practices in sustainable packaging and initiatives focusing on key sustainable materials criteria, metrics and methods.



**70+** sites in Canada, Honduras, Mexico and the U.S. supported by **Envita Solutions** since 2002 to help manage waste streams, support landfill-free efforts, create circular-economy packaging, develop closed loop systems, gain operational efficiencies, and capture data to support our sustainability goals.

\*Disposing zero production waste in a landfill, excluding nonproduction waste, such as construction debris.

# Innovative Sustainable Products

Our sustainable product portfolio continues to grow, with more than 2,600 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
- Reduce 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.

Lear's two businesses – Seating and E-Systems – develop and produce a wide range of solutions aimed at improving efficiency for greater performance, decreasing vehicle weight for lower emissions and increased battery driving range, reducing complexity with integrated and miniaturized components, and using recycled and recyclable materials for a more sustainable future.

Announced at the 2024 International Suppliers Fair (IZB) in Wolfsburg, Germany, **Lear's lightweight solid aluminum harness was among Automobilwoche's Top 25 Products to Watch.** Our innovative solution reduces weight up to 35%, enhances efficiency, and can be retrofitted to existing connection systems.



**Lear's ReNewKnit™ sueded surface material is made from 100% recycled plastic bottles and is 100% recyclable.**

The innovation received a 2024 Creativity in Implementing Sustainable Practices Award from the Suppliers Partnership for the Environment (SP).

**2,600+**  
**global patents and pending patent applications** for sustainable product and manufacturing technologies



**Visit our website** to learn more about our forward-thinking solutions.

# Seating

The world leader in luxury and performance seating, Lear has built a reputation for superior engineering, manufacturing and craftsmanship across a vast global footprint. From complete seat systems to sustainable interior solutions and comfort systems, we offer the most sophisticated seating capabilities of any supplier in the world and are the only seating supplier with in-house electronic and software capabilities.

## Sustainable Comfort

A 100% recyclable and 100% breathable nonfoam alternative to traditional foam, Lear's FlexAir™ technology reduces CO2e emissions up to 50% and weight up to 20%. FlexAir™ launched on the Hyundai Santa Fe in 2024 and is part of 38 development projects with multiple original equipment manufacturers (OEMs) globally.

## Reclaiming Luxury

Launched in three vehicles in 2024, Lear's award-winning ReNewKnit™ sueded surface material is made from 100% recycled plastic bottles and is 100% recyclable.

## Modular Innovation

Through unmatched vertical integration and modular innovations incorporated into our surface materials, ComfortFlex by Lear™ combines heat, ventilation and massage while the ComfortMax Seat by Lear™ delivers superior thermal management with up to 40% faster time-to-sensation and up to 50% fewer parts.

## Ford SupportBelt™

Using low volatile organic compound (VOC) materials, flexible supportive foam, and sustainable fabric and leather, Lear collaborated with Ford to develop the SupportBelt™, the first seat belt accessory designed by an automaker to help breast cancer patients travel more comfortably after a mastectomy. By easing seat belt pain and discomfort, the SupportBelt™ enables safe driving on the road to recovery.



# E-Systems

Lear delivers full electrical distribution systems, connection systems, sophisticated body and core electronics, and innovative, customizable and scalable power management and battery power distribution solutions. In 2024, 100 vehicle models for 10 customers included products from Lear's electrification portfolio. Since 2019, more than 15 million tons of CO2 emissions were avoided by EVs with the assistance of Lear's E-Systems solutions.\*

## Compact & Powerful

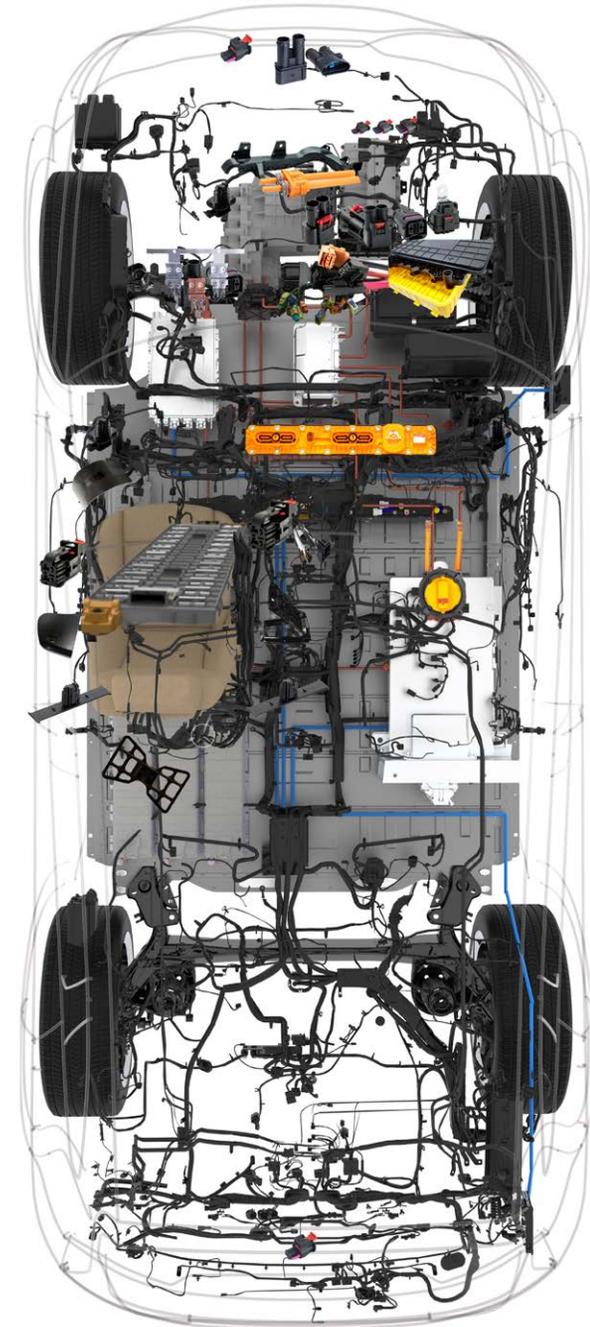
More than three million EVs are expected to rely on Lear's high-voltage connection systems as the main battery-to-vehicle interface by 2030.\*\* Designed to deliver more power in a smaller package, a single 1/2-inch terminal can handle more power than an entire modern household.

## Efficient Mobility

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

## 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.



\*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.

\*\*Estimate based on adjusted production volumes.

# 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.

In 2024, Lear completed LCAs on all of our major product groups, established a global working group to further optimize data collection and output efficiency in the LCA process, and engaged with key suppliers to improve the carbon footprint of purchased components.



**100%** of major product lines  
assessed through the LCA process

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

Lear's proprietary LCA tool helps our teams calculate the environmental footprint of every Lear product or component globally. The 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.



## Sustainable Steel

The steel and metal industry currently accounts for about 7%–11% of global CO<sub>2</sub> emissions. However, groundbreaking technologies in steel production 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 CO<sub>2</sub>-reduced steel. In addition, the steel Lear uses typically consists of 20%–30% recycled steel. Not only are Lear's seating structures built with more sustainable recycled steel, but we will be able to assess the carbon footprint of these raw materials more accurately in the future.

# Supporting a Circular Economy

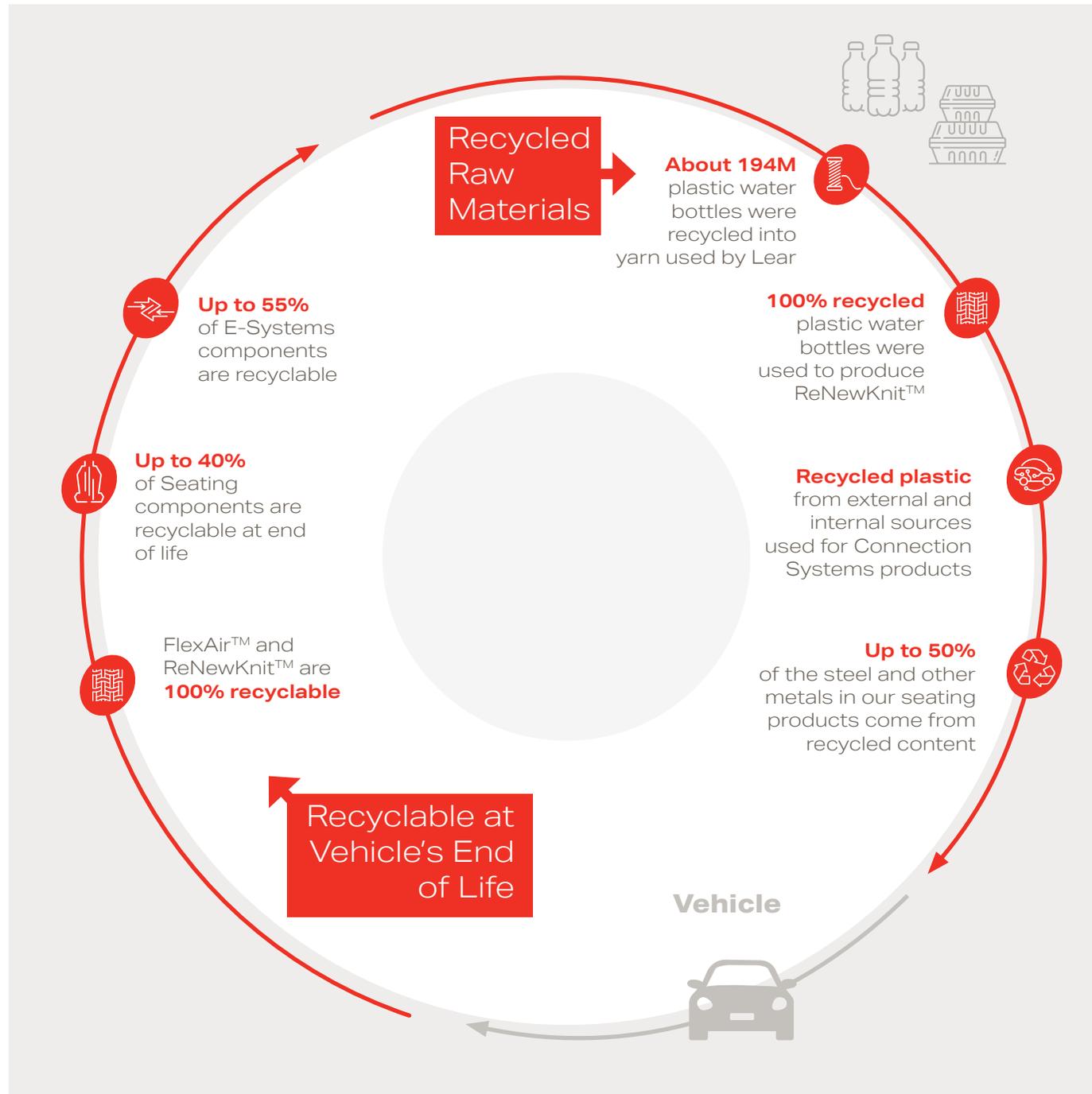
Many of Lear's latest innovations support a circular economy where recycled raw materials are used to produce high-quality products that are recyclable at the end of the product's life.

For example, plastic water bottles are processed into chips and spun into recycled yarn used to produce ReNewKnit™ sueded material for seating surfaces, door inserts, headliners, sunshades and more. Because the material is finished with a foam-free, recycled fleece backing, it is 100% recyclable at the end of the vehicle's life and can be reprocessed into new raw material for a wide range of future products and applications.

Global automakers are adopting Lear's first-to-market innovations, making a circular economy a reality today.



**Visit our website** to learn more about our forward-thinking solutions.



# Social Responsibility

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## SUPPORTING OUR GLOBAL WORKFORCE

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. Numerous programs support this philosophy.

# Together We Win

Lear is a people-dependent company. 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. Conducted entirely online or by mobile phone, the anonymous and confidential surveys evaluate relationships between employees and plant leadership, employee recognition, retention, health and safety, motivation and respect in the workplace.



### Global Engagement Surveys

Since 2017	In 2024
527,000+ participants	91,000+ participants
914 local plant engagement surveys	147 local plant engagement surveys

## Piloting New Employee Engagement Program

Employee retention continues to be a priority at Lear. In 2024, Together We Win began evolving into an employee experience program. The objective is to retain workers by focusing on the employee's career life cycle, from hire to retire. Shaped by moments that matter and continuous listening for real-time feedback, the program's success will be measured on plant key performance indicators and HR metrics. The program is currently piloting in multiple locations in the U.S. and around the globe.

# Teamwork & Talent

## 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
- Broadening our talent pool to ensure candidates reflect the population where we live and do business
- Streamlining the application and interview process for hourly employees through our Text2Apply platform
- Ensuring key 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 employee benefits and extend competitive total compensation packages
- 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 historically Black colleges and universities (HBCUs) and diverse professional organizations as a source of top diverse talent

 Lear recruits from numerous universities around the globe. Learn more in our [Supplemental Report](#).

## Hiring Leaders 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 leaders. Lear uses a global assessment process to understand what motivates and drives an executive candidate and how that aligns with the Lear culture and objectives of the role. Learning about a candidate's personal journey, work experience, successes and challenges helps 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. and are strong recruiting tools in our global regions.



# Launching Careers

From internships to trainee programs, Lear helps launch careers for college students around the world. In 2024:

**300+**

**student interns**

gained real-world experience at our global locations.

**34**

**co-op students**

from Kettering University rotated between the classroom and workplace every three months.

**159**

**engineering and business trainees**

earned one to 12 months of work experience in 32 locations in Spain and Mexico during their final year of university.

**Apprenticeships and trainee programs**

help build the local talent pool in China, Morocco, the Philippines, Spain, South Africa, the U.K. and U.S.

**28**

**college graduates**

participated in rotational programs through our finance, engineering, supply chain or HR departments, working six to 18 months in one location before moving to a new assignment.

**93**

**employees participated**

Lear's tuition reimbursement program in the U.S.

**\$245,000+**

**in university scholarships**

were provided by Lear in the U.S.

## Lear is a Great Place to Work

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

**Top Employer 2025 Certification**  
– Brazil

**Top Employer 2025 Certification**  
– Morocco

**Top Employer 2025 Certification**  
– Europe

**Top 100 Employer Excellence**  
in China

**Great Place to Work Award 2025**  
– Brazil

**Great Place to Work Award 2025**  
– Argentina

**India's Best Workplaces in Auto & Auto Components 2024**

**Top 10 Best Companies for Women in India 2024**



# Our Leadership Model

Our leadership model, Winning the Lear Way, is anchored in our values — Be Inclusive, Be Inventive and Get Results the Right Way. It 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.

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 do not 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 is 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 – from the plant floor to leadership – to build their strengths and grow in their careers through a variety of development opportunities at Lear. A wide range of programs progressively set foundational skills and build competencies, developing a pipeline of internal talent prepared to step into next-level roles. Available globally, our training opportunities are tailored and delivered to meet the needs of employees in each region.

To measure the effectiveness of our programs, we leverage surveys and focus groups to obtain feedback from participants, their managers, supervisors and HR. Best practices and global standards are shared regularly with global and regional teams to drive consistency while allowing customization for local needs.

The table at right shows some examples of the development opportunities available for employees at different levels throughout Lear.

**6.4M** hours

of developmental, compliance and corporate training completed in 2024

	TRAINING GOALS	EXAMPLE PROGRAMS
<b>Executives</b> <i>presidents, vice presidents</i>	<ul style="list-style-type: none"> <li>Strengthening executive presence</li> <li>Setting a vision</li> <li>Building influence</li> </ul>	<ul style="list-style-type: none"> <li>CEO Academy*</li> <li>Seating and E-Systems President Academies*</li> </ul>
<b>People Leaders</b> <i>directors, managers and supervisors</i>	<ul style="list-style-type: none"> <li>Building and strengthening professional networks</li> <li>Delegating and executing through others</li> <li>Decision making and flexible thinking</li> <li>Communication and gaining commitment</li> </ul>	<ul style="list-style-type: none"> <li>Together We Grow*</li> <li>Emerging Leader Development Program</li> <li>Career Acceleration Program</li> <li>Global Finance Development Program*</li> <li>Operational Leadership Academies</li> <li>First-Time Manager Program</li> <li>CALE Program in Mexico</li> <li>GREAT Program in the U.S.</li> <li>Career Advancement Program (CAP) in Asia</li> <li>Klaus Rahm Memorial MBA Scholarship</li> </ul>
<b>Individual Contributor</b> <i>salaried and hourly employees</i>	<ul style="list-style-type: none"> <li>Setting foundational skills in self-awareness, time management and accountability</li> <li>Learning the basics of operational excellence, sustainability, finance, leadership and communication</li> <li>Providing opportunities to obtain technical certifications</li> <li>Understanding Lear's policies</li> </ul>	<ul style="list-style-type: none"> <li>Training opportunities and workshops in various disciplines and skills</li> <li>Lear's Leadership Model*</li> <li>Lear University technical certifications in Mexico and Honduras</li> <li>High school scholarships in Mexico</li> <li>Tuition reimbursement in the U.S.</li> </ul>

\*Available globally

# 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 Insights (LI 360)

Introduced to our vice presidents in 2024, Leadership Insights is a new assessment tool that includes feedback from supervisors, direct reports and peers, making the process a true 360 review. In addition to narrative feedback, leaders are provided with their top three Towering Strengths and top three Gaps to Greatness. New self-ratings help leaders gauge their self-awareness by comparing their individual ratings with those of others. Lear also provides specifically curated self-development resources such as articles, books, videos and podcasts to help leaders reflect on key findings, create action plans and share their next steps with their teams.



## Key Takeaways from 2024 Leadership Insights



**165** global vice presidents participated

**950** responses from direct reports and peers

**89%** average engagement, 18 points higher than benchmark across all industries



**Expand Leadership Insights** to director-level employees to build leadership capabilities earlier in their career journeys

## 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 Insights 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. Our goal is to increase our talent pool of motivated, high-performance, ready-now leaders.

Each year, 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 use 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.

## 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

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.



# Diversity, Equity & Inclusion

At Lear, we have a long-standing commitment to a harassment-free, discrimination-free workplace where everyone is welcome. Building on one of our core values – Be Inclusive – Lear continues our commitment by embracing the diversity of people and perspectives, and treating each other with respect. We value the voices of all our employees and strive to drive growth and opportunities for high-potential talent in our current and future workforce.

Lear's commitment to diversity, equity and inclusion is driven by a leadership structure designed to create meaningful, lasting impact across the organization. The Board of Directors annually reviews succession planning, compensation, key performance indicators, diversity and inclusion initiatives, and the company's talent acquisition strategy to ensure alignment with its vision. Leading these efforts is the vice president global talent, diversity and HR business services, who oversees the global strategy and empowers HR and regional leaders to tailor and execute initiatives locally. Together, they manage programs that include community partnerships, training, and events aimed at attracting, retaining, developing, and advancing talent across all functions and regions.

## Together We Grow

Launched in 2021, our Together We Grow program was piloted to provide top diverse leaders with meaningful leadership development and proactive career guidance. The program provides one-on-one mentoring, training, and career mapping to create a pool of ready-now leaders. Training includes modules on foundational mindset, what leadership looks like, self-awareness and team effectiveness, helping future leaders realize their potential, and applying program concepts on the job. With support from their managers and HR, participants set individual career goals and network as a cohort to strengthen relationships with peers and senior leaders.

Together We Grow has evolved into a signature global retention program for top performers and has expanded to include any top performer in the next generation of leaders at Lear. In 2024, the program included 49 participants globally.



**2024 Together We Grow Participants**

**24** United States

**11** Europe

**14** Mexico and Honduras

*2024 Lear Europe and Africa Together We Grow cohort group and local leadership.*

## Attracting Diverse Talent

Lear recruits, hires and retains the best from every background and community around the world. We are committed to interviewing a broad slate of qualified candidates for all salaried roles.

To support this effort, Lear partners with a variety of regional universities as well as associations such as the Society of Women Engineers, the National Society of Black Engineers, National Black MBA Association, and historically Black colleges and universities (HBCUs) to help source our talent pipeline across our U.S. plants and offices. Learn more about how we are [Supporting Talent for Tomorrow](#).

## JumpStarting Careers

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. Leveraging our internal referral process, we identified participants who were eager to update their skills and prepared them to return to full-time employment. Expanded to Asia, Europe/Africa, Mexico and South America in 2024, the highly successful paid program provides Lear with a new source of experienced talent.



**Lear launched a new careers website in 2024, featuring a new brand: [Lear For You](#).** To find more candidates for all levels throughout the company, we are also using online technology such as Handshake and LinkedIn. To support our critical plant hourly recruitment initiatives, we are piloting a Text2Apply program for our U.S. plants.



### Lear South America Honored for Outstanding Diversity and Inclusion Practices and Leadership

Lear South America received dual recognition from Automotive Business magazine for its exceptional commitment to diversity and inclusion in South America. Luciene Sanfilippo, vice president of human resources and communication (pictured here), was named a Leader of Diversity in recognition of her advocacy and initiatives promoting inclusivity.

Additionally, Lear was celebrated as one of the top five most inclusive companies in the automotive sector. Sanfilippo's leadership has been instrumental in advancing Lear's diversity and inclusion efforts in the region and globally. Key initiatives in Lear South America include a resource group focusing on immigrants and refugees, along with advocacy for racial and ethnic equity, gender equality, people with disabilities, and the LGBTQ+ community.

# Expanding Career Opportunities for All



## Vision Disabilities

- 20+ employees with visual impairments work in our facilities in **Mexico** and **Honduras**.



## Physical Disabilities

- 420+ disabled individuals work on our production lines in **Brazil**.
- About 200 people with disabilities work in our plants in **Honduras, Japan, Macedonia, Moldova, Poland and Serbia**.
- Employees who suffered permanent injuries due to motorcycle accidents found opportunities in **Honduras**.



## Hearing Disabilities

- 32 deaf employees work in **Brazil**, and 54 employees are trained in **sign language**.
- 50+ employees at Lear's **Philippines** Engineering Technical Center learned basic sign language to interact with hearing impaired team members.
- About **100 employees** with hearing disabilities work in **Mexico** and **Honduras**.
- Partnering with the Association of Deaf People in **Zaragoza** and **Aragon (ASZA)**, Lear employs six people with hearing disabilities in **Spain**.

Using a combination of leadership development, inclusion and ergonomics, we have challenged ourselves to expand career opportunities for neuro-diverse people and those with physical disabilities.



## Cognitive Disabilities

- An employee with Down syndrome works as an HR specialist in **Mexico**.
- For the second year, Lear hosted young adults with mild cognitive disabilities — such as autism, Down syndrome and other developmental disabilities — at our headquarters in **Michigan**, providing them with professional experiences in a corporate setting.



## Leadership Development Project Expands Inclusion through Ergonomics

Lear's leadership development team in Camanducaia, Brazil, examined the opportunities for disabled employees. More than 20 people with physical disabilities already worked at the plant, but only one type of workstation was equipped to accommodate them. In addition, to progress from an operator to a leader on the line, employees must demonstrate mastery at all workstations.

Determined to "innovate to include," the team used a variety of Kaizen tools as well as anthropometric, accessibility and ergonomic studies to evaluate and adapt four types of workstations to accommodate people with reduced mobility, reach, height and vision. In all, 20 workstations were adapted. Wider aisles and adjustable work surfaces throughout the plant now offer people with physical disabilities the opportunity to not only work at a variety of jobs but progress to leadership roles.

The initiative won Lear's regional Ergonomics Kaizen Contest. The project demonstrates the role of ergonomics in designing for a diverse and inclusive workplace while supporting employee development pathways.

## Supporting Supplier Diversity

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

Lear's supplier diversity initiatives include advocacy, engagement, and collaboration with minority-owned, women-owned, and veteran-owned businesses. In 2024, Lear participated in 32 supplier diversity events, offering networking, strategy presentations, and mentoring to strengthen entrepreneurs' operations. By collaborating with suppliers, Lear advances economic empowerment in communities while boosting innovation and adaptability.

Learn more about our [Community Partners & Engagement](#).



### **Barbara Morgan Named Corporate Advocate of the Year – Great Lakes Women's Council**

Purchasing Manager, Lear Supplier Diversity, Barbara Morgan was honored as the 2024 Corporate Advocate of the Year by Great Lakes Women's Business Council for her impactful advocacy on behalf of women business owners.

## Actions & Achievements

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*ConnectComm Magazine*, Best of the Best – advocacy and engagement work with Minority owned Business Enterprises (MBE) and Women Owned Business Enterprises (WBE)

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Council of Supplier Diversity Professionals (CSDP) Vice Chair

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Great Lakes Women's Business Council (GLWBC) Corporate Development Committee member

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General Motors Supplier Inclusion Board member

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Michigan Minority Supplier Development Council (MMSDC) Board of Directors and Corporate Development Committee co-chair

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MMSDC InFuse Corporate Mentoring Program participant

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Stellantis/National Business League (NBL) – National Black Supplier Development Program participant

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Veteran Owned Business Roundtable (VOBRT) Corporate Advisory Committee member

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# Diversity at Lear

We value all dimensions of diversity and life experiences, promoting a culture where all belong. 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 2024 EEO-1 summary data here](#).

**45%**  
of U.S. leaders\*  
**are ethnic minorities or women**

**36%**  
of Lear's Board of Directors  
**are diverse by ethnicity or gender**

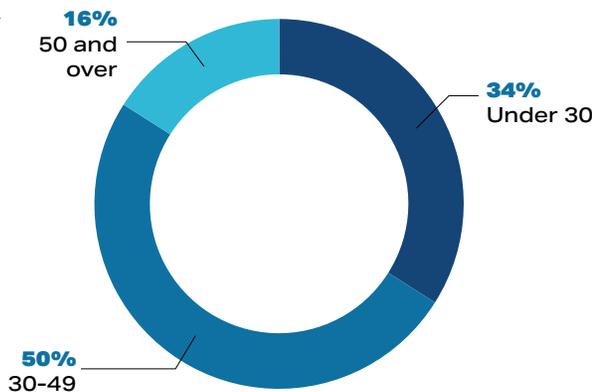
**59%**  
of salaried new hires in the U.S.  
**were ethnic minorities or women**

\* Leaders are defined as manager-level and above

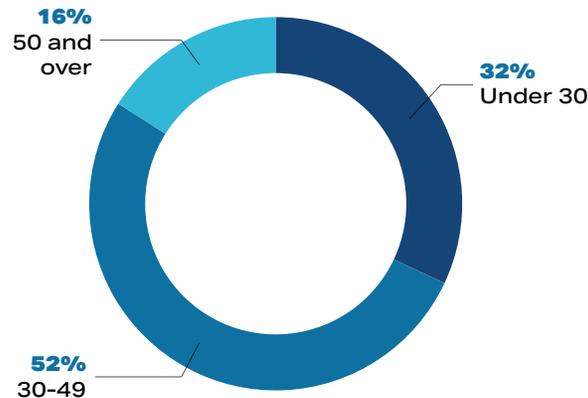
## Equal Pay, Equal Opportunities, Equal Rewards

We review pay equity when hiring and promoting employees, and each year we conduct a comprehensive global pay equity review, including base pay, reward programs and promotion rates. Where potential pay equity concerns are identified, our HR team works diligently to understand pay differences and take corrective measures, if appropriate. Lear is committed to providing equal pay, equal opportunities, and equal rewards to its employees.

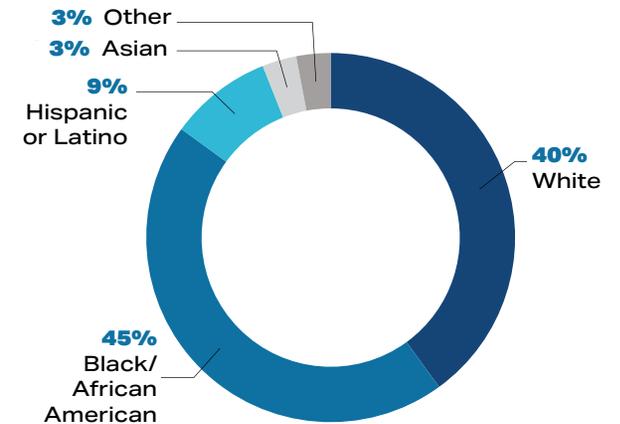
2024 Global Male Employees  
By Age Group\*



2024 Global Female Employees  
By Age Group\*



2024 U.S. Workforce  
By Self-Reported Ethnicity\*\*



\* Includes hourly and salaried employees \*\*American Indian/Alaskan Native, Native Hawaiian or other Pacific Island, two or more races

# 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 Employee Resource Group (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.



Additional data is available in the [Supplemental Report](#).

**25%**  
of Lear's global  
**leaders\* are  
female**

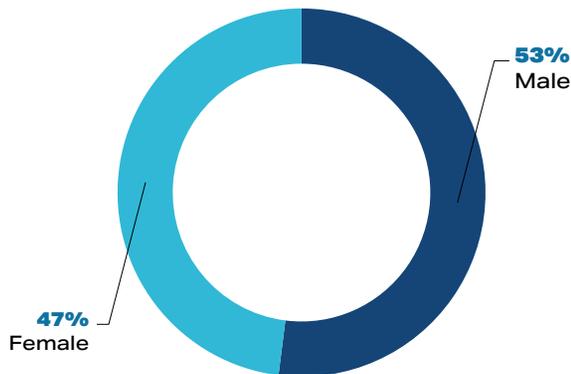
**22%**  
of all salaried  
women **work in  
STEM\*\* roles**

**35%**  
of global salaried  
**new hires were  
female**

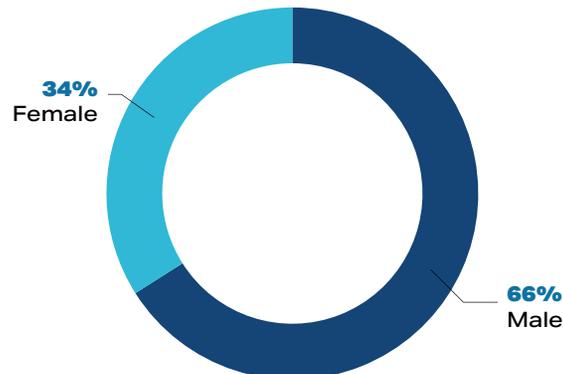
\* Leaders are defined as manager-level and above \*\* Science, technology, engineering and mathematics



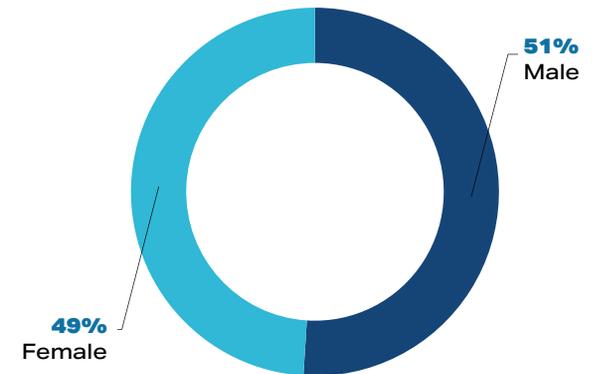
**2024 Global Employees**  
By Gender



**2024 Global Salaried Employees**  
By Gender



**2024 Global Hourly Employees**  
By Gender



# Lear's Employee Resource Groups

Creating a sense of community and inclusion for all employees is the motivation behind ERGs. Lear's ERGs are voluntary employee-led groups that share common interests, backgrounds or demographics. While ERGs may focus on a specific community, all are welcome to participate. They provide networking, mentorship and development opportunities, and offer a collaborative way to impact and inform Lear's culture. Formed by employees, each ERG is also sponsored by an executive, who advocates, guides and sponsors initiatives brought forward by membership to impact business objectives and culture. These relationships have provided meaningful dialogue and valuable input on issues that may otherwise go unnoticed.

**400**

**events globally**, including lunch-and-learn, training, volunteer and social activities

**6**

**ERGs** in 23 countries



**GROW**

## Global Resources & Opportunities for Women

empowers members and builds allies across the corporation to cultivate positive visibility and growth for women at Lear.



**LEAR  
NEXT GEN**

## Lear Next Generation

attracts and develops Lear's next generation of professionals, promoting opportunities for outreach and networking, while creating an inclusive work environment at Lear.



**LAAN**

## Lear African Ancestry Network

promotes diversity in the workplace through leadership, professional development and service to the community.



**LION**

## Lear Indian Origin Network

increases visibility and growth prospects by providing opportunities for Indian-origin professionals and enabling Lear to be an employer of choice.



**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

drives and supports success for veterans inside and outside of Lear by focusing on mentoring, education and employment opportunity development.

Lear's Immigrants & Refugees ERG in Argentina and Brazil supports more than 120 immigrants through a series of initiatives aimed at helping them integrate into local communities and gain access to opportunities that foster their economic and social inclusion.

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



# We Expect Respect

To treat others 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 also provided refresher opportunities on a regular basis. In 2024, we enhanced our Expect Respect/Expect Inclusion, anti-harassment, and diversity training with a significant focus on bystander intervention, equipping our employees with strategies to safely support colleagues who may be experiencing harassment. The training is expected to be completed at all global locations in 2025.

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

**96,000+** hours of Expect Respect and sexual harassment training completed in 2024



# 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.

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.



### Champions of Lear

At Lear, we celebrate collaboration, innovation and teamwork with a commitment to excellence. Our signature awards program is designed to recognize the best-of-the-best globally within our plant operations and corporate teams. Award categories honor a wide range of achievements, including inclusion and community, customer appreciation, innovation, supply chain, quality, safety, operational excellence, continuous improvement, IDEA initiatives, sustainability, launch execution, and plant collaboration, as well as the renowned CEO Special Appreciation Award. Applications from individuals, teams, or plants are evaluated by a diverse panel of judges, including Lear leadership. Our next awards ceremony is scheduled for 2025.



**81,500**  
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



TENT  
—  
MÉXICO

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. Through Tent Mexico and Oficina del Alto Comisionado de las Naciones Unidas para los Refugiados (ACNUR) and the Office of the Secretary General's Envoy on Youth (UNHCR), Lear is working to help refugees in Mexico access jobs and accelerate their labor market integration. In 2024, two refugees from the Tent partnership joined the Lear team.



## 2024 Ergonomics

**5,600+**  
job assessments completed

**896**  
Kaizens with ergonomics

**2,000+**  
jobs with risk reductions implemented

**100%**  
manufacturing  
sites have industrial  
ergonomics software with  
AI technology

## Highlights from the 2024 Ergonomics Kaizen Competition

Lear's 2024 Ergonomics Kaizen competition celebrated outstanding innovations from Lear plants worldwide, with 168 global sites participating. Three regional winners distinguished themselves through groundbreaking solutions that enhance safety, quality, efficiency and inclusivity.

### **AMERICAS WINNER - Camanducaia, Brazil**

The E-Systems team in Camanducaia developed ergonomic workstations adaptable for employees with diverse physical abilities. Their initiative not only reduced injury risks but emphasized inclusivity, enabling a broader workforce to perform job tasks.

### **EUROPE/AFRICA WINNER - Ungheni, Moldova**

The Seating team in Ungheni introduced 3D-printed sewing assistive devices to reduce ergonomic risks by 40%. These tools also improved efficiency and quality, cutting cycle time by 40% and decreasing defects by 78%. Their approach exemplifies the intersection of innovation and workplace safety.

### **ASIA WINNER - Shenyang Tiexi, China**

The Shenyang Tiexi Seating team earned the highest score by automating the material handling of parts containers. This solution eliminated repetitive injury risks entirely and removed forklift use, setting a new benchmark for operational improvement.

## 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.

# 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 advanced technology, key HR processes are provided in a shared services model, driving greater process standardization, best practices and efficiencies while enabling local HR to focus more 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 and support in a single location. The HRSC offers robust libraries of knowledge-based articles to answer common HR inquiries and empowers employees with real-time self-service solutions, such as printing pay slips, obtaining employment verification letters and signing up for health screenings. An AI-powered search engine helps employees easily find the answers they need when they need them.

Global teams connected for HR GBS Appreciation Week to reinforce the importance of global collaboration and a solution-based mindset. HR GBS teams in Morocco and the Philippines were celebrated as pioneers leading the evolution from regional to globally centralized HR service partners. This year also marked the first in-person meeting for global HR GBS leaders to observe best practices in the plant and advance the future strategy as an HR services and solutions model.



Since launching in 2021,

**1M+** cases supported/  
resolved globally

**220+** associates support  
HR GBS globally

**33** countries served with  
support in 29 languages

**95%** of salaried  
employees and 74% of hourly  
employees have logged into  
HRSC globally

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

# 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
- Transportation to and from work at some locations



# Driving Wellness

Lear's Driving Wellness campaign promotes healthier lifestyles by addressing four aspects of well-being: body, mind, nutrition and balance.

Here are some examples (at right) of how our teams were Driving Wellness across the globe in 2024.

## driving wellness.



Nearly **1,500 employees** from 11 locations in Argentina and Brazil completed the first series of **LearLife** runs from November 2023 through 2024. Employees signed up to walk 3 km or run 5-10 km. Family members often cheered participants along the route. The top three runners received medals or trophies. "Beyond the physical benefits, running brings people together, increases engagement, brings mental and social well-being, and generates purpose and belonging," said Adejane Cobra, Ergonomist.

### Body

350+ employees globally enjoyed playing badminton, billiards, table tennis and shuttlecock during Wellness Week

10K hypertension screenings took place in Mexico

Sites in China and the U.K. offered yoga and stretching classes to employees during lunch breaks

Nearly 10K employees received flu vaccinations at our global sites

Running events were hosted at Lear sites in multiple countries

The Lear Cricket League in India included 20 teams competing in 35 matches

### Mind

140+ employees trained as Mental Health First Aid Champions in France, the U.K. and U.S.

2K+ employees attended programs on mental health awareness in Argentina, Brazil, China, the Philippines and the U.S.

Nearly 1K employees participated in emotional intelligence and leadership training globally

Six sites in Asia organized water sports activities for 300+ employees to improve physical fitness and reduce stress

Four sites in France offered seminars on the importance of physical activity for mental health



### Nutrition

1K+ employees attended healthy eating workshops in Argentina, Brazil, Romania, Serbia, Slovakia and the U.K.

Smoothie bikes were used by employees in the U.K. to make healthy breakfasts

1K+ employees joined in diet and weight loss initiatives in India and Mexico

Employees tried Buddha bowls, juice smoothies, trail mix and other healthy snacks at our global locations during Wellness Week

Employees in Romania learned about the impact good nutrition has on the endocrine system, diabetes, menopause and the thyroid

### Balance

3K+ employees globally attended webinars on work-life balance, positive parenting, and related topics

600 employees learned about financial education in South America

100+ employees in China shared books on boosting motivation, goal setting, self-help, and other topics

500 employees in India flew kites to promote physical exercise, mental health and camaraderie

275 employees in the Philippines participated in self-care bingo to relax, reconnect and manage stress

# 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

We help provide complete nutrition, clean drinking water, and safe living conditions — the essentials required to lead healthy and prosperous lives.



## Education

We support effective and quality learning, job preparedness, entrepreneurship, and science, technology, engineering, arts and math programs for children and young adults.



## Environment

We help preserve the earth through environmental cleanup, recycling and reuse initiatives, and saving energy.



### Lear Philippines Donates Solar Panel System to Local School

Mocaboc Elementary School, situated on Mocaboc Island in the Philippines, now benefits from sustainable energy thanks to the team at Lear Philippines. In March 2024, Lear sponsored and coordinated the installation of a solar panel system, providing renewable energy to the remote school. This project complements previous efforts, including classroom repairs and solar lamp donations after Typhoon Odette. Volunteers also distributed school supplies and more than 100 toys.



### Lear Thailand Supports Recovery Efforts Amid Severe Floods

From August to October 2024, floods and landslides impacted more than 256,000 people in northern Thailand. Lear Thailand and Eagle Ottawa employees in Bangkok, Rayong, and Korat joined recovery efforts, partnering with the Friends in Need Volunteers Foundation and Thai Red Cross. They provided food, water, shelters, and medical aid, while volunteering to pack survival bags, ensuring timely relief for affected communities.

**\$750K** 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

**\$27K** donated by **employees** to the Spanish Red Cross to support flood relief efforts in Spain

**20** **Lear executives** serve on the boards of 23 nonprofit organizations

**95,000+** **trees planted** by employees in our global communities

**47** **charities supported**

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

# Lear Volunteers

Around the globe, Lear employees devote their time to supporting the communities where they work. Their efforts are driving a more inclusive future for the next generation. Below are just a few examples.

- Devoted 736 hours to mentor high school students through Winning Futures
- Introduced students to careers in manufacturing and the automotive industry through Wayne State University's Supply Chain Case Competition and interactions with students as part of Junior Achievement's JA Inspire program and the Southeast Michigan Community Alliance Manufacturing Day event
- Supported 210 young people and mentored 132 youth in Brazil through United Way programs aimed at building personal and professional skills
- Helped provide 945 hours of homework help, tutoring, and enrichment sessions through RacquetUp Detroit
- Mentored 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, Detroit Children's Fund, the Rhonda Walker Foundation, Winning Futures and Cornerstone Schools



**Through financial support and employee volunteer efforts, we are preparing the next generation for meaningful career opportunities.**

**56** veteran mentorships through American Corporate Partners since 2019

**440** students supported through the Winning Futures mentoring and workforce prep program in 2024

**27** college scholarships plus tutoring and SAT test prep for nearly 350 inner-city teenage girls through the Rhonda Walker Foundation since 2018 (see photo above)

# 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. Concerns can also be shared in local language through email, an 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) increases efficiency, improves EHS performance and enhances 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. More than 70% of our sites are ISO 45001:2018 certified. To accommodate recent acquisitions and market adjustments, we expect to complete 100% certification of our eligible production sites in 2026.

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

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

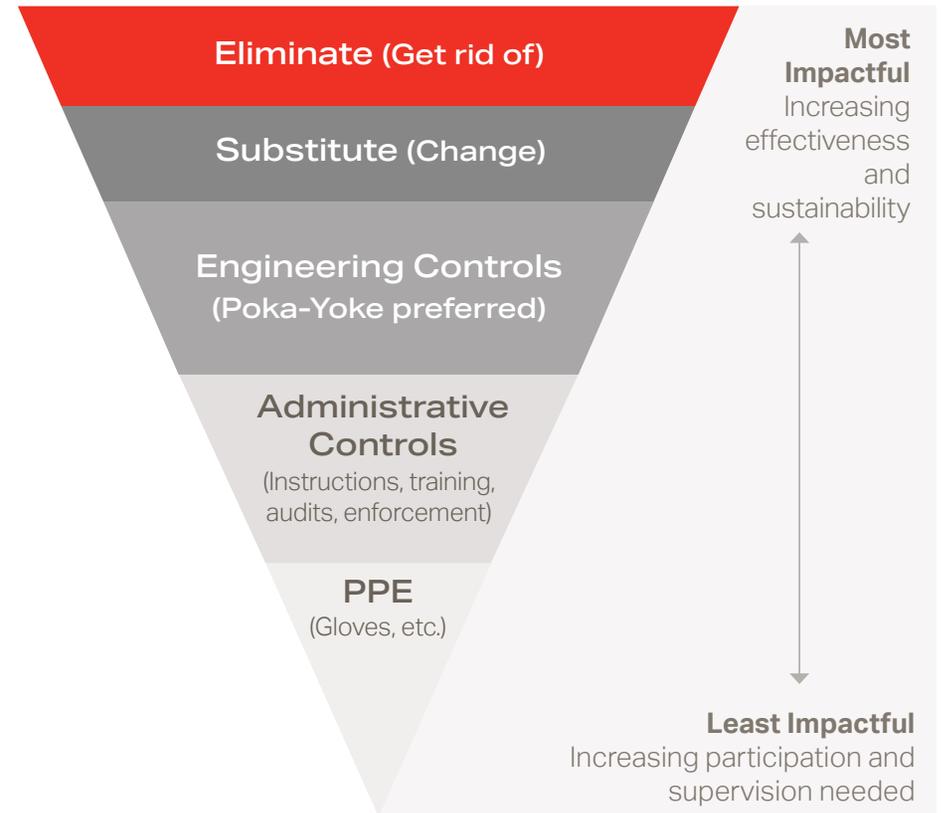
**+70%** of Lear's production sites are **ISO 45001:2018 certified as of December 2024**

## 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.



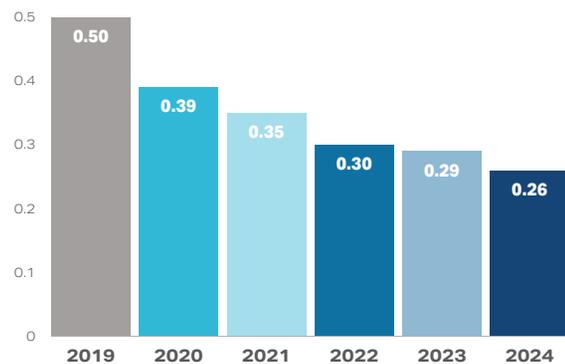
# Key Employee Safety Statistics

Our safety efforts apply to everyone on our property, from employees and contract employees to visitors, customers, suppliers and students. In 2024, we experienced consistent improvement on already best-in-class performance.

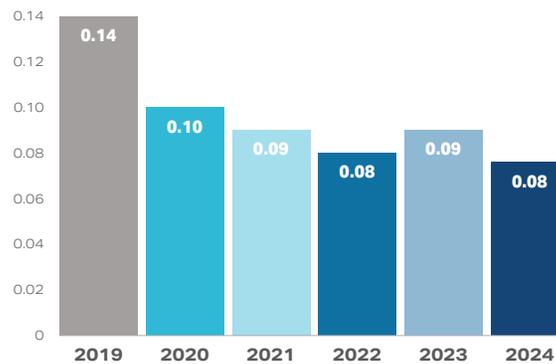
- The Total Recordable Injury/Illness Rate (TRIR) calculates the number of recordable incidents per 100 full-time employees.
- The Lost Time Injury/Illness Rate (LTIR) is the number of lost time injuries per 100 full-time employees.
- The Lost Time Injury/Illness Severity Rate (LTSR) is the total number of employee days away from work multiplied by 200,000 (or 2,000 hours per full-time employee multiplied by 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.



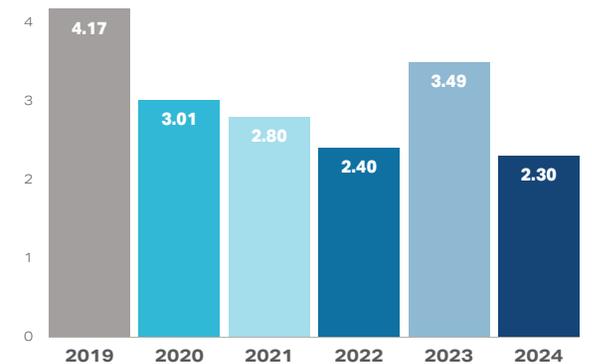
2024 Total Recordable Injury/Illness Rates (TRIR)



2024 Lost Time Injury/Illness Rates (LTIR)



2024 Lost Time Injury/Illness Severity Rates (LTSR)





**0** employee fatalities  
in 2019 - 2024

**73%** of global sites achieved 0 Lost Time Injury/Illness Cases in 2024

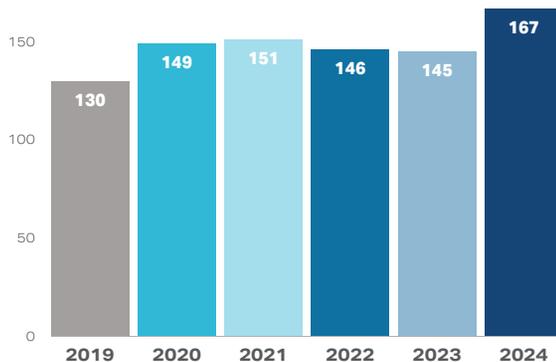


**#1** IN AUTOMOBILES & PARTS

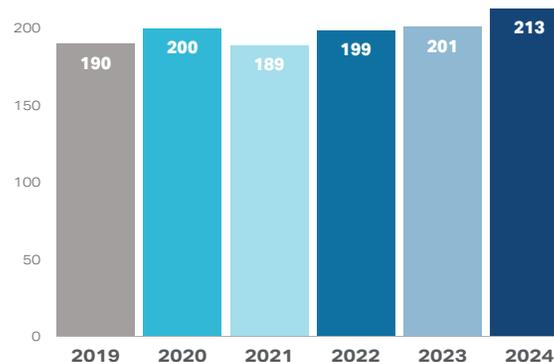
by **CNBC** 2025

**JUSTCapital** named Lear to the America's Most JUST Companies list and first in the automotive and parts industry for addressing issues prioritized by the American people to be most important in business today. Lear was also ranked first in the industry for both Workers and Customers.

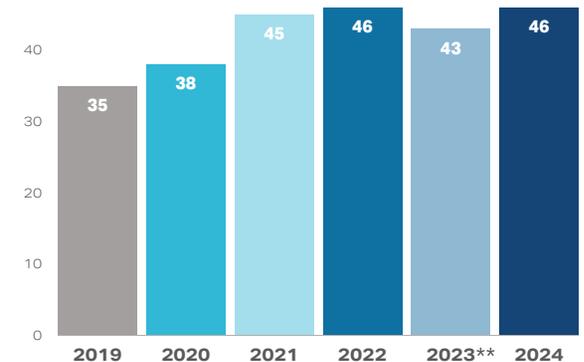
2024 Facilities\* with 0 Recordable Injuries



2024 Facilities\* with 0 Lost Time Injury/Illness Cases



2024 Facilities\* Achieved 1 Million Hours without a Recordable Injury



\* Includes administrative, engineering and headquarters facilities \*\*The 2023 safety data has been adjusted to correct the types of sites included in total global counts.

## 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 2024, six sites joined the program. Overall, Safety Focus Program sites achieved a 29% reduction in LTIR and an 86% reduction in LTSR.



## Expecting Safety for Pregnant & Breastfeeding Mothers

Pregnant and breastfeeding mothers have special safety concerns at work. In Mexico and Central America, 54 Lear plants implemented special protocols. For example, pregnant workers wear pink coats, are assigned to lower-risk areas of the plant, provided with dedicated rest areas, and 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.

## 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 2024, our contractors reported 0 fatalities and five recordable injuries.

# 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 **8.6B**  
production **wire harnesses, terminals, connectors, electronics, electrical components** and **service parts** produced

Approximately **56.9M**  
production **seats, seating components, surface materials** and **service parts** produced

**100%**  
of eligible sites are certified to **IATF 16949:2016/ISO 9001:2015** 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 2024, Lear received 19 quality awards from customers around the world. Here are a few examples:**

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**Nissan Global Quality Award**

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**DongFeng Peugeot Citroen Excellent Quality Award - Asia**

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**Ford Supplier Quality Excellence Award - Asia**

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**GM Supplier Quality Excellence Award - Asia**

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**GM Supplier Quality Excellence Award - North America - 7**

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# World Quality Week



In 2024, 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 "Quality Starts with Me," the campaign emphasized the role all employees play in maintaining Lear's outstanding reputation for quality.

Each day featured videos describing success stories from team members around the world. 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 67 customer-specific quality awards since 2018 plus one first-place J.D. Power 2024 U.S. Seat Quality and Satisfaction Study<sup>SM</sup> award.

## 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.

### 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](#).

## 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](#).

# 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 the 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 2024:**

**125**  
new design  
guidelines  
released

**62**  
on-site product  
safety audits  
conducted

**314**  
product safety  
design reviews  
conducted

# 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.

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.



# Chemical Risk Management Committee

Composed of environmental experts, compliance experts, and operational leaders, Lear's Chemical Risk Management Committee is tasked with strengthening our chemical management practices across our global operations and value chain.

## Key 2024 initiatives included the development of:

### Chemical Procedures Guide

Comprehensive process and procedures guidance including:

#### Storage and Compatibility

**Matrix:** A comprehensive matrix to ensure safe storage and compatibility of chemicals

#### Chemical Approval:

Establishing a standardized process for the approval of chemicals used within the organization

#### Chemical Waste Disposal:

Enhancing procedures for the proper disposal of chemical waste to minimize environmental impact

#### Chemical Good Practices:

Promoting best practices in chemical handling to reduce risks and enhance safety

#### Emergency, Spill & First-Aid Protocols:

Refining protocols to effectively manage chemical spills and emergencies, including first-aid measures

### Global Chemical Management Database Development

Initiated the development of a global database for chemical management to streamline tracking and compliance processes

### Cleaning Supplies Standardization Project

Launched as a pilot project in our Europe/Africa region to standardize cleaning supplies, improve efficiency, save costs, and reduce chemical risks in our operations. Best practices will be finalized and shared globally.

## Monitoring Evolving Regulations

Through proactive supplier engagement, Lear implemented a robust due diligence process in 2024 to ensure compliance with these regulations:

### Per- and Polyfluoroalkyl Substances (PFAS)

We monitor and manage suppliers to meet updated PFAS regulations, prioritizing safety and sustainability.

### REACH Annex XIV (Authorization List)

Through IMDS screening and documentation, we ensure compliance with REACH Annex XIV, including proper management of authorized substances.

## Industry Collaboration

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. Lear participates in CLEPA's Materials and Substances Work Group and Sustainability Work Group. In addition, Lear also partners with AIAG and the Suppliers Partnership for the Environment (SP) in their chemical management related work groups.

# Governance

<b>Sustainability Oversight &amp; Corporate Governance</b>	<b>70</b>
<b>Ethics &amp; Compliance</b>	<b>74</b>
<b>Data &amp; Cybersecurity</b>	<b>78</b>
<b>Supporting Supplier Sustainability</b>	<b>81</b>

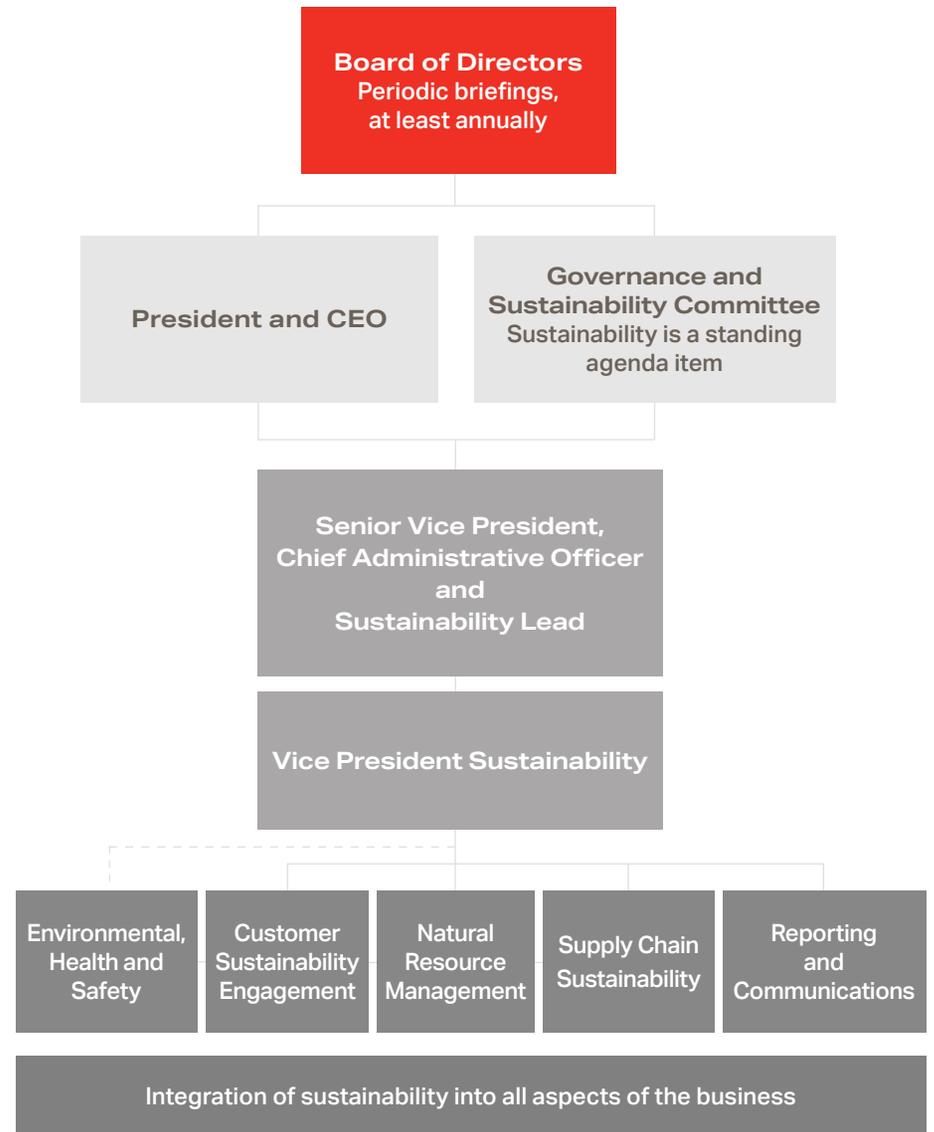
## SUSTAINABILITY OVERSIGHT & CORPORATE GOVERNANCE

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 2,500 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.



# 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
- Independent lead director
- Separate chair from CEO
- Majority voting standard
- 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.

<b>Audit</b>  Financial, compliance, cybersecurity and risk management oversight	<b>People and Compensation</b>  Compensation oversight	<b>Governance and Sustainability</b>  <u>Governance, ethics and sustainability oversight</u>
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## Our Board of Directors

**11** members

**10** independent directors

**36%** women and/or minorities

**100%** of directors elected annually

**9.1** years of average tenure

**9** board meetings held



See our [2025 Proxy Statement](#) for more detailed information.

# 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



See Lear's 2025 **Form 10-K** for information on risk factors, management and strategy.



# Investor Engagement

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

In 2024, we focused on high-quality stakeholder interactions. For example, we held 12 sustainability-specific discussions with certain investors. 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 presentations

**253**

investor interactions

**6**

investor conferences attended

**12**

sustainability-specific discussions



# 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 in Lear's name or using Lear funds, assets, services or facilities to promote a political party or candidate without the approval of our Board of Directors. We have not made any political contributions in the past six years, and we do not have a political action committee (PAC).

We have, however, engaged lobbyists to facilitate meaningful bipartisan discussions with government leaders regarding trade and other matters. We are also members of trade associations that may engage in advocacy efforts on behalf of the automotive industry or automotive suppliers in general.

## 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.



### Ethisphere Verifies Lear as a Compliance Leader

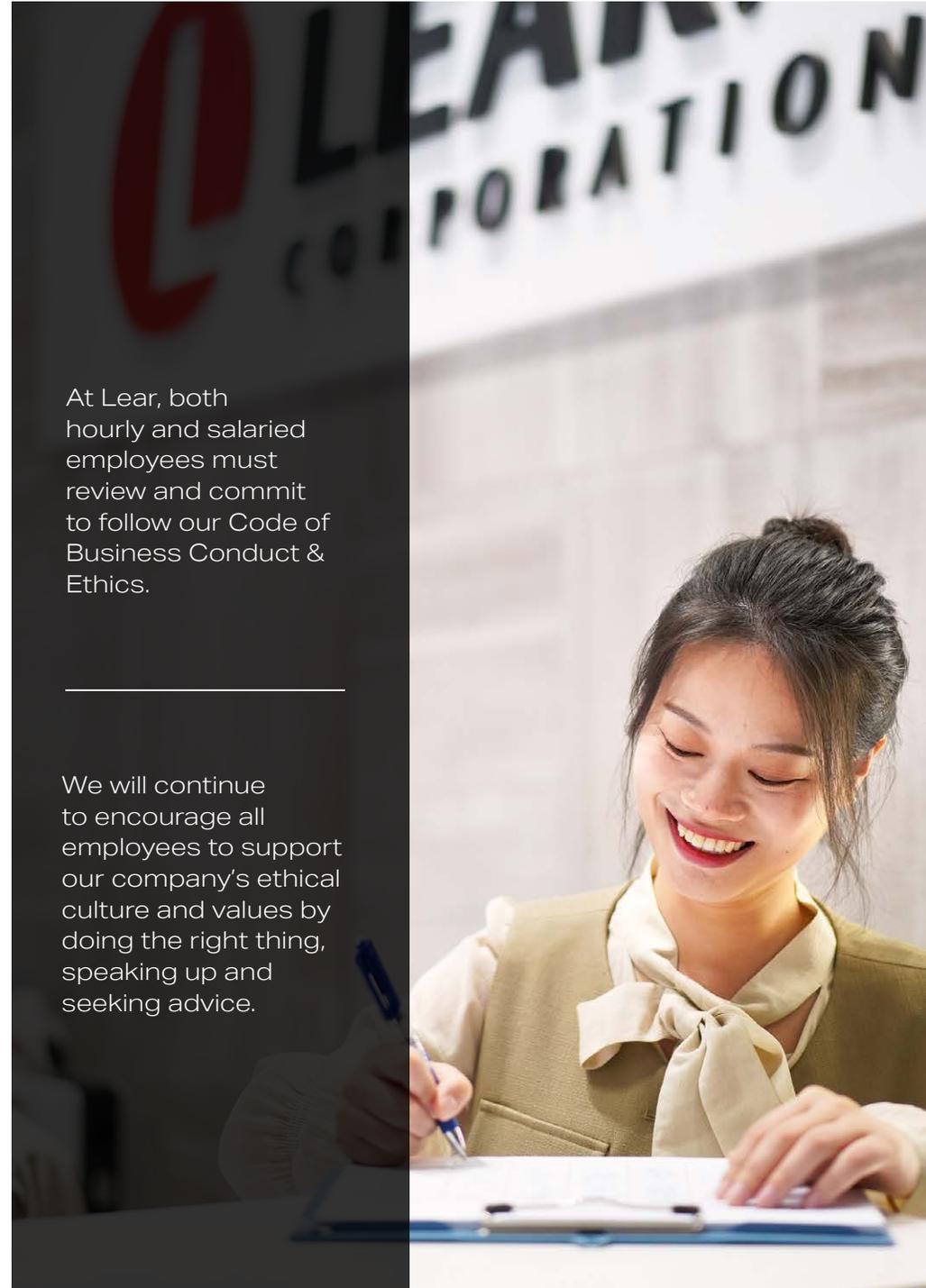
Ethisphere, a global leader in defining and assessing ethical business practices, has verified Lear as a Compliance Leader. The comprehensive ethics and compliance program review included the evaluation and validation of Lear's compliance program governance, structure and resources, and enforcement.



See our [Code of Business Conduct & Ethics](#). Translated into 27 languages, 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. Regular reviews of our code ensure it stays relevant with relatable examples. A comprehensive review and update occurs every three years.

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

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.



# 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. In 2024, we achieved a 100% training completion rate among salaried employees.

Lear continues to enhance our training initiatives to reinforce a culture of integrity and respect. Alongside in-person and micro-learning sessions to improve employees' understanding of ethical issues, Lear conducted several impactful activities in 2024:

- Sexual harassment training offered to all employees, encouraging them to be upstanders by respectfully and directly engaging with co-workers
- In-person anti-bribery and anti-corruption training in China and India
- Toolkit training sessions for plant managers in China with real-life examples to enhance their leadership and compliance capabilities
- In-person Expect Respect anti-harassment and nondiscrimination training in Mexico featuring real incidents and case outcomes
- Ambassador program piloted in all sites in Mexico to raise awareness, address questions, support training initiatives, and ensure promotional materials remain relevant and up to date

# 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. Compliance Week will be observed at our global sites in 2025.



## 2025 Goals



Create a "living" online Code of Business Conduct & Ethics with short-burst training and metrics

Conduct a third-party audit of our Ethics & Compliance program

# 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. Lear conducts ethical culture surveys every three years. The next survey will be completed in 2026.

# 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 HR



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



Calling anonymously using the toll-free Helpline numbers posted on the Ethics & Compliance intranet page



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



Emailing Ethics & Compliance at compliance@lear.com



Sending a letter to Lear's chief compliance officer at 21557 Telegraph Rd., Southfield, MI 48033



## App-Based Reporting

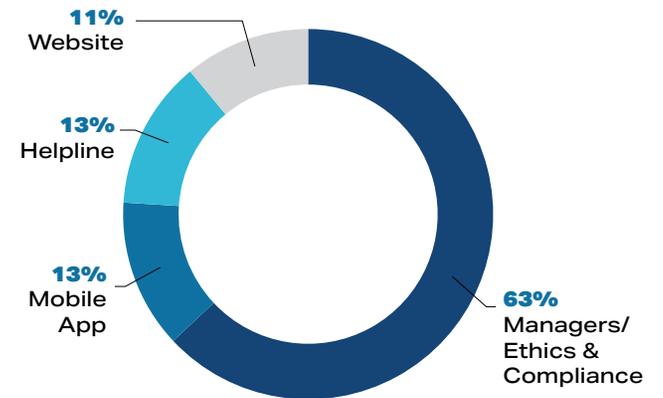
Available globally, Lear's mobile phone app allows employees to report concerns to the Ethics & Compliance Helpline by simply scanning a QR code on posters at our locations.

**0** monetary losses due to noncompetitive behavior in 2024

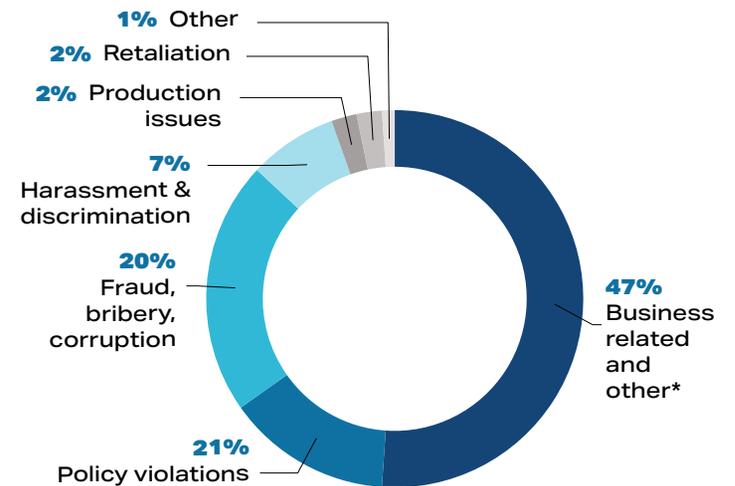
## 2024 Helpline Reports

**276**  
Ethics & Compliance-related reports

How People Spoke Up in 2024



Topics Reported in 2024



\*Includes releasing proprietary data, conflicts of Interest, falsifying records, misusing assets or resources, data breaches, and accounting/financial issues

# 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.

# 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 investigation outcomes. 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

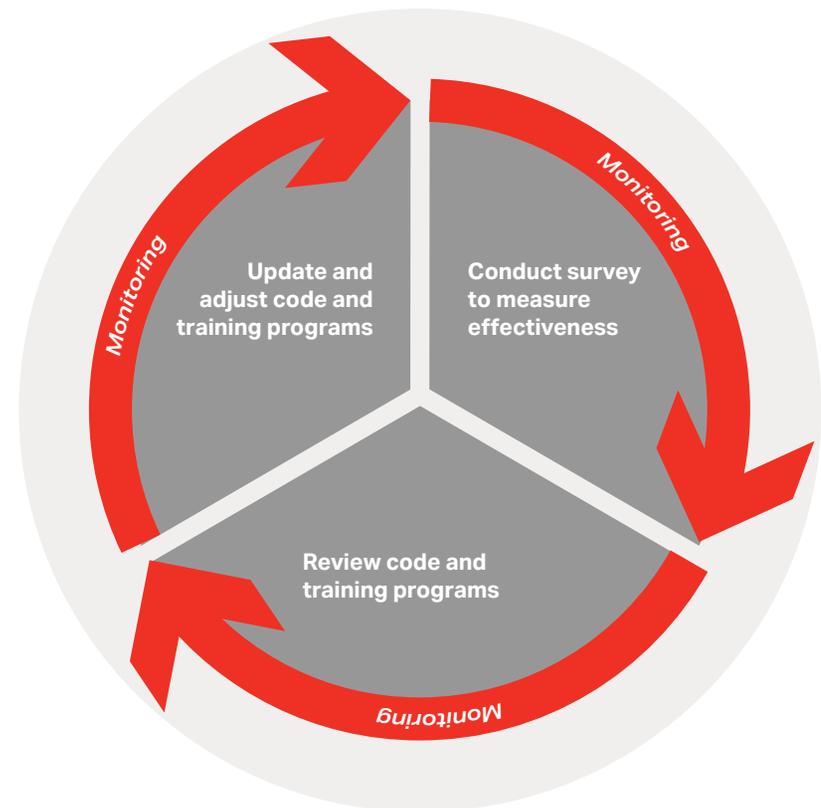
## Investigating Reports

Within 48 hours, the Ethics & Compliance team reviews every report and, when appropriate, begins an investigation with the proper departments. Formal escalation criterion 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.

# Continuous Improvement & Monitoring

Our Ethics & Compliance communication and training strategy involves a three-year cycle of continuous improvement, including conducting surveys to measure effectiveness, reviewing our code and training programs, and updating them accordingly. In addition, we monitor our efforts on an ongoing basis. Investigations resolve concerns and provide opportunities to ensure 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 have also implemented regular cross-functional meetings where we share program updates, best practices and review case studies.

### 3-Year Strategy

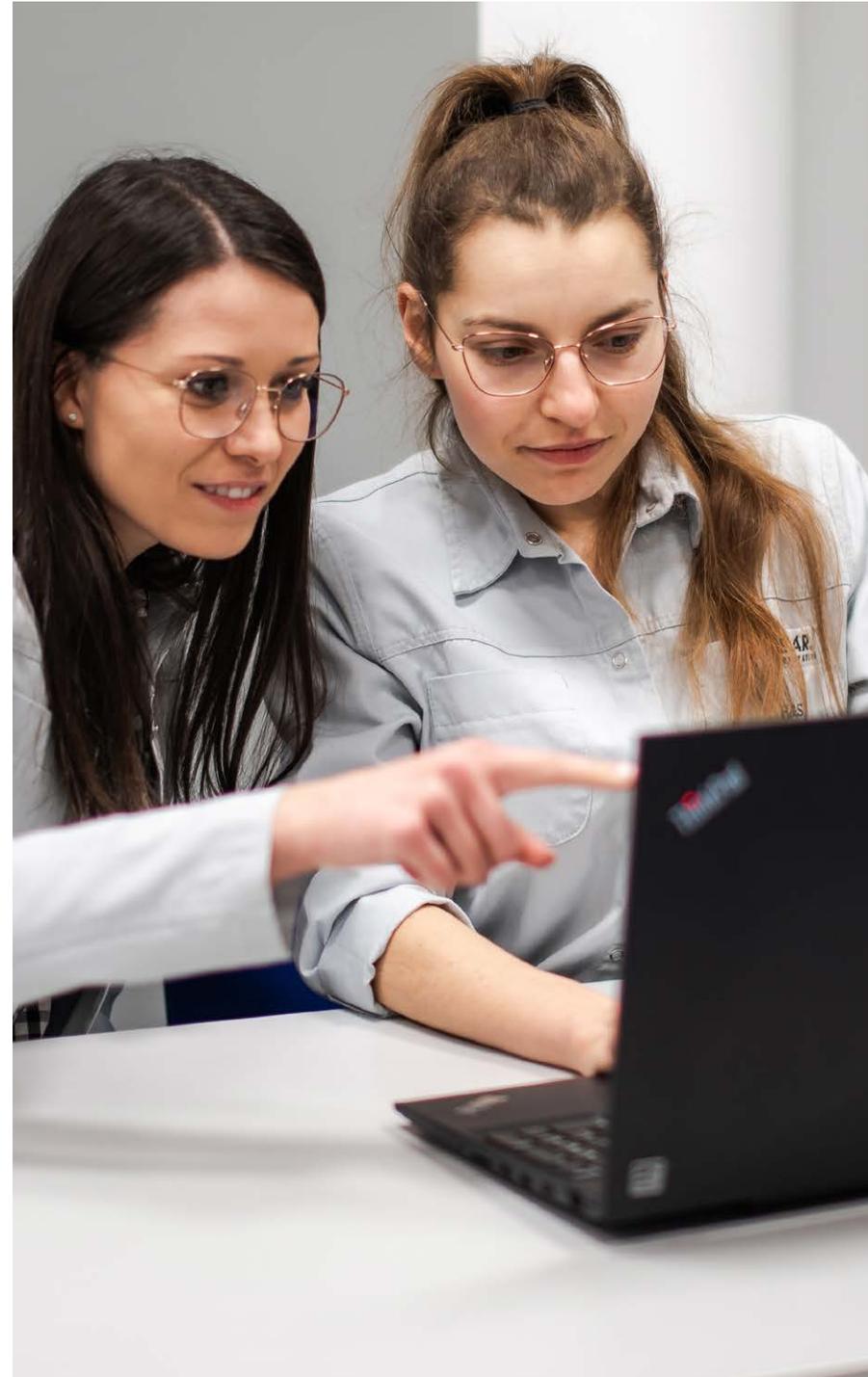


## DATA & CYBERSECURITY

Cybercriminals are increasingly leveraging advanced technologies to disrupt manufacturing and exploit vulnerabilities. Safeguarding manufacturing operations, employee and customer data, and intellectual property demands continuous vigilance and robust multi-layered security measures. Lear has proactively addressed these challenges by establishing collaborative teams focused on product and enterprise cybersecurity.

Cybersecurity oversight is a priority at the leadership level. The Audit Committee of Lear's Board of Directors oversees both product and enterprise cybersecurity. This committee is briefed at least twice annually through detailed updates from the chief information officer and chief information security officer. These updates cover threats, risks, mitigation efforts, and processes. Additionally, the Board of Directors receives at least annual cybersecurity reports from senior leadership to ensure thorough oversight and alignment with strategic security initiatives. This comprehensive framework reinforces Lear's commitment to protecting its operations and stakeholders.

For more information about cybersecurity at Lear, please read [Lear's 2025 Form 10-K](#).



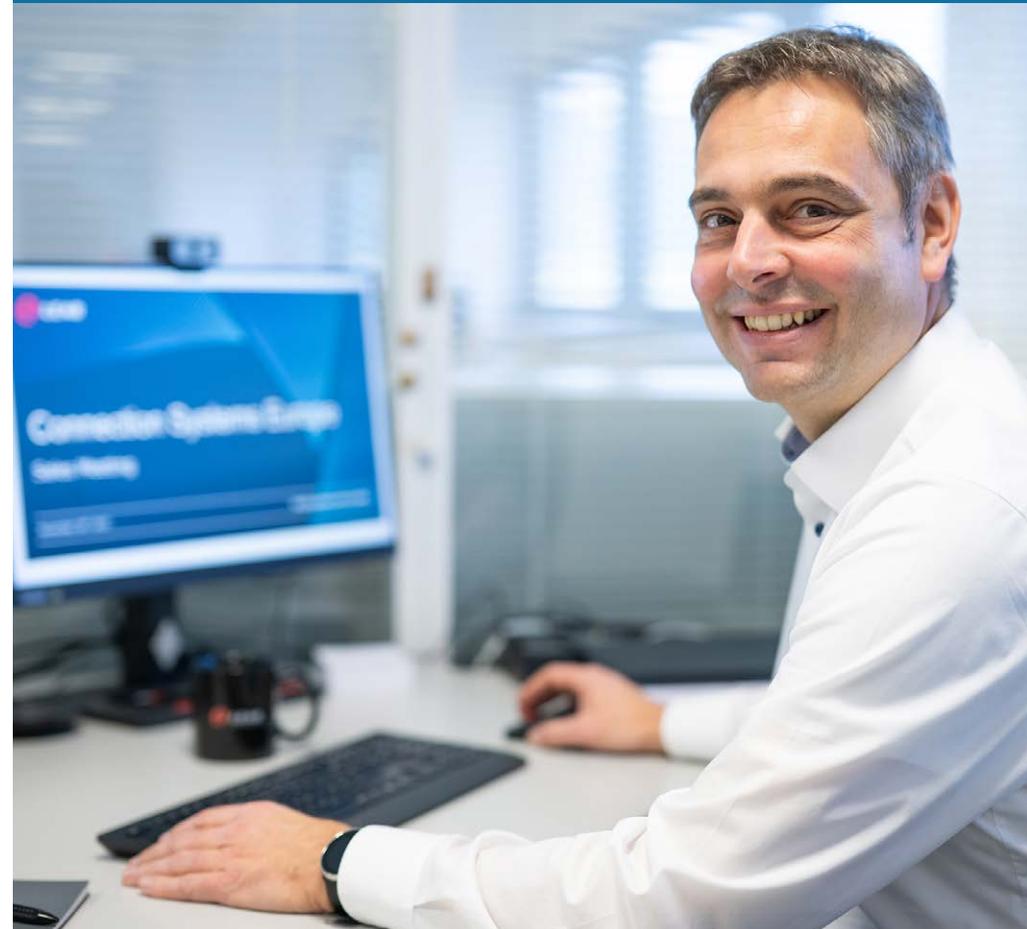
# Secure Products

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
- Complying with ISO 21434:2021
- Providing guidance 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
- Completing design reviews, process audits and technology assessments
- Performing threat analyses, risk assessments and security testing
- Deploying security on the production line
- Offering security monitoring throughout the life of the vehicle
- Conducting annual global awareness training and technical security training

## New Industry ISO Standard for Vehicle Cybersecurity

Most automotive companies are using ISO 21434:2021 to comply with UN Regulation No. 155, which requires a certified cybersecurity management system (CSMS) for all new vehicles produced beginning in July 2024. Lear contributed to the development of the standard, and our processes are 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. Augmenting our internal security team, Lear collaborates with a managed security service provider to deliver 24/7 monitoring. Additionally, its vendor management program mitigates risks posed by third-party providers, ensuring the security of hosted services and applications. By investing in these comprehensive measures, Lear has not incurred penalties, fines or material expenses stemming from information security breaches in the past three years.

## Information Security Management System

Our Information Security Management System (ISMS) is based on the ISO 27001:2022 control framework and covers all aspects of the business, including physical security, operations, communications and HR. In 2024, we introduced a formal generative artificial intelligence (GenAI) policy and policy awareness training.

## Advanced Safeguards

To identify and block threats in real time, our security program applies cutting-edge machine learning. Employees can flag suspicious emails with one click, automatically quarantining the email and alerting our incident response team. Employees at all levels gain access through a universal ID management system.

## Training

Six times a year, Lear conducts security awareness training on specific topics such as our ISMS, social networking, privacy, working remotely, the Internet of Things, phishing, and email security on mobile devices. In 2024, the program was expanded to include unintentional insider threats, data entry phishing, avoiding dangerous links, and other related topics. Our training program is delivered through web-based modules, live training sessions, and on-demand recordings.

## Security Awareness Ambassador Network

Employees from diverse functions around the world volunteer to spread threat awareness and share best practices at work and in their communities.

## Security Awareness Challenge Awards

To recognize outstanding achievements in enterprise security, Lear presents six types of Security Awareness Challenge Awards to employees, plant managers, ambassadors, site leaders and executives whose actions improve our security.

## Security Opportunity Action and Recognition (SOAR) Program

SOAR promotes collaboration and communication between Lear's information security teams and employees. Throughout the year, the ongoing program enhances employee engagement and encourages a security-first mindset, which is highlighted through globally coordinated activities as part of Security Action Month in October. Through SOAR, employees gain access to essential security tips and online safety resources, and participate in presentations that celebrate security achievements and award outstanding contributors.

## 2024 Enterprise Security

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

**400+**  
Security Awareness Challenge Awards presented since 2022

**46,900+**  
employees trained

**10,000+**  
malware detections mitigated

**620+** employees volunteered as security awareness ambassadors at 220 sites in 34 countries

## TISAX Certification for Enterprise Security

The Trusted Information Security Assessment Exchange (TISAX) is a three-year certification earned through independent audits of our information security controls. To date, 47 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 2,500 production suppliers. We work hard to carefully select our suppliers and develop long-term collaborative relationships for our mutual success. We continually evaluate supplier performance, delivery and price, as well as our suppliers' business ethics, human rights, health and safety, and environmental sustainability practices.

# The Changing Landscape of Supplier Sustainability

Supplier sustainability is evolving. Governments around the world are enacting new laws and regulations that require companies to evaluate their supply chains for ethical risks and report those findings. Automakers are requiring suppliers to provide more transparency throughout the full supply chain. 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.

In 2024, Lear's supplier sustainability team documented our Supply Chain Sustainability Program, providing an overview of the general framework and how it aligns with our supply chain risk management strategy. This internal document provides information on Lear's supply chain risk assessment and mitigation processes as well as regulations.



**100%**

of suppliers rated, based on Lear's risk assessment framework

**+50%**

of supplier operations have ISO 14001:2015 or Eco-Management and Audit Scheme environmental management system certification

**Nearly 90%**

of suppliers validated their human rights policy via SAQ since 2021

**86%**

of Lear buyers received sustainable procurement training including supply chain sustainability and ethical sourcing content

## Onboarding New Suppliers

During 2024, our supplier quality assurance team began integrating sustainability questions into our supplier audit checklist. Used to audit new suppliers, the enhanced checklist will help us identify and mitigate risks, ensure compliance with [Lear's Minimum Supplier Sustainability Requirements](#), promote continuous improvement, and enhance transparency. The new checklist will be implemented in 2025.

## Assessing Suppliers

Lear systematically evaluates potential risks that could disrupt our supply chain, including financial, operational, environmental, climate change, human welfare and geopolitical factors.

We rate human rights and environmental risks by country using 12 indexes such the Environmental Performance Index, SDG Indicators, Global Rights Index, Global Slavery Index, and child labor findings from the U.S. Department of Labor. Scores are weighted to assess the likelihood and impact of potential risks, taking annual spend, commodity type, and risk profile into account.

Using surveys, supplier audits and performance reviews, assessments are conducted on suppliers based on their risk profile, number of employees, and compliance and alignment with Lear's Global Requirements Manual and Code of Conduct for Suppliers. Some suppliers are required to complete an SAQ to confirm the supplier's sustainability policies and procedures meet customer and legal requirements and industry standards. In 2024, Lear held webinars for identified suppliers to help them understand our expectations and validation criteria.

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 works with the supplier as needed to assist in resolving potential concerns, which may include on-site visits by Lear's supplier quality teams or audits by a third party. Supplier performance is 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 continues to identify best practices and tools to resolve potential concerns. While our preference is to collaborate with suppliers to remedy potential concerns, we are prepared to take appropriate action, including termination of contracts, as and when appropriate or required.

## Internal Procurement Training

In 2024, Lear launched a comprehensive training program designed to educate our internal purchasing teams on our sustainability policies, requirements and strategy as well as key sustainability practices and principles. The training was delivered through live online sessions and eLearning courses, with invitations extended to all Lear purchasing teams. The program included two modules: an introduction to our sustainability requirements for suppliers and an in-depth session on ethical sourcing. To ensure alignment with Lear policies and requirements, materials were developed by Lear's supply chain sustainability team in coordination with our compliance and purchasing departments. By the end of 2024, 86% of Lear buyers had completed the training. Additional sessions and topics will be offered in 2025.

## Supplier Training

General training materials and resources are available to all suppliers through our [Supplier Information Portal](#) on Lear.com. Since launching our [Forced Labor Awareness Campaign](#) in 2019, we continue to educate our global supply chain partners on a variety of sustainability topics. The library grows every year. Resources include:

- Posters in multiple languages educating suppliers on forced and child labor as well as ethical sourcing
- A handbook on combating forced labor
- An animated video from the International Labour Organization (ILO) dramatizing how people find themselves in forced labor situations
- A study on ending child labor, forced labor and human trafficking in the global supply chain from the ILO, Organization for Economic Co-operation and Development (OECD), UN International Organization for Migration (IOM), and UNICEF

Suppliers are also trained in [Lear's Supplier Sustainability Minimum Requirements and SAQ Validation Criteria](#).

### Industry Collaboration

Lear, along with several North American automotive companies, has joined forces with AIAG and Elevate to pilot an eLearning initiative targeting high-risk suppliers. This collaborative effort, led by AIAG, aims to enhance supplier education and advance industry standards.

# Decarbonizing the Supply Chain

In 2024, Lear formed the Climate Action Group, a global, cross-functional team including representatives from corporate sustainability, purchasing, logistics, and IT. This team is dedicated to standardizing and scaling a supply chain decarbonization program to help global supply partners reduce emissions and minimize environmental impact.

The group initially focused on identifying production suppliers meaningful to emissions reductions, prioritizing those based on Lear's spending and related emissions. Further analysis of this group identified 387 production suppliers lacking disclosed climate change or renewable energy targets. These were selected for further collaboration on carbon reduction initiatives.

## 2024 Supplier Emissions Inventory Results

**533**

in-scope supplier parent companies reviewed

**31%**

of in-scope suppliers have renewable energy commitments

**27%**

of in-scope suppliers have climate change targets

**387**

production suppliers identified for further engagement on carbon emissions and reduction efforts



### 2025 Goal

**Use AI-driven risk intelligence platform to find, map, monitor and alert us of legal, compliance and real-time supply chain risks**

**Implement new onboarding checklist for suppliers, focusing on human rights, etc.**



## Supply Chain Mapping & Risk Management

In late 2024, Lear partnered with a supply chain risk management vendor. The collaboration leverages advanced technology tools to identify and mitigate risks across complex supply chains. Enhancing supply chain transparency remains a top priority for Lear, achieved through a combination of manual processes and AI-based tools. Lear's risk-based approach focuses on mapping specific commodities as part of a comprehensive supply chain due diligence strategy. The supply chain mapping initiative will begin use of AI-based tools in 2025.

# 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 Ltd., 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 provides 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.

**[Training Resources](#)** - offers posters, handbooks, videos and information on an expanding list of topics including human rights, forced labor and responsible sourcing. In-person training on Lear's Code of Business Conduct and Ethics is provided in some regions.

# Responsible Sourcing

## Conflict Minerals

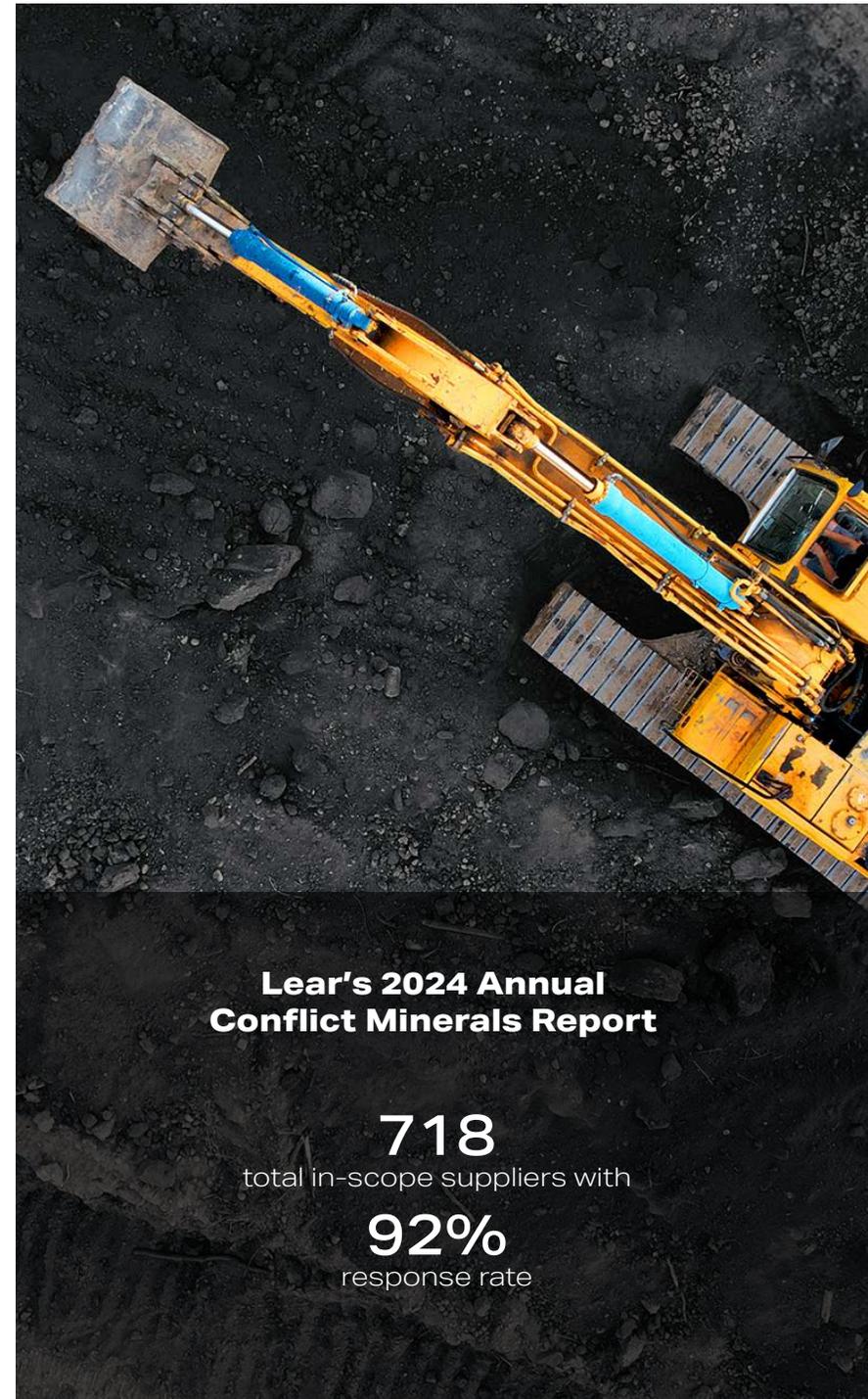
A variety of minerals — such as tin, tungsten, tantalum and gold (also known as 3TG) — are essential raw materials in certain products supplied by both our Seating and E-Systems businesses. These minerals can sometimes be linked to high-risk areas for environmental issues and human rights concerns, such as child or forced labor. To mitigate these risks, 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.

Our approach includes:

- Requiring suppliers to conduct thorough due diligence on their supply chains and reporting the reasonable country of origin inquiry (RCOI) of the parts they provide to Lear
- Using an active mapping process to ensure we are progressing toward conflict-free sourcing of all materials used in our products
- Following the five-step Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRAs) framework established by the OECD
- Disclosing the use of conflict minerals originating from the Democratic Republic of the Congo and adjoining countries, including CAHRAs, each year
- Participating in industry-driven programs, such as the Responsible Minerals Initiative (RMI), which validates industry-wide control systems and transparency, including chain of custody and traceability systems, as well as continually collaborating and benchmarking our efforts through industry collaboration groups such as the AIAG
- Providing a range of training programs – from interactive webinars to comprehensive online courses and engaging in-person sessions – designed to educate and empower both suppliers and our procurement teams on essential sustainability practices



View [Lear's 2024 Annual Conflict Minerals Report](#).



### Lear's 2024 Annual Conflict Minerals Report

**718**  
total in-scope suppliers with  
**92%**  
response rate

## Other Minerals of Concern

We evaluate various minerals of concern across all of our products to enhance traceability and conduct thorough due diligence on potential sourcing risks within our supply chain. For instance, small amounts of cobalt and mica are used in electrical automotive components, while copper is used in nearly all of Lear's products. Similar to 3TG minerals, these materials can sometimes be associated with 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 RMI to provide guidance and tools to increase supplier engagement and awareness.

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](#). Through our Supplier Information Portal, Lear also provides suppliers with infographics promoting ethical sourcing in multiple languages. In 2024, the topics included forced and child labor, as well as responsible sourcing.



# 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 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 illegal deforestation, intrusion on indigenous lands, or invasion of conservation areas are detected.

Eagle Ottawa's direct hide suppliers in Brazil are members of Beef on Track or adhere to the Beef on Track principles. Developed through collaborations with government and nongovernmental organizations (NGOs), the program provides uniform resources and guidelines for responsible cattle sourcing. To supplement this program, the largest beef suppliers in Brazil have deployed a network of "green offices" to provide support for local farmers and ranchers and to help potentially noncompliant suppliers correct violations and processes.

## 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 working with technologies such as blockchain and AI systems to further improve the number of hides traceable back to the birth farm. 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 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.



**100%**  
of direct leather hide suppliers received or maintained LWG certifications as of December 31, 2024

## Responsibly Produced

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

<b>2024</b>	Successfully launched ZeoTech™ mineral tanning system into first series production. Conducted a comprehensive review of Phase 2 LCA study results and hot-spot analysis. Continued to explore and develop new sustainable product solutions
<b>2023</b>	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
<b>2022</b>	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
<b>2021</b>	First supplier to develop an OEM-approved, ready-for-market, 95% bio-based leather. Known as BioTech, our bio-based leather uses recycled and repurposed retanning agents from the food, wood and leather industries
<b>2018</b>	First LCAs conducted by Eagle Ottawa to determine the environmental impact associated with the life cycle of two leather products
<b>2013</b>	First Eagle Ottawa manufacturing site to install solar panels to power its water treatment plant
<b>2004</b>	First-to-market low-VOC leather, leading to 90% lower aldehyde emissions in cars
<b>1995</b>	First automotive leather manufacturer to mass produce vegetable-tanned, chrome-free leather
<b>1991</b>	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 are LWG certified.



## 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. This was reconfirmed in our most recent Consumer Market Study conducted in 2024 by Unmuted Consumer Insights, LLC. According to the survey respondents globally, leather is the most premium option in the vehicle compared to other seating surface materials. Leather continues to be significantly more important to consumers than synthetics and selected two times more often as a "must have and willing to pay for" feature when vehicle shopping.

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

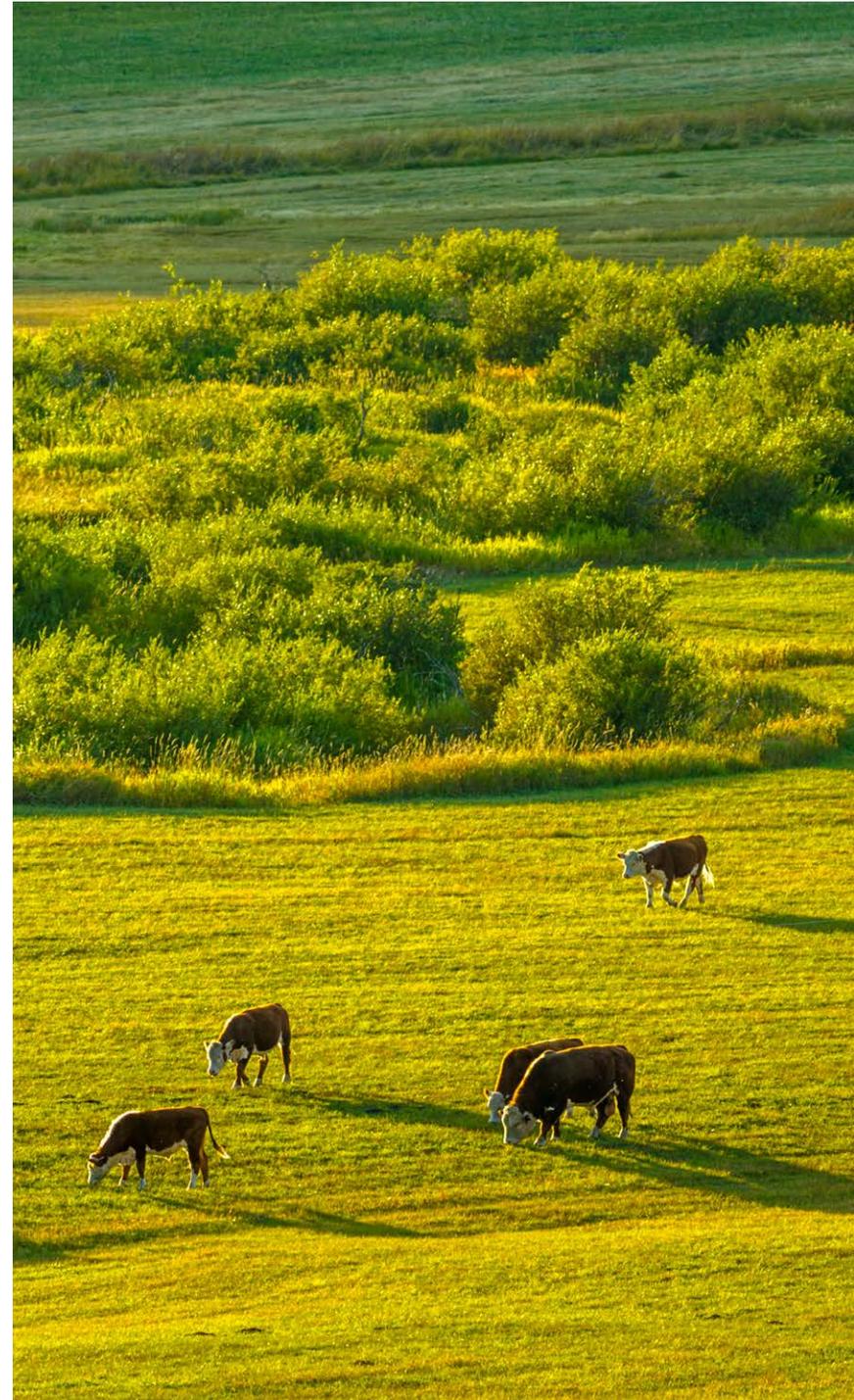


Freedom to Experience Normal Behavior



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.





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