

Updated September 2019

HELPING PEOPLE
AND OUR PLANET

PROSPER
TOGETHER



LEAR SUSTAINABILITY REPORT
on Environmental, Social, Governance (ESG) and Corporate Responsibility

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ESG AND CORPORATE RESPONSIBILITY

MESSAGE FROM OUR CEO

Sustainability.

What does it mean? In its simplest form, it's the ability to maintain a certain level of performance. That's not a very high bar in the business world, where we're always working to **exceed** expectations. But when you think of sustainability in an ecological sense, it means maintaining a balance in all of our natural resources, from raw materials to water to the air we breathe. From a people perspective, it means satisfying the needs of the present without adversely affecting future generations. These are much more challenging goals.

Widening our gaze helps us realize that businesses not only have a responsibility to earn profits, but to support the people who are part of our human family as well as the planet we all share. As a Fortune 500 company with 161,000 employees around the world, everyone at Lear can make an impact.

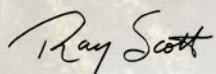
And we are. The same passion that drives our technological innovations and operational excellence is finding creative ways to use recycled raw materials, develop recyclable products, reduce energy and water use, and work with our suppliers to do the same. Through Lear's Operation GIVE, our employees are improving economic well-being, educational preparedness and environmental vitality to help people around the world thrive in their daily lives.

Working together with customers, suppliers, employees and communities, we are one human family dedicated to protecting the environment, supporting our communities and sustaining economic prosperity for everyone's benefit.

I invite you to learn more about our efforts in this report. Every year, we are doing more. And we are committed to continuing the journey because, quite simply, it's the right thing to do.

I want to personally thank everyone at Lear for making an impact. Your passion for sustainability—in prosperity, people and the planet—is driving possibilities for future generations.

Sincerely,



Ray Scott
President and Chief Executive Officer



ALIGNING WITH GRI STANDARDS

In 2019, we conducted our first materiality assesment to further refine our corporate responsibility strategy and align it with the environmental, social and governance (ESG) topics that impact our stakeholders.

Internal stakeholders and our environmental, health and safety (EHS) team reviewed common ESG topics recommended by the Global Reporting Initiative (GRI) Disclosure Standards and identified those that we believe are the most important to our organization and stakeholders. We have used this review, along with engagement with key sustainability team members, to help develop the content of this report.

In addition, we have disclosed our material topics in accordance with the GRI Standards framework, wherever feasible. Please refer to our [Materiality Assessment](#) for an overview of our GRI alignment and complying report content.

ECONOMIC

- Economic Performance
- Procurement Practices
- Anti-corruption
- Anti-competitive Behavior
- Supply Chain

ENVIRONMENTAL

- Energy
- Water, Waste & Air Emissions
- Environmental Compliance
- Supplier Environmental Management

SOCIAL

- Human Rights
- Labor Rights
- Training and Education
- Occupational Health and Safety
- Local Communities

2018 Report

The data presented in this report covers all manufacturing and production facilities within Lear's operational control for calendar year 2018. The majority of 2017 and 2018 environmental data and metrics have been reviewed by an external partner in preparation for a formal third-party assurance process.

Upcoming Reports

Lear has historically reported our sustainability performance and progress on an annual basis. As a result, we currently plan to release our next Sustainability / Corporate Responsibility report in 2020.

THIS IS LEAR

Lear is a global automotive technology leader in seating and electrical and electronic systems. Our world-class products are designed, engineered and manufactured by a diverse team of talented employees around the world. Lear's world headquarters are located in Southfield, Michigan, USA.

2018 Sales

\$21.1

Billion

#147

in Fortune 500

261

Locations

161,000

Employees

39

Countries

Traded under
the Symbol

LEA

on the New York
Stock Exchange

FORTUNE

Top Employer of 2019

Our roots were firmly planted in 1917 when we built tubular, welded and stamped assemblies for the automotive and aircraft industries.
how Lear has grown and expanded for more than 100 years.

Today, we're transforming the way people think about transportation.
how our employees' passion drives possibilities.

SUSTAINABILITY STRATEGY

SUSTAINABILITY STRATEGY

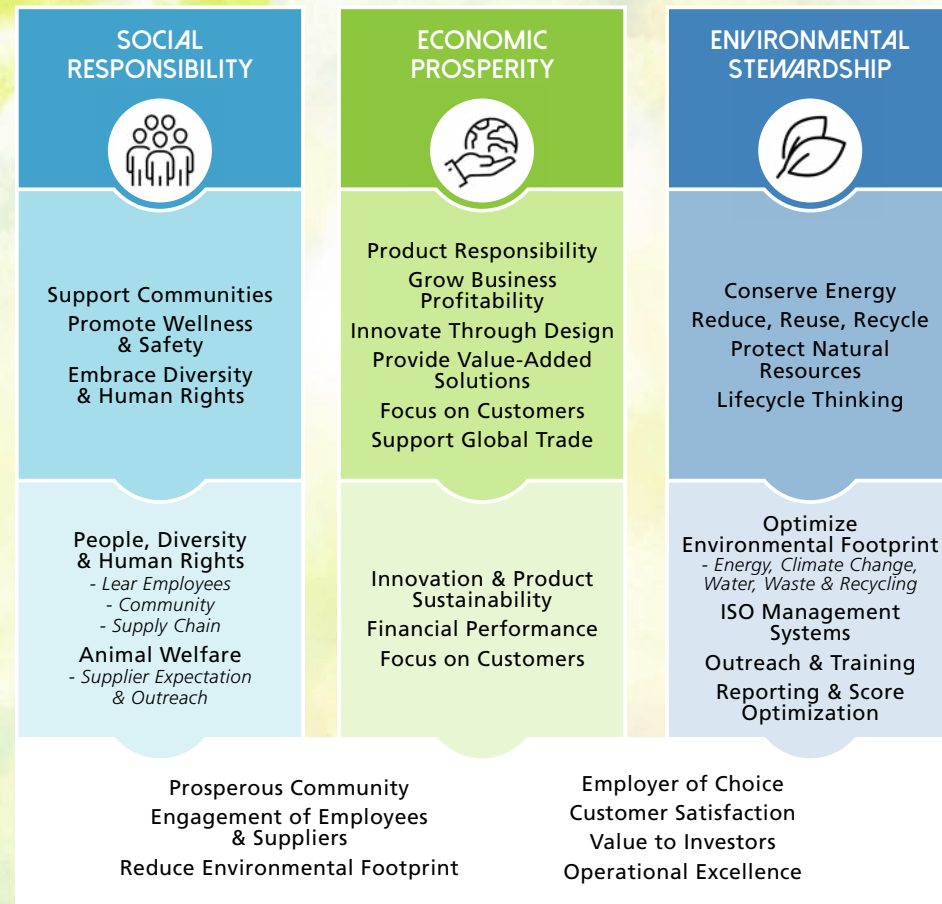
We are all part of the human family. As a business, Lear understands how our actions affect the world. Every day, our employees are reducing our environmental impact, enhancing the communities where we do business and increasing the profitability and longevity of our company.

The Three Pillars of Sustainability

Lear recognizes Three Pillars of Sustainability:

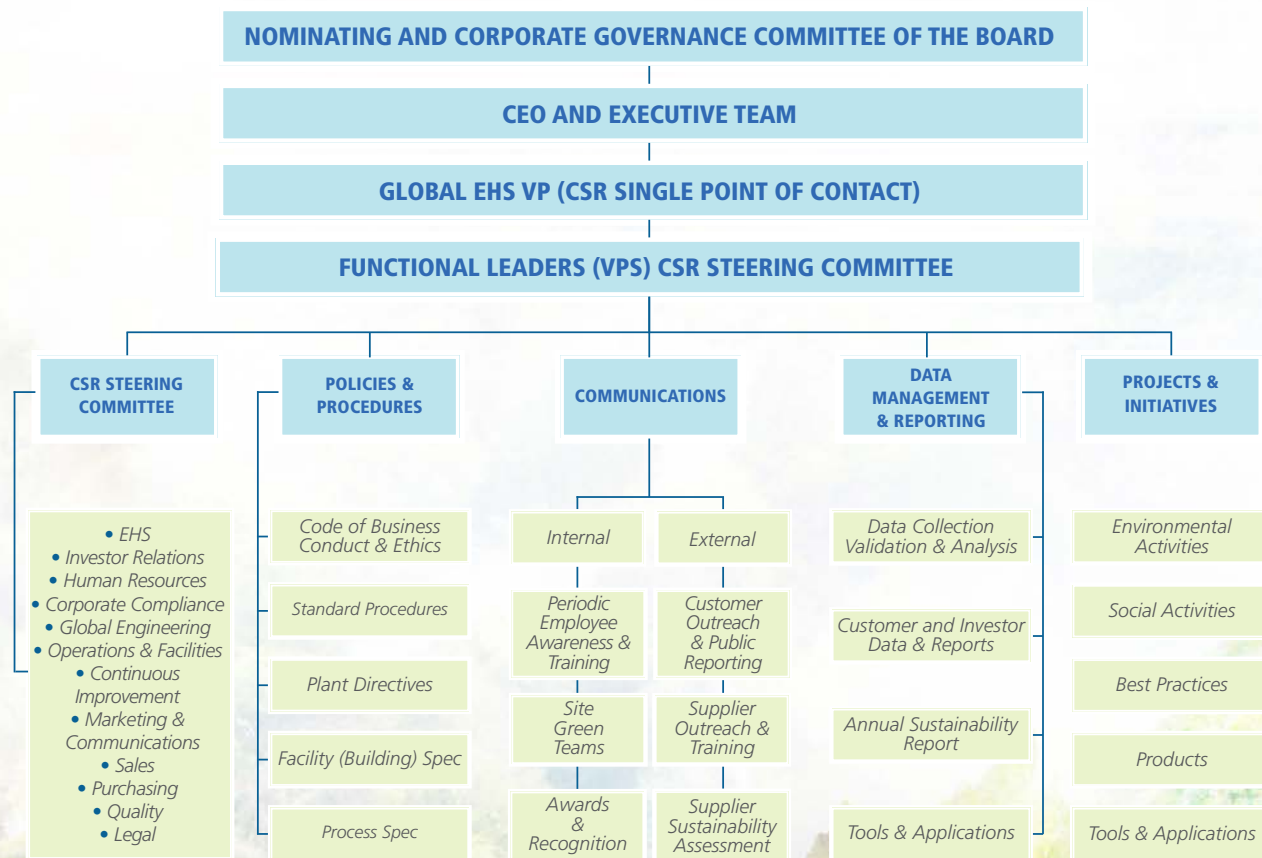
- **Social responsibility** is all about supporting the people in our human family.
- **Environmental stewardship** protects the planet we share.
- **Economic prosperity** enriches the way we live by providing meaningful employment as well as high-quality, value-added products the world needs.

At the intersection of people, planet and prosperity, Lear sees the opportunity to develop people, deliver “green” products and lead by example on a global scale.

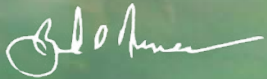


EXECUTIVE STEERING COMMITTEE

Sustainability is not just a good idea. It's a way of doing business. Our top EHS executive directly oversees Lear's multi-faceted approach to our sustainability efforts, including policies and procedures, communications, data management and reporting, and projects and initiatives.



"Like operational excellence, sustainability is a journey of continuous improvement—a constant effort to exceed our goals and then raise the bar. In addition to aligning our reporting with international independent standards from the GRI, this year we collected more data on our ESG and corporate responsibility efforts. We are pleased with our progress."



Jack Nunes
Vice President of Global EHS



SUPPLIER SUSTAINABILITY

As an automotive supplier of choice, we have suppliers, too. We expect them to share our commitment to sustainability and ethical conduct. We have established strong supplier relationships with a high degree of integrity and corporate ethics. Lear communicates regularly with our suppliers through bulletins and conferences.

Online Resources

Lear's online
including our:

provides the companies that work with us with valuable resources,

- [Lear Supplier Manual for Suppliers](#), which outlines our purchasing, quality, operations, environmental and records rules.
- [Lear Supplier Code of Conduct](#), which addresses issues such as legal compliance, human rights, child labor, forced labor and human trafficking, wages and hours, working conditions, harassment and discipline, discrimination, freedom of association and collective bargaining, bribery and corruption, the flow of funds to armed groups and conflicts, environmental sustainability, animal welfare, and the implementation of sustainability standards in the supply chain, including the responsible management of water and forests. This includes our right to audit and ensure compliance.

INDUSTRY ASSOCIATIONS

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

Automotive Industry Action Group (AIAG)

- Board of Directors (BOD)
- BOD Nominating Committee
- Corporate Responsibility Committee
- Environmental Sustainability Advisory Work Group
- Health & Safety Performance Standard Work Group
- State of the Business Update Work Group
- Supply Chain Management Steering Committee
- Responsible Sourcing Project Work Group
- Responsible Materials Work Group and Sub-groups:
 - Industry Best Practices
 - Global Requirements & Minerals Sensing
 - Smelter Engagement Team (AIAG-RMI Partnership)
 - Information Sharing

Responsible Minerals Initiative (RMI)

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

Suppliers Partnership for the Environment

- Founding Member
- Executive Steering Committee
- Work Group Officer
- EHS Forum Co-Chair

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

- Environmental, Health & Safety Council
- Legal Issues Council
- Communications Executive Council

Manufacturers Alliance for Productivity and Innovation

- Base Member

ENVIRONMENTAL STEWARDSHIP

ENVIRONMENTAL STEWARDSHIP FOR OUR PLANET

Lear is committed to environmental stewardship and reducing the environmental footprint of our products, operations and supply chain. Our strategy is to align our environmental conservation goals with business growth by using our resources efficiently and implementing lean manufacturing practices. In 2018, Lear had no significant spills that impacted the environment.

Environmental, Health, Safety & Sustainability Policy

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

- Preventing pollution
- Providing a safe and healthy work environment
- Involving and empowering employees
- Developing and using environmentally acceptable, safe, sustainable and efficient production methods and processes
- Complying with government requirements and obligations
- Protecting natural resources including responsible management of forests and water
- Enhancing environmental stewardship, social responsibility and economic prosperity

Read our

- ▶ More than 95% of Lear's facilities in 2018 are ISO 14001:2015 certified.

Our Environmental Management System (EMS)

An environmental management system (EMS) helps Lear identify, manage, monitor and control environmental issues in a systematic manner. Through continuous improvement such as Kaizens for energy efficiency and waste reduction, and teamwork, Lear's EMS is reducing our environmental impact.

Worldwide, more than 95% of our manufacturing facilities as well as our corporate headquarters are certified under the internationally recognized ISO 14001:2015 environmental standard. The certification process is detailed and demanding but provides a valuable framework to ensure that we comply with laws and regulations, minimize our impact on the environment and focus on continuous improvement. New facilities are required to earn certification within one year of acquisition or starting production.

Lear collects monthly energy, waste and water data (volume and cost) in multiple ways. Plants upload electric power and natural gas invoices into an online central database system provided by a leading environmental data management firm. Plants enter other fuel data (such as propane, diesel, fuel oil and coal) and waste data (in more than 100 waste categories) into this system each month. The data is aggregated and reviewed quarterly by each business unit/division, region and the corporation as a whole to determine energy, water and waste reduction performance, and identify further opportunities for improvement.

To improve performance and efficiency, Lear has integrated our EMS documents (manuals, policies, procedures, and work instructions) under ISO 14001:2015 with the safety management system documents under ISO 45001.

Data Management & Integrity

To support our goals, Lear captures, tracks and reports large amounts of data from our worldwide locations. We use several best-in-class systems to manage our internal EMS data. These systems feature built-in data integrity capabilities. The software runs several tests, including statistical deviation and unit of measure tests, and prompts the user to verify or correct any data errors.

During 2018, Lear completed a gap analysis and began a comprehensive data review process with an external partner as a step toward certification from a third-party data assurance resource. We currently expect to complete this process in 2020 and look forward to refining our data management systems in future years.

See the [Data Management & Integrity](#) for examples of Lear's data management and integrity platforms.

ENVIRONMENTAL GOALS

Key Metrics & 2020 Goals Compared with 2013 Baseline Levels

Since 2013, Lear has reduced energy use, greenhouse gas (GHG) emissions and water use while increasing our recycling.

Energy Use

15%

Reduction
MWh / Labor Hours

GHG Emissions

15%

Reduction
mton CO₂e/Labor Hours

Recycling

20%

Increase
Kg / Labor Hours

Water Use

10%

Reduction
gal / Labor Hours

New 2030 goals to be established

Annual Incremental Goals

In 2019, Lear intends to reduce energy use by 1% at each plant – saving about 140,000 MWh globally. In addition, we plan to reduce water consumption by 3%, saving 5.1 million gallons. That's enough water to fill 127,500 average-sized bathtubs. Our goals for 2030 will be established and published in a future sustainability report.

Energy Use

1%

**Absolute
Reduction**
over 2018 CY

Water Use

3%

**Absolute
Reduction**
over 2018 CY

Water Use Reduction Target

We met our 10% reduction goal for 2018 and 2013, at which time we issued a 2020 goal for an additional 10% water use reduction over our 2013 baseline.

As part of an overall water conservation initiative, Lear has also designated some sites as Environmental Focus Sites, where specific water conservation targets were established to improve overall performance for Lear.

Water Withdrawal Scarcity Risk Target

As one of its many sustainability goals, the World Resources Institute (WRI) is working to mitigate global water risks by mapping and measuring water-stressed regions. Based on a water risk assessment completed recently, Lear is setting site-specific targets for our plants located in the water scarcity areas of the world.

Carbon Disclosure Project (CDP) Reporting

The CDP (formerly known as the Carbon Disclosure Project) allows companies to benchmark their progress toward environmental stewardship against their peers. Our score is compared with companies from similar regions and sectors. Lear has reported our annual CDP Climate Change data to customers since 2011 and to investors, members and signatories to the CDP since 2014. We currently report our water data results to customers, and water and forest data to investors.

View our

and our
in the Appendix.

ENERGY REDUCTION ACTIVITIES

Lear's global continuous improvement teams use lean manufacturing processes to identify energy and waste reduction projects, track progress and share best practices. In 2018, more than 100 energy efficiency projects reduced electric energy consumption in production, facilities and maintenance. For example, our teams are:

- Identifying opportunities to reduce energy consumption through energy audits and energy treasure hunt activities
- Improving air compressor and distribution efficiency
- Eliminating compressed air losses by conducting audits, leak detection/repair programs, replacing motors with variable speed motors and ongoing management usage programs
- Insulating pipes and ducts to reduce heating and cooling losses
- Switching to programmable thermostats to control the heating, ventilation and air conditioning (HVAC) systems during evenings, weekends and holidays
- Replacing older HVAC equipment, room air conditioners and compressors
- Installing thermal curtains for heat-generating equipment
- Improving ventilation in the plants
- Leveraging daylight instead of using artificial light
- Replacing florescent light fixtures with LEDs
- Redistributing heat from air compressors into the plant for heating
- Reducing wasted print copies and saving electric energy, toner and paper in offices
- Implementing an energy-saving awareness program encouraging employees to turn off lights, computers, fans and other equipment when not in use or after work hours
- Installing light sensors or timers in warehouses and office areas

In 2017, Lear achieved its 2020 goal of 15% energy reduction over 2013 baseline energy use (normalized to labor hours). Total energy consumption in 2018 was 1.4 million MWh.

Energy	Energy Content (MWh)
Coal	7,612.89
Diesel	12,662.79
Fuel Oil	3,232.65
Landfill gas	36,243.72
Propane	69,086.38
Natural gas	460,344.44
Electricity	814,684.62

Total Energy Content consumed:
1,403,867.5 MWh

RENEWABLE ENERGY

Renewable energy, also known as green energy, is energy taken from sources that are naturally replenished, such as wind, solar and geothermal. Several countries have electric grids that supply electric power generated from renewable sources such as solar thermal energy, geothermal energy, landfill gas, wind turbines and low-impact hydro power. Lear estimates that renewable energy used by our plants globally is less than 15% of the primary energy consumed at our plants.

Standards, Methodologies, Assumptions and Calculations used for Energy and GHG Emission Calculations

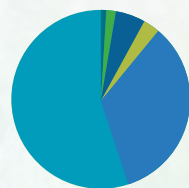
Activity data utilized in the preparation of Lear's energy and greenhouse gas inventory was based on billed utility data and other consumption and usage records. Emissions reported by Lear were calculated consistent with the methodologies set forth in the GHG Protocol: Corporate Standard.

Emission factors applied for Scope 1 emissions for fuel combustion were sourced from the Climate Registry 2018 General Reporting Protocol – USA Industrial.

Scope 2 emissions for electric power consumption were sourced from a combination of International Energy Agency (IEA) CO₂ Emissions from Fuel Combustion 2018 (Year 2016 data) and US EPA eGRID 2018 (with 2016 data).

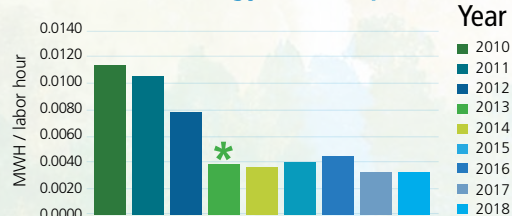
100-Year Global Warming Potentials (GWP) from the Fourth Assessment Report (4AR) published by the IPCC were utilized to convert emissions to CO₂ equivalents.

2018 Global Energy Use by Fuel Sources



ELECTRIC POWER:	58.03%
COAL:	0.54%
DIESEL/ FUEL OIL:	1.13%
PROPANE:	4.92%
LANDFILL GAS:	2.58%
NATURAL GAS:	32.79%

Global Energy Consumption



* 2018 Goal Met in 2013

DECREASING GREENHOUSE GAS (GHG) EMISSIONS

Greenhouse gases (GHG)—such as carbon dioxide (CO₂)—trap heat and make the planet warmer. According to the U.S. Environmental Protection Agency, burning fossil fuels for electricity, heat and transportation is the largest source of GHG emissions from human activity.

A key component of Lear's sustainability strategy is reducing the GHG emissions from our plants around the world. Although growth through acquisitions and new facilities creates challenges, our continuous improvement in energy efficiency will help us achieve our goals.

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

- All plants report their GHG emissions. The data is collected through a third-party software data platform on a monthly basis and reviewed by our corporate EHS team. The data is used to track, analyze and develop plans to reduce our GHG footprint.
- Lear participates in the 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.

Having already met our 2018 goal in 2013, we have re-established a new baseline in 2013. In 2018, Lear achieved a 6.5% reduction over 2013 baseline emissions normalized to labor hours.

We achieved an 11.8% reduction in GHG emissions per labor hour in 2018 when compared with 2017.

Lear intends to reduce GHG emissions another 10% by 2020. We plan to re-establish a new baseline and set new 2030 targets for GHG emissions reduction in the near future.

Global GHG Emissions - Normalized



- In addition, weight reductions and improvements in our recliners for automotive seating systems save an estimated 1.4 million tons of indirect (Scope 3) CO₂e per year.

* CO₂e (carbon dioxide equivalent) is a standard unit for measuring carbon footprints. It describes different GHG emissions in terms of the equivalent global warming impact of CO₂.

DIRECT AND INDIRECT 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 two scopes: direct and indirect GHG emissions.

- Scope 1: Direct GHG Emissions**

In 2018, Lear's direct GHG emissions totaled 111,855 metric tons of CO₂e*. This includes emissions from sources that are owned or controlled by the company, such as emissions from combustion in company-owned or controlled boilers, generators and furnaces, and emissions from other mobile internal combustion equipment.

- Scope 2: Indirect GHG Emissions**

Lear's 2018 indirect GHG Emissions were 390,493 metric tons of CO₂e. This includes GHG emissions from the generation of electricity purchased (or otherwise brought into the company) and consumed by Lear's operations.

* CO₂e (carbon dioxide equivalent) is a standard unit for measuring carbon footprints. It describes different GHG emissions in terms of the equivalent global warming impact of CO₂.

In 2018, two thirds of the emissions generated at our plants were from electricity, which are indirect GHG emissions. The chart below provides more specific information about how our GHG emissions are generated based on the type of fuel. An operational control approach for fully consolidated facilities is used for reporting boundaries.

Global Scope 1 and 2 GHG Emissions by Region (CY 2018)

Region	Scope 1 Emissions (metric tons CO ₂ e)	Scope 2 Emissions (metric tons CO ₂ e)
Asia Pacific	26,951.11	94,855.03
Europe & Africa	30,921.93	125,303.78
North America	53,089.71	166,938.44
South America	892.65	3,396.56

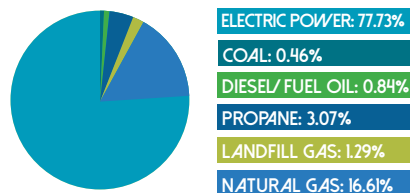
Global Scope 1 and 2 GHG Emissions by Business (CY 2018)

Business	Scope 1 Emissions (metric tons CO ₂ e)	Scope 2 Emissions (metric tons CO ₂ e)
E-Systems	7,645.58	116,786.87
Seating	88,115.28	259,103.79
Non-Automotive	16,094.00	14,603.16

2018 Greenhouse Gas
Emissions by Scope



2018 Greenhouse Gas
Emissions by Fuel



WATER RESOURCES & STEWARDSHIP

More than 70% of the earth is covered with water, but only 0.5% is consumable. As a finite resource, water scarcity is increasingly threatening many parts of the world, especially as global demand rises from growing populations, economic development and the impact of climate change.

Lear believes the world has a sufficient water supply to meet everyone's needs—if we all work together to better manage it. As consumers, we are all responsible for this precious, shared resource. Water is an important resource for our fabric and leather operations around the globe, where significant water is used in the process. We manage and monitor our wastewater discharges at these facilities for both quantity and quality.

Water Conservation Projects

Lear promotes water reduction projects at all of our locations around the world. Our continuous improvement and environmental teams share best practices from successful projects such as these.

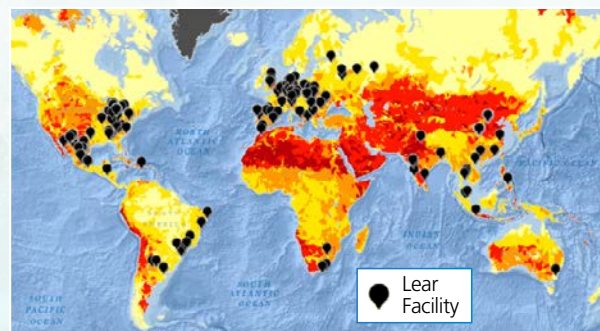
- Identifying opportunities to reduce consumption during production, increase water recycling and repair leaks
- Using water-saving bathroom, kitchen and cafeteria fixtures with automatic shut-off valves
- Watering gardens and landscaping with recycled water
- Installing filtered drinking water dispensers
- Providing reusable water bottles for employees
- Installing water meters to identify inefficiencies and leaks

Water Risk Assessment

Lear recently completed a water risk assessment of all facilities using the WRI Aqueduct Tool. We assessed water risks in our direct operations at the asset level for all of our production facilities. Along with Aqueduct's standard outputs, we considered water withdrawals/consumption, water quality, site-specific regulatory risk and other factors in our overall assessment of each facility. Among other factors, this tool calculates an indicator called Baseline Water Stress (BWS), which is the ratio of total annual water withdrawals to total available renewable supply. Overall water risk was calculated based on physical risks, water quality, and regulatory and reputational risks. We used Aqueduct to determine which specific risk factors are causing water stress for specific regions and facilities. In this way, we endeavor to create a comprehensive water risk management plan that operates on a region and site-specific basis.

As shown in the map generated as part of the Water Risk Assessment, more than 50% of Lear's facilities are located in the low water stress regions. To formulate water efficiency initiatives and goals, Lear is developing a plan to further assess actual water consumption/withdrawals at each of these facilities, the water needed for current and future site-specific operations, and the amount of wastewater discharged.

Water Risk Assessment Results



LOW RISK (0-1)

LOW TO MEDIUM RISK (1-2)

MEDIUM TO HIGH RISK (2-3)

HIGH RISK (3-4)

EXTREMELY HIGH RISK (4-5)

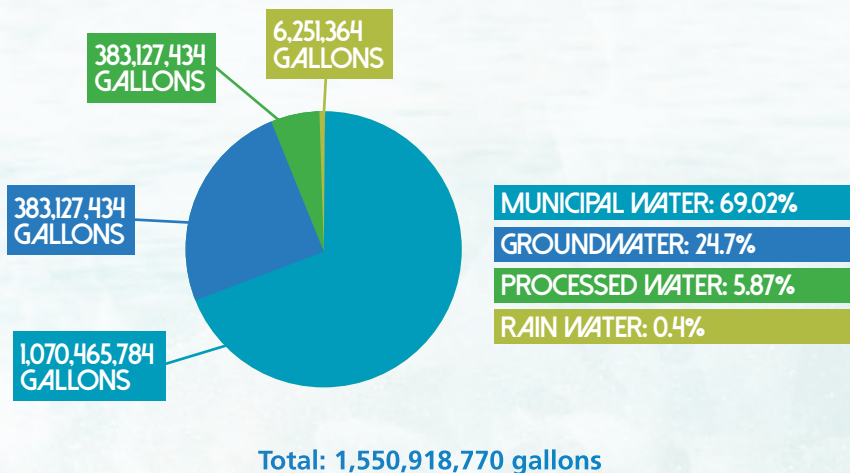
NO DATA

Overall water risk identifies areas with higher exposure to water-related risks and is an aggregated measure of all selected indicators from the Physical Quantity, Quality and Regulatory & Reputational Risk categories.

WATER WITHDRAWAL DATA

Most of the water Lear uses is from municipal sources. When these supplies are not enough, we use water sources such as groundwater. However, we are reducing our use of both of these sources. Lear does not directly use water from lakes or rivers. We use small amounts from processed water such as bottled sources and bulk supplies.

2018 Water Summary

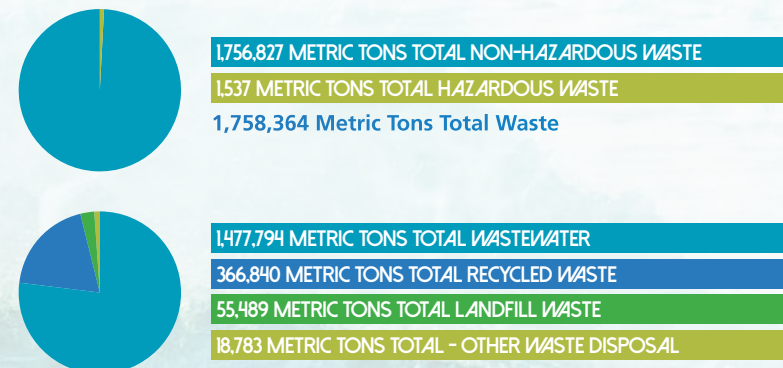


BY-PRODUCT MANAGEMENT

The most environmentally resourceful, economically efficient and cost-effective way to manage waste is not to create it in the first place. Lear's by-product management program is based on the **reuse, reclaim, recycle and redesign** concept. Lear minimizes waste through several programs aimed at:

- Redesigning products and/or changing production processes to prevent the creation of waste
- Tracking and reporting by-product volumes and costs at each facility via a third-party management program
- Rolling out a global Zero Waste to Landfill initiative to encourage recycling, promote composting and eliminate production waste discarded in landfills
- Segregating materials for recycling in production and nonproduction areas

2018 Waste Data



CORPORATE RECOGNITION

Michigan Clean Corporate Citizen Certificate of Recognition

Every year since 2005, Lear's corporate campus has been awarded the Michigan Clean Corporate Citizen Certificate of Recognition. The Clean Corporate Citizen (C3) program honors regulated establishments that have demonstrated environmental stewardship and a strong environmental ethic throughout their operations in Michigan. The voluntary C3 program recognizes performance in environmental management, pollution prevention and environmental compliance.



Michigan Business Pollution Prevention Partnership

Our corporate campus was once again recognized for environmental stewardship through the Michigan Business Pollution Prevention Partnership (MBP3). Developed jointly by the business community and state government, the MBP3 program is managed by the Michigan Department of Environmental Quality's Office of Pollution Prevention and Compliance Assistance. The Partnership promotes cost-effective, innovative techniques that reduce waste. Source reduction is the key to sustainable business along with reuse and recycling efforts.

Clean Industry Certification

The Mexican Federal Environmental Protection Agency (PROFEPA) awards Clean Industry Certification to facilities that demonstrate satisfactory accomplishment of legal requirements for environmental protection. Currently, 92% of Lear's 39 plants in Mexico have achieved Clean Industry Certification.

► Gawad Tugus Award Presented in the Philippines



In addition to earning certifications, our employees are winning awards for protecting the environment. The Lear Philippines Engineering and Technology Center received the Gawad Tugus Award from the Philippines' Department of Environment and Natural Resources for its long-sustained biodiversity projects. Our team's hands-on biodiversity project is helping to preserve the endangered flying fox and cinnamon tree in the southern Cebu rainforest.

ONE PLANET. ONE LEAR.

As part of the human family, we share one planet. It is our responsibility to protect the environment for today's generation as well as generations in the future.

As employees at Lear, we are one family. Working together, we are making a positive impact on the planet. Here are just a few examples.

EARTH DAY, EVERY DAY

GLOBAL

Even a 1% effort can add up to a big environmental impact when we work together. Our corporate-wide 1%, One Planet, One Lear campaign provided valuable tips for simple energy-saving measures. In our plants, employees standardized shut-down processes, employed proactive maintenance, improved distribution of compressed air, and installed lighting timers, occupancy sensors and programmable thermostats. As individuals, employees were encouraged to use the stairs instead of elevators, run monitors on low power, go paperless and turn off lights and equipment when not in use.

GREEN TEAMS

USA

Our first Green Team in Southfield, Michigan, is working to create a culture of sustainability, reduce Lear's environmental footprint, and coordinate environmental and social responsibility projects. Our Global Sustainability Team provided training and guidance to help volunteers create awareness and positively change behaviors. Local projects included food waste awareness campaigns and volunteer opportunities at food pantries. Our cafeterias are offering more environmentally friendly food service items and containers, and employees are optimizing their recycling efforts. Lear plans to begin a global rollout of Green Teams throughout the company, formalizing efforts already taking place across the globe.

BIKING TO WORK REDUCES EMISSIONS

CZECH REPUBLIC

Team members in Vyskov walk and bike to work to help reduce emissions in their city and promote healthy lifestyles. In addition to servicing bicycles for free, the company presented awards to the employees and teams who chose a zero-emissions commute. Lear's efforts won an award for the company as well: first place in the Best Cycles Employer for the Brno area. Together, Lear employees logged 10,188 km by biking and walking to work, eliminating 1,314 kg of CO2 emissions.

ENVIRONMENTAL PROTECTION THROUGH REFORESTATION

PHILIPPINES

For the third consecutive year, employees from our Lapu-Lapu and Gabriela plants and our Central Office volunteered to plant 2,500 mangrove seedpods. Consistent with Lear's commitment to protecting forests, the effort helps sustain the area's biodiversity and supports the livelihood of some local farmers who harvest the seedpods from mature mangrove plants. After planting, the volunteers cleaned the area by picking up plastic waste and debris brought in by the tides. Employees also helped replant 2,500 seedlings of native fruit-bearing trees in a watershed forest reserve. The seedlings were purchased from local foresters, providing them with income as a positive incentive to prevent destructive activities such as logging and charcoal production.

SMART WASTE SOLUTIONS

RUSSIA

In Nizhny Novgorod, employees collected cardboard, plastic foils and fabric material residuals to reduce the environmental impact of their operation. More than 100 tons of these materials, previously destined for landfills, are now recycled.

CLEANING UP THE WORLD

BRAZIL

Employees from our facility in Navegantes joined the Cleaning Up The World project, coordinated by the Municipal Foundation of Environment. About 50 volunteers and their families cleaned the beach and sidewalks in the city's central square. More than 1,460 kg of electronic materials, plastic, cardboard, tires, glass and various metals were collected and separated between recyclables and non-recyclables.

"We believe that the actions practiced today will be a reflection of tomorrow, so we must stop being spectators and make a difference."

Eric Luã Gomes Passos
EHS Technician

"LET'S DO IT, ROMANIA!" ENVIRONMENTAL ACTION ROMANIA

Lear employees and family members from our Pitesti and Campulung plants joined the "Let's Do It, Romania!" country-wide environmental action day, helping to collect more than 200 kg (440 pounds) of debris and waste. Our Iasi plant also dedicated three hours to clean up a wooded area, filling about 200 trash bags with garbage weighing about 2,000 kg (4,400 pounds).

more examples of how Lear is
making an impact around the world.

ECONOMIC PROSPERITY

GREEN TECHNOLOGY HELPS DRIVE ECONOMIC PROSPERITY

A Win-Win Strategy

Protecting the environment and achieving economic prosperity are not mutually exclusive. We can have both. Lear proves it every day.

Using recycled raw materials, implementing lean manufacturing practices, and saving water and energy not only help conserve our environment but reduce costs and improve profitability. That's good for the environment **and** for business.

Running a successful company also provides jobs for our employees and offers economic benefits for the people living in the communities where we do business. That's good for all of us.

Aligning business growth with environmental stewardship is a win-win strategy. And we have a track record to prove it.

Our Track Record of Responsible Economic Prosperity

Lear is ranked #147 in the Fortune 500. We design, engineer and manufacture world-class automotive seating and electrical distribution system products for more than 400 nameplates built by every major automaker in the world. Our success provides 161,000 employees around the world with income to support their families and drive prosperity in their local communities.

Lear operates through two business segments:

- E-Systems
- Seating

► Lear's facilities provide the foundation for our economic prosperity.

261
Facilities

2
Businesses

Products for

400+

39
Countries

Vehicle nameplates for every
major automaker in the world

161,000+
Employees globally

LIV

Lear Innovation Ventures (LIV) is accelerating the pace of innovation and collaboration around autonomous, connected, electrified and shared mobility trends.

Started in 2018 and announced in January 2019, LIV is investing in advanced development teams, partnerships and early-stage technologies by working with venture capital firms, accelerators and incubators.



LEAR INNOVATION VENTURES

E-SYSTEMS

Products

Electrification and connectivity are two megatrends driving the future of mobility. E-Systems is a global leader in developing complete electrical distribution systems for the automotive industry.

We integrate industry-leading electrical distribution systems, software, electronics, cyber security expertise and precise vehicle positioning for more electrified and connected vehicles. Our electrical distribution systems include wire harnesses, terminals, connectors and power distribution boxes, designed to reduce weight, complexity and total system cost. Our advanced power management solutions for highly-electrified vehicles also allow vastly more efficient mobility.

Learn more about our

Wireless Charging... for Your Car

Automakers must meet stringent fuel economy and emissions standards. Consumers are seeking environmentally responsible, high-value transportation choices. As a result, hybrid, plug-in hybrid and electric vehicles are gaining interest.

Easy charging solutions help speed consumer acceptance of electric vehicles. With Lear's innovative wireless charging systems, there's no need to plug in. Just park the vehicle over a charging pad. Charging efficiency can be over 90%, helping the adoption of electric vehicles take a significant step forward.

Green Technology

Lear has developed a roadmap to find and use alternative materials in our products. What had once been considered waste is now becoming raw material. In some cases, creative use of natural materials is providing better benefits than traditional sources. As shown below, we are continually searching for new methods and materials to meet our future sustainability goals.

ALTERNATIVE MATERIALS FUTURE ROADMAP



► Using Nylon Fabric Waste for Harness Coverings

We use nylon fabric waste from our Guilford Performance Textile division to make a fabric-based covering with a hook and loop closure for a specific family of wire harnesses. The fabric solution reduces noise, resists abrasion and can be used multiple times. Introduced in 2018, we plan to use the solution in other applications.

► Making Plastic from Wood-based Bio Waste

Lear is using wood fiber generated from tree waste and wood shavings as a filler in a polypropylene plastic, replacing synthetic fillers like talc and glass fiber. The bio-filler is lighter, resists chemicals and mold, offers greater impact strength, and, in many cases, costs less than chemical fillers. Using the new plastic, we have designed four prototypes for fuse boxes and covers for several car lines in North America and Asia.

SEATING

Products

Lear is the world's most fully integrated manufacturer of the entire seat, including textiles, leather, foam, structures and mechanisms. We work with every major automaker around the world, supplying completed seats for programs ranging from the highest-volume platforms to specialty applications and for every segment from small cars to full-size sport utility vehicles.



Complete Seat System

Structures



Surface Materials



SoyFoam™ Drives Sustainability

Our first-to-market, award-winning SoyFoam technology uses U.S. sourced raw materials derived from soybean oil instead of petroleum. In production since 2007, SoyFoam reduces carbon use a net 5.5 kg for each kilogram used, creates four times less smog and requires 60% less conversion energy to produce. The 100% renewable resource is available globally and is more cost-stable than petroleum.

For more than 10 years, Lear has established a continuous partnership with the United Soybean Board (USB) to help develop and incorporate soy-based renewable materials into our products. Lear continues to research and improve the use of soy-based materials in our products on a global scale.

- ▶ In 2018, **1.3 million pounds** of soy-based materials were used in manufacturing SoyFoam (U.S. sourced).
- ▶ CO2 use has been reduced by over **20 million kg** in the last 5 years of SoyFoam implementation.
- ▶ Lear celebrated the 10-year production anniversary of the first SoyFoam automotive seat in 2017.
- ▶ In the past 10 years, Lear reduced volatile and semi-volatile organic compounds by **50%**.

Learn more about our

VOCS DECREASED 50%

Lear has achieved 50% reductions in volatile and semi-volatile organic compounds (VOCs and SVOCs) emissions through in-house formulations. To decrease emissions, we have worked with our suppliers to implement the latest technologies, including cleaner polyols and isocyanates, reactive catalysts and surfactants, and aldehyde scavengers. Lear has dedicated substantial resources to further our ability to analyze and develop lower-emission materials.

Reducing Waste

At our soft trim plants, environmental stewardship is part of our business model. Our Alfreton, United Kingdom facility has achieved zero-solids-to-landfill performance since 2016. All waste is either recycled, repurposed or sold for alternate uses. Our Kenansville, North Carolina facility has plans to achieve this same level of performance in 2019. In China, our new facility has been built with conservation in mind, using 25% less water through internal recycling.

In our leather plants, all of our coatings are water based, greatly reducing VOC emissions from our facilities. Nearly 80% of our finishing operations employ roll coating which reduces coating waste to approximately 5% compared with the 30% waste of tradition finishing.

In E-Systems, we replaced bubble wrap packing with expendable protection sleeves made from scrap fabric waste generated at trim plants to package wire harnesses. We expect to use 13,750 pounds less plastic bubble wrap per year.

Using Sustainable Materials

Since some customers require up to 25% recycled fiber, we have developed technical and supply chain solutions to build recycled content into all of our soft trim products. Some products can be made exclusively from recycled material, and our natural fiber solutions utilize 100% bio-based/renewable fibers in their design.

Our leather products are more than 85% bio-based. Originating from plant sources such as soybeans, a significant amount of our raw materials is renewable. We also use a number of repurposed materials from the food industry and strive to achieve higher bio-based content.

LIGHTWEIGHT STRUCTURES HELP IMPROVE VEHICLE EFFICIENCY

Seats play an integral role in reducing overall vehicle weight to improve fuel efficiency and, in turn, reduce emissions. Lear partners with OEMs to engineer lightweight structures that deliver performance, safety and functionality.

Weighing an industry-leading 10.9 kg, our Apex Low Mass front seat 8-Way power structure uses less material, which not only improves fuel efficiency but reduces waste that would otherwise end up in landfills. The technology optimizes mass and performance through advanced light-weight materials, minimizes complexity and provides design flexibility to meet various vehicle segment and OEM goals. The Apex Low Mass front seat saves an estimated 610,000 metric tons of indirect GHG emissions per year.

Indirect GHG (CO2) Emission Reductions from Optimization of Seat Weight

Emission Savings Due to Reduction in Steel Savings from Advanced Engineering	Emission Savings from Transportation of Advanced Engineered Seats (Reduced Weight)	Emission Savings with Contributions to Fuel Economy Due to Seat Weight Reductions
Steel Mass Saved (metric tons): 256,500	Steel Mass Saved (metric tons): 256,500	Steel Mass Saved (metric tons): 256,500
CO2 Savings (metric tons): 384,000	CO2 Savings (metric tons): 51,000	CO2 Savings (metric tons): 175,000

**Total Indirect GHG Emission Savings from Optimization of Seat Weight =
610,00 metric tons**

*Savings are projected indirect (Scope 3 Emissions) savings from 2019 model year seat design over 2011 model year seats. Based on approximately: 2 Million SUV/CUV/PU Seats; 3.6 Million 3rd Row Seats; and 6.1 million Sedan Seats
Sources: A2Mac*

MAKING AN IMPACT

Lear's ImpACT brand features a diverse product portfolio of natural, renewable, recycled and zero waste materials for our customers. Through our vertically-integrated business structure, our holistic solutions maximize performance while addressing future environmental needs.

Natural and Renewable Surface Materials

- **Responsible leather** is a natural and renewable resource that is inherently durable and cleanable. A by-product of the meat industry, using leather reduces waste in landfills.
- **Natural tanning** uses up to 100% natural and renewable ingredients from responsibly harvested extracts instead of chromium.
- **Natural plant fiber** is a breathable, moisture absorbent alternative made from renewable content.

Recycled and Zero-waste Solutions

- **Recycled polyester** is derived from post-industrial or post-consumer polyethylene terephthalate (PET) waste, recycled into polymer and spun into yarn. Every pound of recycled yarn conserves 1/2 gallon of fossil fuel.
- **Ocean waste yarn** is a by-product of the fishing industry. About 5.25 trillion pieces of plastic debris pollute the ocean. One pound of gathered ocean waste produces one pound of yarn.
- **3D knitting** minimizes or eliminates conventional trim methods, reducing waste in the cutting process to zero and decreasing polyurethane foam foundation.
- **Trim fasteners** have been converted to recycled plastic in Europe. We are working to implement the technology around the world.
- **Bio-degradable delivery bags** made from potato starch are being investigated as a solution to replace plastic delivery bags.
- **Bio polyols** derived from vegetable oils are being considered as raw materials for rigid seating foam, replacing polyurethane.
- **Suede** to replace the current polyurethane impregnation process could aid in easier end-of-life separation.

Green Design Technologies

- **Comfort coring** optimizes and reduces materials in areas of the seat not contacted by the occupant.
- **Late configure systems** reduce logistics and complexity through a "plug and play" modular approach.
- **Material selection** processes identify alternative materials that deliver the same or better quality during the life of the product but are recycled, reused, renewable or recyclable.
- **Parasitic systems** replace supporting architecture such as heavy harnesses and high-power active cooling systems in favor of more efficient displacement of air and localized cooling for the occupant.
- **End-of-life separation** makes recycling at the end of the product's life easier by reducing or eliminating the need to separate materials. Lear seats are designed to comply with European end-of-life requirements.
- **Sewing smaller seams** reduces seams to 6 mm in non-critical areas to save material.

LEAR'S VIRTUAL PROVING GROUNDS

Lear's Virtual Proving Grounds (LVPG) allows our engineers to optimize electrical designs in the virtual world before building physical parts for testing. Using proprietary algorithms and materials databases developed in-house, our engineers can simulate and accurately predict a system's electrical and mechanical performance.

LVPG enables us to analyze the electrical system from a holistic standpoint to deliver intelligent, optimized solutions that meet our customers' technical objectives much more rapidly than a "build and test" methodology. The process also saves valuable resources.

Learn more about our

- ▶ LVPG development began in 2011 with the creation of an advanced, homegrown computer-aided engineering tool suite for wire harness designs. In early 2013, we began real world parts testing and completed our first OEM pilot program using LVPG assessment that fall. We rolled out LVPG for use on any Lear full service awarded programs in early 2014. To date, LVPG has been utilized with five major OEM customers on more than 20 wire harness projects.

QUALITY

Delivering top-quality products requires attention to detail and constant vigilance. It isn't simply a box to check at the end of production. Quality management permeates our activities throughout the production process. It is how we operate.

Our quality efforts are outlined in the Lear Quality Operating System (QOS). Available to all Lear global associates, our QOS is controlled by the Global Quality Governance Committee and led by the Global Vice Presidents of Quality and the Lear Global Systems Office.

In 2018, Lear received from many of our
customers, including:

- Ford World Excellence Award for Supplier Diversity Development
- Ford Q1 Award for Lear Chennai MWC
- Jaguar Land Rover Outstanding Launch and Quality Award for Lear Changshu
- GM Supplier Quality Excellence Award for Lear Philippines, Saltillo, Valls and Wentzville (6th consecutive award)
- GM Mexico Supplier Excellence Awards (3 awards)
- J.D. Power Seating Awards - Luxury Market (3 awards)
- Hyundai CAOQ Quality Award for Lear South America
- World Class Manufacturing Bronze-Level Award for Lear Caivano
- Volkswagen India Quality Performance Award for Lear India
- Renault-Nissan New Launch Award for Lear India

Our Quality Professionals

Located at every Lear manufacturing facility, our quality professionals are responsible for confirming that our processes, products and team meet Lear's global quality operating standards and procedures, industry compliance standards, governmental compliance and OEM-specific requirements.

To ensure consistency, our quality professionals are trained in the QOS, quality reference data, scorecard metrics, OEM-specific requirements, IATF:TS16949 and industry problem-solving tools. For all new quality associates, we offer a QOS "on-boarding" video with an introduction to all materials in 11 languages.

We also maintain a quality portal available to every team member. It contains all global procedures and process descriptions, our global system policy manual, the Quality Professional's Handbook and the Supplier Quality Handbook. Training modules for both interactive and self-paced training on global quality procedures, supplier quality tracking, quality tools and robust problem solving, product-specific requirements, customer system requirements, warranty tracking and reporting methods, and quality documentation standards are also available.

Potential Product Issue Resolution Process

Our global Potential Product Issue Resolution Process (PPIRP) identifies critical Issues that impact the performance of a saleable product. Anyone with a Lear login can initiate a PPIRP request to resolve or investigate a potential concern. The process ensures appropriate quality and engineering resources are assigned to review and address potential product issues. Comprised of leaders in quality, legal and product engineering, our global product Compliance and Safety Committees manages concerns, communication and data retention.

GLOBAL QUALITY AWARDS FOR CULTURE & PERFORMANCE

At Lear Corporation, we encourage our operational teams to Reach for Greatness and to share Best Practices to achieve operational success. We have two quality awards that we present within both Seating and E-Systems: the Culture of Quality Award and the Performance Metrics Award. The submission for the Culture of Quality Award is a four minute or less video, identifying how and what the plants are doing and have done to instill a strong culture of quality. We focus on employee engagement and empowerment, quality messaging within the operational units, and how the teams are using their collective power to ensure that we meet and exceed customer and industry expectations. The Performance Metric Awards identify those plants that have met and exceeded industry expectations for the quality of the systems and the performance of the products they provide. The Performance Metric Awards are rated based on customer scorecards, process execution and industry compliance audits. It also measures benchmark continuous improvement projects.

Confirming and Auditing Supplier Performance

To confirm and audit supplier performance, Lear follows AIAG Standards. All of our office and global manufacturing sites are industry IATF:16949 certified. The certification process includes our total manufacturing execution controls and processes, as well as Lear's management of Tier II and Tier III suppliers. We work with our suppliers in many ways.

- As part of the annual re-certification process, Lear's product, process and control of purchased materials is reviewed using Purchasing Risk Management Systems and supplier scorecard metrics.
- We meet with our core suppliers each quarter to review their supplier scorecards, quality, innovation, future business opportunities, ESG, sustainability and strategy partnership opportunities.
- Our Central and Regional Supplier Management Teams at Seating and E-Systems 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 at Seating and E-Systems 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 about our [Supplier Quality Management](#) and our [Supplier Quality Management](#)

[View Lear's](#)

PRODUCT SAFETY

Lear is committed to product safety and compliance. We have instituted proactive company-wide processes to comply with every customer, legal and product regulation worldwide.

Lear has a global Potential Product Issue Resolution Process (PPIRP) that is used for critical issues that impact a saleable product in such a way that a critical characteristic may not meet its required performance. It is focused on PRODUCT risk, and anyone with a Lear login can initiate a PPIRP request for resolution or investigation of a potential concern. PPIRP ensures appropriate quality and engineering resources are assigned to review and address potential issues.

Lear has a Global Product Compliance and Safety Committee in each business unit comprised of leaders in quality, legal and product engineering who manage concern escalation, communication and data retention.

Substances of Concern

Our product engineering teams ensure compliance with customer and legal product specifications including Global Automotive Declarable Substance List (GADSL) related material content. When designing new products, our engineers use only accepted materials and eliminate prohibited Substances of Concern (SOC) under applicable laws and regulations.

Chemical Risk Management

Lear uses the International Material Data System (IMDS) to disclose the content of every product and report the analysis of chemical content from the supply chain to our customers. As part of the automotive community, we embrace the GADSL, which monitors restricted substances beyond legal requirements.

Lear's program management teams are responsible for meeting product regulations and material reporting requirements. Each manufacturing plant completes production part approval processes (PPAP) with our customers and requires PPAP submissions from our suppliers, including compliance with IMDS.



SOCIAL RESPONSIBILITY

SOCIAL RESPONSIBILITY

Adopting sustainable development goals, championing human rights and supporting animal welfare form the foundation for our ESG and corporate responsibility efforts. Around the world, Lear employees assist a wide range of charitable organizations, contributing their time, treasure and talents to make the world a better place.

Whether building awareness or volunteering for hands-on projects, we strive to be a leader in ESG and corporate responsibility. Through programs such as Focus on the Drive, One Planet One Lear and Operation GIVE, our team members are working to minimize the impact our business activities and products have on the environment, while maximizing our value everywhere we do business.

SUSTAINABLE DEVELOPMENT GOALS

Lear is committed to partnering with industry and society in implementing sustainable development goals. We recognize the United Nations Global Goals for Sustainable Development. Adopted by all United Nations members in 2015, these 17 goals provide “a shared blueprint for peace and prosperity for people and the planet, now and into the future.” We believe that tackling the problems of economic well-being, education and environmental conservation can spur economic growth.

Our social responsibility efforts are closely aligned with these goals. See [here](#) and [here](#) for examples from around the world.

Learn more at [lear.com/sustainability](#)



UN GLOBAL COMPACT

Lear is considering taking steps to align with and become a signatory to the United Nations Global Compact, an international framework for the largest corporate sustainability initiative in the world. The compact sets universal principles for human rights, labor, anti-corruption and environmental protection. Companies pledge to:

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

More than 12,000 organizations from 160 countries currently participate in the compact.

CONFLICT MINERALS

Lear uses only components made from raw materials that are extracted, transported, traded, processed and exported from validated sources, wherever practical. To ensure the people and environments where we do business are protected—even in places far from our direct supply base—Lear has developed and adopted a

Through this program:

- We require legal and ethical sourcing of materials in our supply chain. Our suppliers are obligated to perform due diligence of their respective supply chains to understand and report the content of the parts they provide to Lear.
- Every year, we disclose the use of conflict materials originating in the Democratic Republic of the Congo and adjoining countries. We also use an active mapping process to ensure that the company is driving toward conflict-free sourcing of all materials used in our products.
- We follow the five-step Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas framework from the Organization for Economic Co-operation and Development (OECD).
- We continually benchmark our efforts through coordination with major car manufacturers and peers via the Automotive Industry Action Group (AIAG), cross-industry collaboration groups and by benchmarking firms, including Tulane University (sponsored by Assent), Development International and the Responsible Sourcing Network. In all cases, Lear compares favorably to peers and the industry in general.

Read our



Lear is an active member of the auto industry Responsible Materials Work Group (AIAG-RMWG) and Responsible Minerals Initiative (RMI) of the Responsible Business Alliance (RBA).



HUMAN RIGHTS & ANIMAL WELFARE

Lear is committed to protecting human rights and supporting animal welfare in our local communities and within our global supply chain.

Championing Human Rights

We uphold the highest standards of ethical behavior and require compliance with all legal requirements. Lear respects and supports the United Nations Universal Declaration of Human Rights, including the right to:

- Diversity, equal opportunity and respect for employees, contractors and supply chain partners
- Dignity and social protection
- Free choice of employment
- Adequate standard of living
- Sufficient and healthy food and water
- Peaceful assembly
- Rest and leisure
- Protection from exploitation, violence and abuse

Learn more about Lear's

and

Five Freedoms for Animals

We expect our extended supply chain to implement industry-best policies and practices for the ethical treatment of animals. Lear believes in the humane treatment of animals, including the:

- Freedom from hunger and thirst
- Freedom from discomfort
- Freedom from pain, injury and disease
- Freedom to express normal behavior
- Freedom from fear and distress

Reporting Concerns



We have established a process for reporting concerns about any potential human rights or animal welfare risks. Employees and our supplier partners can make anonymous reports in their language via a toll-free phone call, email, online website or regular mail. For more information, please visit

COMPLIANCE AND ETHICS

Supporting human rights, expecting respect, avoiding corruption, ensuring data privacy and providing a safe work environment—all of these issues affect our employees every day. To ensure a culture of integrity, we have developed a broad Compliance and Ethics Program.

Oversight

We set the tone from the top. Our Compliance and Ethics Program is managed by the Compliance Department and led by our Chief Compliance Officer (CCO). Each quarter, the CCO reports the type, region and outcome of substantiated claims as well as training completion rates and material compliance-related concerns to the Audit Committee of our Board of Directors.

Policies and Training

Our Code of Conduct and Compliance Policies describe our expectations in detail. New employees are introduced to the program during a thorough onboarding process. Ongoing training and certification campaigns educate employees on key compliance issues and risk areas. Salaried employees complete at least four online training sessions each year.

During due diligence and integration processes, new acquisitions are assessed for compliance risks, policies are implemented, and employees are trained on the details of our program.

Reporting Concerns and Continuous Improvement

Employees are encouraged to report concerns via an online portal, email or phone. To maintain confidentiality, reports may be made anonymously or privately.

Any investigations and recommendations are reviewed during monthly meetings with our CCO and human resources, internal audit and legal departments. Investigations not only resolve any issues but provide opportunities for continuous improvement to ensure that everyone who works at Lear upholds our values.



FOCUS ON THE DRIVE, DISTRACTED DRIVING AWARENESS CAMPAIGN

Every day in the United States, more than 1,000 people are injured, and nine people are killed by a distracted driver. Motor vehicle crashes are the #1 leading cause of death for our children.

Lear is taking a stand against distracted driving, not just for our employees but for everyone who sits behind the wheel, rides as a passenger, or walks or bikes on the road. Stand with us and take the pledge to bring an end to distracted driving at

a dad tell his personal story about distracted driving and learn how it drives our mission.

14,000+ PEOPLE SIGNED THE PLEDGE
AROUND THE WORLD

8 SCHOOLS
SPONSORED

22 TRAINED LEAR
PRESENTERS

70 TOTAL PRESENTATIONS
GIVEN IN 2018

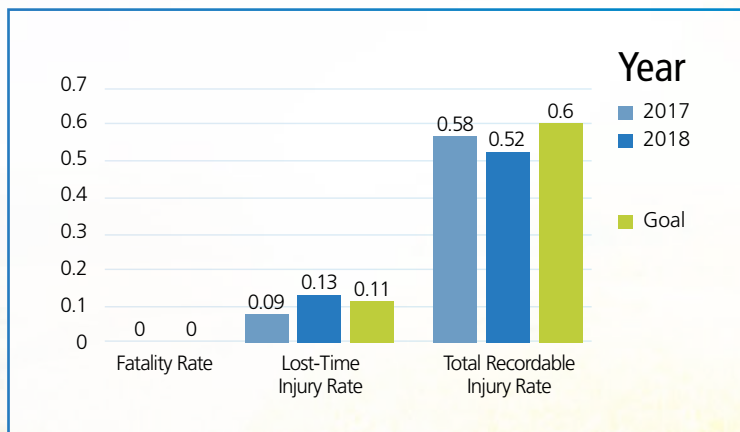
SAFETY

Around the world, our employees follow Lear's global safety standards. Our employees are recognized for achieving safety performance metrics, engaging in safety activities, implementing EHSS directives, developing safety innovations and transferring best practices to other facilities.

Occupational Injury & Illness Rates

Lear reports injury rates for both temporary (contract) and Lear employees.

- The **lost time injury rate** is the number of lost time injuries per 200,000 hours worked. Lear's rate was slightly higher in 2018.
- The **total recordable injury rate** calculates the number of recordable incidents per 100 people. Lear's 2018 rate decreased over 2017.
- Occupational illnesses and diseases are not prevalent within our company.



Note: The LTIR and RIR includes Lear employees and contract employees, which Lear values equally.

- ▶ **96 facilities** had **0 recordable injury/illness cases** in 2018.
- ▶ **30 facilities** achieved **1 million hours** without a recordable injury/illness case in 2018.
- ▶ **157 facilities** had **0 lost time** injury/illness cases in 2018.
- ▶ **65 facilities** achieved **1 million hours** without a lost time injury/illness case in 2018.
- ▶ About **10% of Lear's facilities** are OHSAS 18001 / ISO 45001 certified. Lear is expanding the ISO 45001 Occupational Health and Safety management system to all plants by 2025.

CELEBRATING 10 YEARS WITH NO ACCIDENTS OR INCIDENTS

MEXICO

The 450 employees at Lear's Mexico Trim Operations Villa Ahumada Plant celebrated an outstanding safety record: 10 years with no accidents or registered safety incidents. During the festivities, a safety light representing the amount of days without accidents was revealed as a symbol the plant's safety culture.

EAGLE OTTAWA THAILAND RECEIVES ZERO ACCIDENT AWARD

THAILAND

The Thailand Institute of Occupational Safety and Health presented its Zero Accident Award to Eagle Ottawa Thailand for achieving more than 7 million working hours without an accident. The Zero Accident Campaign requires confirming accident statistics and demonstrating superior occupational health and safety management.

UK SITES WIN ROSPA GOLD AWARDS... AGAIN

UNITED KINGDOM

The Lear UK Coventry plant received its fifth consecutive Royal Society for the Prevention of Accidents (RoSPA) Health and Safety Gold Award. In addition, our Redditch, England and Guilford Europe facilities celebrated their third consecutive Gold Awards. The honor recognizes performance based on 10 key criteria as well as accident, health and enforcement data.

OPERATION GIVE

From senior executives to new team members, Lear employees dedicate themselves to a wide range of charitable service organizations in our global communities. We are proud of our long history of community involvement. Through Operation GIVE, we continue to volunteer, support and give back to causes that benefit society and those in need.

about how Lear is getting involved in communities.

GROW
INVEST
VOLUNTEER
EMPOWER

RAISING FUNDS FOR SURGERY ASSISTANCE AND FIRST AID CENTERS

ROMANIA

When a team member was diagnosed with cancer, our plant in Iasi held an autumn fair to help pay for medical expenses. Some employees cooked seasonal products for auction, while others bought the items and the proceeds were donated to help their co-worker. In addition, about 110 Lear team members—the largest team from a local company—participated in a marathon race to raise funds for the construction of five first aid centers in the city.

"We're proud that the Lear Iasi team knows how to get together for work, fun and a good cause with such great and altruistic goals."

Olga Lefter
Plant Manager

ADOPT-A-BABY PROGRAM

SOUTH AFRICA

Team members in Port Elizabeth, South Africa volunteered to "adopt a baby" through the Twinkle, Twinkle Little Star Care Home. The initiative allows the Lear team to donate items to a specific child who has been abandoned, abused or neglected, or infected with HIV/AIDS or fetal alcohol syndrome. The home's mission is to nurture, love and help develop children's physical, emotional and cognitive abilities and provide a safe environment conducive to health and growth. The plant's team visited the home to personally distribute Lear's donations.

DONATING OFFICE EQUIPMENT FOR TRAINING SCHOOLS

SPAIN

Team members in Valencia donated office equipment, including 15 laptops, printers, desktop computers and monitors, to the Angel Tomás Foundation. The organization supports childcare centers, education, immigration assistance and youth camps. The equipment will be used for the Family and Labor Insertion Program, which offers training and job opportunities for young people.

GROW UP READING, GROW UP LEARNING

ARGENTINA AND BRAZIL

Reading and writing are basic skills all children need. Our team members in Brazil and Argentina personally donate to several programs through their local United Way to provide training for teachers, reading spaces and books. In Brazil, volunteers revitalized three reading spaces, donated 540 books and read to children at three local communities, reaching 700 children. Team members also supported 51 early childhood development workshops benefiting 1,920 children in 13 kindergartens. In Argentina, employees revitalized a lunchroom, supported nutrition and childhood development programs affecting 2,650 children, and aided training and educational programs for 1,324 youth.

SHARING CHRISTMAS CHEER

UNITED KINGDOM

Our team members in Coventry donated nonperishable food to a local food bank, which supports needy families at a local school. Each family received three bags including rice, pasta, cereals, vegetables, coffee and tea, and treats for the holidays. In addition, the team delivered boxes of treats to a local hospital. The staff and nurses were overwhelmed with the generosity of the Lear team and shared the gifts with the visiting siblings who spent Christmas in the children's ward.

ASSISTING FAMILIES IN NEED

MACEDONIA

A local community kitchen received food donated by our team in Tetovo. The kitchen and daycare center feeds about 40 needy families every day. In addition to delivering packages for each family served, our team took the opportunity to visit the center's special needs children who receive daily care.

"We stay firmly committed to our company goals, as professionals as well as human beings, to support the community in which we operate and to actively contribute to its improvement and progress. By giving our special attention to all those in need, we hope that our donations will bring joy and relief."

Irina Tulevska Jovanovska
Human Resources Manager

OUR PEOPLE AND CULTURE

OUR PEOPLE AND CULTURE

At Lear, we are a family, unified in our shared values and goals. Our culture is built on several concepts confirmed in our day-to-day efforts. We are One Lear working to achieve mutual goals because Together We Win.

Numerous programs support this philosophy, from diversity and inclusion to leadership development and education. All are based on our core values of respect and integrity. To ensure our culture actively demonstrates these values, we continuously engage our team members, asking them to help drive positive change in all of Lear's locations around the world.

Our [Code of Ethics](#) covers compliance with laws and regulations, conflicts of interest, gifts and entertainment, political contributions, insider trading, competition and antitrust, exporting and prohibited transactions, confidential and proprietary information, protection of company assets, accurate business and financial records, environmental health and safety, diversity, equal opportunity and respect, compliance monitoring and reporting concerns.

Our [EHS Policy](#) describes how our EHS initiatives, continuous improvement, [Lean](#) mentality and performance management systems work together to deliver world class EHS and operational excellence, reduce our environmental impact on the planet, decrease injuries, eliminate hazards, provide a healthy work environment and meet our overall sustainability targets.

EMPLOYEE ENGAGEMENT

One Lear: Together We Win

Lear's future success will be driven by the collective power of our people. We will only achieve the next level of excellence by working together as One Lear.

Together We Win (TWW) is a global employee engagement program focused on driving cultural change in our operations. The initiative is built around four key elements:

- Leadership
- Work Environment
- Employee Involvement
- Teaming

Together We Win unites 161,000 employees across the globe in achieving excellence based on key operations and employee engagement metrics such as quality, employee absenteeism, health and safety performance, and operational efficiency.

- We've created a playbook as a tool to help leaders around the world take a One Lear approach to creating a Together We Win culture.

The Road to a "Together We Win" Culture



GLOBAL ENGAGEMENT SURVEYS

In 2016, Lear investigated how to establish a robust and ongoing survey process to assess employee engagement. This kicked-off in 2017 with North American Just-In-Time (JIT) plants and soon launched globally in 12 different languages in 2018.

Since its inception, the standard and globally introduced survey has obtained feedback from more than 94,000 employees in 139 locations in 20 countries. Our goal is to deploy 65 additional surveys before the end of 2019.

Our survey evaluates:

- Relationships between employees and leadership
- Employee recognition
- Retention
- Health and safety
- Motivation
- Respect in the workplace

SharePoint is our employee engagement “hub.” The online tool helps our global team members share feedback and photos, collaborate on projects and track their progress. Any plant can use the site to request a pulse survey, prepare and launch the questionnaire, analyze results, drive change through the tool’s playbook, develop an action plan and assign tasks to team members, and track the plant’s status in the scorekeeper.

Over 50% of the plants we have surveyed for TWW have started their road to a “Together We Win” culture by implementing the , a Lear-curated standard approach to training and transforming plant culture. Plays include hosting ergonomics awareness trainings, team leader talks, and implementing lunch and learns. Most of these plants take their cultural transformations a step further by hosting post-survey focus groups with their employees and developing a custom action plan to address some of the feedback collected. For example, the Iasi trim plant in Romania has fully implemented a calendar of community services as part of their action plan.

Engagement Survey Distribution Worldwide



NORTH AMERICA: 42%

EUROPE: 28%

ASIA: 24%

SOUTH AMERICA: 6%

20
Countries

139
Locations

94,000
Employees

- **51%** of the plants we have surveyed for TWW have started their road to a “Together We Win” culture!

LABOR

At Lear, we believe the best way to deliver the highest quality products and services is to create and maintain a work environment that fosters collaboration, interaction, tolerance and respect. The foundation of our strong work environment is a belief in championing human rights and fair labor principles throughout our global organization.

Child and Forced Labor

In accordance with our Global Labor Standards, we do not employ children under the legal age in any location. Lear does not use forced or involuntary labor of any kind or tolerate physically abusive disciplinary practices. In addition, our global purchasing terms and conditions prohibit our suppliers and their subcontractors from using any type of child or forced labor or engaging in abusive or corrupt business practices in all regions where we have operations.

Harassment and Discrimination

We are committed to providing all employees with a professional working environment, free from unlawful discrimination and harassment. We provide equal opportunity in all aspects of employment, striving to make employment decisions based on the facts and individual merit. As described in our [Global Labor Standards](#) and [Code of Ethics](#), we will not tolerate discrimination or harassment of any kind.

Freedom of Association

It is Lear's [policy](#) not to interfere with our employees' right to freedom of association. In accordance with international labor standards, Lear does not tolerate any harassment or discrimination against workers, worker representatives or trade union members because of their interest, membership or affiliation with a trade union or legitimate trade union activity. Employees have the right to choose to affiliate or not to affiliate with legally-sanctioned organizations without unlawful interference. Where trade unions are present, Lear's policy is to deal with them fairly and conduct negotiations in a purposeful and non-adversarial manner. As noted in our [Global Labor Standards](#), we expect our suppliers to respect their employees' right to freedom of association.

Corrupt Business Practices

We are committed to conducting business ethically throughout the world. Lear prohibits giving or promising to give anything of value to employees or representatives of foreign governments or governmental agencies, political parties, political candidates or customers to obtain or retain business.

Health and Safety

Lear provides and maintains a safe and healthy work environment for all employees. We meet or exceed applicable local standards for occupational safety and health. Learn more in our [Global Labor Standards](#).

LABOR BENEFITS

We value our team members and strive to create a supportive culture for them and their families. In today's hectic world, balancing work and family can be difficult. Lear offers creative ways to help our team members achieve a work/life balance. These opportunities vary by location, depending on what makes sense culturally and competitively. Here are a few examples:

- Maternal and parental leave
- Flexible operating hours
- 16 – 18 holidays per year, following our major customers' work schedule which includes a very generous break at Christmas
- Paid vacation for all Lear employees globally

In our bargained and non-bargained locations, Lear may also provide:

- Free Employee Assistance Programs (EAP) which help with numerous personal and family issues including relationship and family conflicts, substance abuse, grief and loss, and mental health. The EAP also supports employees with information and resources to meet work/life needs such as finding childcare or elder care, home searches, college planning for dependents, vehicle purchases and home repairs. Dependent Care Flexible Spending Accounts help support families with childcare costs in the USA.
- Time off with pay to volunteer and support charitable initiatives
- 16 – 18 holidays per year, following our major customers' work schedule which includes a very generous break at Christmas
- Vacation provided in the first year of employment and progressing up to four weeks per year
- Extremely fair absenteeism policies supported by the local work team to alleviate unplanned or emergency time off
- Rewards for perfect attendance
- Overtime pay
- Wellness campaigns to support employee health
- Childcare at some locations
- Adoption services
- Banking
- Dry cleaning
- Transportation to and from work at some locations

Lear Thailand Receives Third Consecutive Labor Relations Award

Lear's Korat plant received the national-level Excellent Establishment on Labor Relations and Welfare 2018 Award from Thailand's Department of Labor Protection and Welfare. The award is presented to companies with excellent practices in labor relations and welfare that promote value and quality in working lives. This is the third consecutive year the Korat plant has been honored with this award.

Lear Poland Certified as a Top Employer

Lear Poland joined an elite group of Poland's best employers recognized by the Top Employers Institute, an international institution that comprehensively analyzes an employer's human resources environment. To earn certification, our plant established a workplace dedicated to developing and fulfilling employee needs based on nine topics ranging from onboarding and performance management to learning and leadership development.

DIVERSITY & INCLUSION

Lear's leading role as a global innovator in automotive seating and electrical distribution systems encompasses more than products and processes. Our people drive our success.

With 161,000 employees around the world, we are a diverse group. We value diversity and inclusion (D&I) because it makes Lear a better company. When each of us contributes our abilities and varied viewpoints, all of us benefit from growing together and developing a better understanding of our complex world. Diversity in the workforce entails valuing dimensions of gender, race, ethnicity, sexual orientation, culture, national origin, skills, age, education, military service and general life experiences.

A key element of our company's vision is being recognized as an employer of choice. We seek to recruit, hire and retain the best from every background and community around the world, ensuring we have the best talent available to maintain our competitive edge.

We also recognize that integrity and respect provide a cornerstone for all that we do. We expect both from our workforce and business partners.

Learn more about [Diversity & Inclusion](#) at Lear.

- Over one third of our Board of Directors is comprised of women or minorities.

D&I Ownership

To make a meaningful and lasting impact, we believe our D&I efforts should begin with leadership and apply globally throughout the entire organization.

- Our Board of Directors reviews a pay equity analysis and reviews D&I key performance indicators annually. In addition, diverse candidate target slates are set within Lear's talent acquisition strategy and updated annually.
- Our chief diversity officer (CDO) is responsible for leading our D&I efforts, which are reviewed with our senior vice president of human resources bi-weekly and our CEO every month.
- Our human resources, community relations and supplier diversity departments collaborate with our CDO to coordinate efforts across functions. The team drives events, community support, training and programs to attract, retain, develop and promote diverse talent.

Minority Engagement

In our corporate office and U.S. plants, Lear works with several organizations to help fill our pipeline with diverse talent, including the:

- National Society of Black Engineers (NSBE)
- National Black MBA Association (NBMBA)
- Women of Color Conference
- Society of Women Engineers

We also support these groups through internships, externships, conference participation and sponsorships.

LEADERSHIP DEVELOPMENT

D&I is a strategic imperative and a key element of our core values at Lear. To emphasize its importance, Lear includes diversity in the leadership model behaviors used to evaluate all employees every year. For example, employees are expected to:

- Lead with integrity, as One Lear, Getting the Right Results the Right Way based on 18 leadership attributes
- Create diverse teams and encourage diversity of thought
- Use Leadership Report Cards to evaluate how leaders Lead the Business, Lead Others, and Lead the Future with emphasis on supporting a diverse and inclusive culture
- Value differences and leverage individual strengths and diverse perspectives to find the best solutions

Lear also embeds D&I in our global leadership training programs, including:

-
-
-
-

Employee Resource Groups (ERG)

Our team members are welcome to join several employee-led groups made up of individuals who share common interests, backgrounds or demographic factors such as gender, race or age. These Employee Resource Groups (ERG) give team members the opportunity to be heard, valued and engaged in driving the company's success.

- **Global Resources & Opportunities for Women (GROW)** is committed to attracting, retaining, and growing female talent at Lear by promoting the positive visibility of women through community impact, an inclusive work environment and an Expect Respect culture. With over 20 global chapters, GROW has been instrumental in establishing many programs such as on-site drug addiction and domestic violence counseling for female employees and medical care for pregnant women in Mexico, and mentoring and assistance for future moms and dads in South America.
- **Lear Young Professionals (LYP)** is dedicated to helping all young professionals develop professionally and personally. LYP provides networking opportunities within Lear and the surrounding community, and support for on-boarding, engaging, developing and retaining young professionals.
- **Lear African Ancestry Network (LAAN)** helps attract, retain and develop Lear employees of African descent to support an inclusive work environment. LAAN highlights recruiting, support and volunteer service to drive community impact and awareness among African Ancestry populations. LAAN was established in 2019.
- **Lear Indian Origin Network (LION)** seeks to attract, retain and grow professionals of Indian origin to drive an inclusive work environment for the success of the Lear business. LION members aim to engage in outreach events and make a positive impact on all the communities around Lear. LION was established in 2019.

EMBRACING DIVERSITY

LGBTQ Support

Lear has earned a 100% score on the Human Rights Campaign's Corporate Equality Index in 2017 and 2018. We support the lesbian, gay, bisexual, transgender and queer (LGBTQ) community as a corporate member of the Detroit Regional LGBT Chamber of Commerce, corporate sponsor of the Ruth Ellis Center and community partner for the 2018 GLAAD Campus Ambassador Program. Through our U.S. benefit program, we also offer same-sex spousal and partner benefits, transgender-inclusive benefits and adoption benefits.

Lear Named Best Place to Work for LGBTQ Equality, Scores 100% on Corporate Equality Index

Lear was named one of the Best Places to Work for LGBTQ Equality by the Human Rights Campaign (HRC) Foundation, receiving a perfect 100% rating for workplace equality on the 2018 Corporate Equality Index (CEI). This is Lear's second consecutive perfect score, and we were the only Tier-1 automotive supplier to receive a perfect score on the latest CEI. The annual CEI survey benchmarks U.S. companies' inclusive policies, practices and benefits for LGBT employees.

"Demonstrating that Lear truly values diversity and inclusion has been a critical priority for senior leadership," said Shari Burgess, Lear's Vice President, and Treasurer. "Being recognized by the HRC shows that we continue to emphasize our dedicated efforts as an employer of first choice."

Supplier Diversity

Our D&I efforts also extend to our suppliers and the local community. Lear is a corporate member of more than 10 diversity partnerships including the National Minority Supplier Development Council (NMSDC), Michigan Minority Supplier Development Council (MMSDC), Women's Business Enterprise National Council, and Gay and Lesbian Chamber of Commerce. No potential supplier is precluded from consideration on the basis of race, color, religion, sex, age or national origin. Suppliers are expected to understand and comply with Lear's

- ▶ Lear has been a member of the Billion Dollar Roundtable since 2016, spending **\$4.3 billion** with minority-, women- and veteran-owned suppliers in last five years.

Learn more about Lear's

Expect Respect

At Lear, we expect all employees and supplier partners to respect each other. Our global Expect Respect campaign promotes our anti-harassment, nondiscrimination and zero-tolerance for retaliation policies as well as complaint reporting resources. The campaign provides salaried online training plus global toolkits for plant training with hourly employees.

LEADERSHIP PROGRAMS

Lear provides a number of development programs and opportunities to help leaders at all levels of the organization build their strengths and grow. These programs are based on the three aspects of our Leadership Model.

- **One Lear Mindset**

By expanding our focus from local facilities to the global organization, One Lear encourages employees to proactively communicate, collaborate, build relationships, create diverse teams and give back to communities across the world. Created in partnership with the Arbinger Institute, a leadership workshop is offered to team members at all levels of the organization to promote diversity and community service.

- **Get Results the Right Way**

There are many ways to get results. At Lear, we get results the right way: by working as a team, understanding our customers' needs, showing respect, empowering others, making sound and timely decisions, focusing on long-term goals instead of short-term gains, and investing in our talent for the future. Through continuous improvement, we are constantly working to achieve operational excellence.

- **Lead with Integrity**

As a core value, integrity drives us to do the right thing, deliver what we promise to our customers and own our decisions and results. Solid leaders are also humble, confident and actively recognize other team members for their contributions. They can disagree without being disagreeable.

Emerging Leaders Development Program

Our Emerging Leaders Development Program is a 12-month leadership and business course designed to develop high-potential managers and directors. Each quarter, candidates are trained in tools and competencies designed to fuel success. To maximize learning and optimize our investment, leaders teach leaders at monthly lunch and learn sessions hosted by key executives who present topics such as leadership, career pathing, lessons learned and business updates. Candidates then share key lessons to their own teams, allowing them to master concepts and practice skills.

CEO Academy

Lear's CEO Academy is our premier leadership development opportunity. Twice each year, a select group of nine leaders representing diverse functions and backgrounds are invited to participate in a week-long leadership immersion event with our CEO. Assigned pre-work in preparation for the academy, each participant must present a bold business idea to help drive Lear's success. Participants build relationships, gain exposure, get feedback and expand their perspectives while taking advantage of the opportunity to significantly impact the business.

LEADERSHIP ASSESSMENTS

We believe great leaders create great cultures, great cultures attract and retain the best talent, and the best talent wins in the marketplace. That is why increasing the number of leaders who Get Results the Right Way is a central focus at Lear. We want all employees at Lear to work with a great leader. Lear evaluates the strength of our leadership through a variety of processes.

Leadership Report Card

Our annual Leadership Report Card assesses each leader based on specific behaviors needed to execute our business strategy. Conducted by a selection of the leader's peers and their direct reports, the report card measures three aspects of leadership:

- **Leads the Business**
Leaders are focused on driving One Lear results. Missions, goals and priorities are communicated in a simple, clear and concise manner to all levels of the organization to achieve a Together We Win culture. A strategic view of priorities and problems ensure effective and efficient plans are in place to drive optimal outcomes for the organization.
- **Leads Others**
Teamwork, rather than individual talent, is paramount. Breaking down silos to promote mutually supportive efforts accomplishes our overall mission and achieves success for the organization. Focused on Getting Results the Right Way, leaders treat people as people, ensuring we are helpful to our teams and peers as we go about our work.
- **Leads the Future**
Leaders build and maintain open and collaborative work environments where debate is encouraged. Constantly pursuing progress and big thinking, teams work together to find creative solutions through new technologies, ideas or ways of working. Individual strengths and differences are leveraged to produce improved outcomes.

Leadership Reviews

Annual Leadership Reviews evaluate our talent to ensure that the right people are in the right roles to drive organizational effectiveness. Succession plans are created to develop our bench talent. High potential and critical employees are highlighted to increase exposure, explore potential next moves and ensure each is challenged and recognized appropriately. Talent actions and organizational changes are proposed to drive strategic objectives and corporate goals.

PERFORMANCE MANAGEMENT & EDUCATIONAL PROGRAMS

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

Talking Points

Talking Points are quarterly conversations between employees and their managers. They provide an opportunity for a meaningful dialogue about results, priorities and career development. This review process is completely separate from compensation decisions and focuses on real feedback about results, growth and development.

Scorecards

Scorecards are a key element of performance management at Lear. This cascading process ensures a clear set of strategic priorities are set and communicated across the organization. By allowing teams to fully align to key priorities, everyone understands the key outcomes and metrics for their role and how they contribute to the strategy.

Educational Programs

Lear Corporation is committed to investing in the growth and education of our team members. We offer tuition reimbursement and apprenticeship programs across the globe. Lear has established a corporate policy, and each of our locations have plant policies. Lear is proud of these programs and the upward mobility they provide to our employees. Many of our hourly employees have progressed from the shop floor to positions of leadership, including plant manager.

KLAUS RAHM MEMORIAL SCHOLARSHIP

Lear awards the Klaus Rahm Memorial Scholarship to select employees based on their performance, dedication and leadership potential. The scholarship provides the opportunity for nominated employees to attend the Eli Broad College of Business MBA program at Michigan State University with Lear's financial assistance. It is a great honor to participate in this prestigious program.

The scholarship was created and named in honor of Klaus Rahm, a former Lear executive who passed away in 2003. Klaus demonstrated perseverance while attending the MBA program, made even more challenging since English was not his native language. His commitment to excellence paid off. Not only did Klaus complete the program, but he graduated at the very top of his class. Klaus was a dedicated Lear employee for over ten years, serving as Plant Manager, Platform Director and Director of Quality. He was a role model who led with courage and determination, inspiring all those who knew him. Lear is proud to offer this scholarship in his memory.

ABOUT THIS REPORT

The environmental data for this report covers the fiscal period from January 1 to December 31, 2018, for global Lear Corporation activities. Lear Corporation is a publicly-traded Fortune 500 company registered in Delaware and headquartered in Southfield, Michigan. Lear Corporation is a leading Tier 1 supplier to the global automotive industry. We supply seating, electrical distribution systems and electronic modules, as well as related sub-systems, components and software, to all the world's major automotive manufacturers. We have 261 manufacturing, engineering and administrative locations in 39 countries and are continuing to grow our business in all automotive producing regions of the world, both organically and through complementary acquisitions. In 2018, we acquired Israel-based EXO Technologies, a leading developer of differentiated GPS technology.

The data presented in this report covers all manufacturing and production facilities within Lear's operational control for calendar year 2018. The Lear Sustainability Report was written in accordance with the Core Requirements of the Reporting Guidelines of the GRI Standards, including economic, environmental and social governance topics that impact our stakeholders. Please refer to our GRI Content Index on pages 66-69 for an overview of our GRI alignment and complying report content.

The majority of 2017 and 2018 environmental data and metrics have been reviewed by an external partner in preparation for a formal third-party assurance process, however, this report has not been externally assured. We currently plan to report our environmental sustainability data in 2020. Restatements of previously reported information are indicated where necessary throughout the report.

We expect to update this report annually. However, we undertake no obligation to update any statements herein to reflect later developments. This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words "will," "may," "designed to," "outlook," "believes," "should," "anticipates," "plans," "expects," "intends," "estimates," "forecasts" and similar expressions identify certain of these forward-looking statements. The Company also may provide forward-looking statements in oral statements or other written materials released to the public. All statements contained or incorporated in this press release or in any other public statements that address operating performance, events or developments that the Company expects or anticipates may occur in the future are forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements are discussed in Lear's Annual Report on Form 10-K for the year ended December 31, 2018, and its other Securities and Exchange Commission filings.

Published date of previous report: 2017 (2018 CSR Supplement).

For questions, please contact Jack Nunes at jnunes@lear.com.



GRI CONTENT INDEX

GRI Disclosure Number	GRI Disclosure Title	UN SDG Alignment	Page Number and/or Hyperlink	Additional Information
GENERAL DISCLOSURES				
102-01	Name of the organization		Page 65	
102-02	Activities, brands, products, and services		Page 65, Lear Corporation	
102-03	Location of headquarters		Pages 6, 65	
102-04	Location of operations		Pages 6, 65	
102-05	Ownership and legal form		Page 65	
102-06	Markets served		Pages 6, 65	
102-07	Scale of the organization		Pages 6, 65	
102-08	Information on employees and other workers	SDG 8	Pages 56, 57	
102-09	Supply chain		Page 11, Supplier Sustainability	
102-10	Significant changes to the organization and its supply chain		Page 11, Supplier Sustainability	
102-11	Precautionary Principle or approach		Pages 14-26, 34, Environmental Approach	
102-12	External initiatives		Pages 12, 41-43	
102-13	Membership of associations		Page 12	
102-14	Statement from senior decision-maker		Page 4	
102-16	Values, principles, standards, and norms of behavior	SDG 16	Pages 8, 40, 53, Lear Core Values	
102-18	Governance structure		Page 9	
102-40	List of stakeholder groups		Referenced throughout report	
102-41	Collective bargaining agreements	SDG 8	Pages 11, 56	
102-42	Identifying and selecting stakeholders		Page 5	
102-43	Approach to stakeholder engagement		Referenced throughout report	
102-44	Key topics and concerns raised		Page 5	
102-45	Entities included in the consolidated financial statements		Page 65, 2018 Lear Corporation Form 10-K	
102-46	Defining report content and topic Boundaries		Page 65, 2018 Lear Corporation Form 10-K	
102-47	List of material topics		Page 5	
102-48	Restatements of information		Page 65	

GRI CONTENT INDEX

GRI Disclosure Number	GRI Disclosure Title	UN SDG Alignment	Page Number and/or Hyperlink	Additional Information
GENERAL DISCLOSURES				
102-49	Changes in reporting		Page 65	
102-50	Reporting period		Page 65	
102-51	Date of most recent report		Page 65	
102-52	Reporting cycle		Pages 5, 65	
102-53	Contact point for questions regarding the report		Page 65	
102-54	Claims of reporting in accordance with the GRI Standards		Pages 5, 65	
102-55	GRI Content Index		Pages 66, 67, 68, 69	
102-56	External Assurance		Pages 5, 65	
MANAGEMENT APPROACH				
103-01	Explanation of the material topic and its Boundary		Page 5	
103-02	The management approach and its components		-	We detail our management approaches throughout the report.
103-03	Evaluation of the management approach		Page 5	
ECONOMIC PERFORMANCE				
201-03	Defined benefit plan obligations and other retirement plans		Page 57	
PROCUREMENT PRACTICES				
204-01	Proportion of spending on local suppliers	SDG 12	-	We do not currently publicly report metrics related to our spending on local suppliers due to the confidential nature of these values.
ANTI-CORRUPTION				
205-02	Communication and training about anti-corruption policies and procedures	SDG 16	Page 45	
ANTI-COMPETITIVE BEHAVIOR				
206-01	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	SDG 16	Page 56, Code of Business Conduct and Ethics	
ENERGY				
302-01	Energy consumption within the organization	SDG 7, 8, 12, 13	Page 16	
302-03	Energy intensity	SDG 7, 8, 12, 13	Page 17	
302-04	Reduction of energy consumption	SDG 7, 8, 12, 13	Pages 15, 16	

GRI CONTENT INDEX

GRI Disclosure Number	GRI Disclosure Title	UN SDG Alignment	Page Number and/or Hyperlink	Additional Information
WATER AND EFFLUENTS				
303-02	Management of water discharge-related impacts	SDG 6	Page 20	
303-03	Water withdrawal	SDG 6, 8, 12	Page 21	
303-04	Water discharge		Page 21	
303-05	Water consumption		-	Water consumption is minimal within our organization and is limited to consumption by our employees within our direct operations. Due to the de minimis nature within our organization, associated metrics have been omitted from this report.
EMISSIONS				
305-01	Direct (Scope 1) GHG emissions	SDG 3, 12, 13, 14, 15	Page 19	
305-02	Energy indirect (Scope 2) GHG emissions	SDG 3, 12, 13, 14, 15	Page 19	
305-04	GHG emissions intensity	SDG 13, 14, 15	Page 18	
305-05	Reduction of GHG emissions	SDG 13, 14, 15	Page 18	
305-06	Emissions of ozone-depleting substances (ODS)	SDG 3, 12, 13, 14, 15	Page 32	
EFFLUENTS AND WASTE				
306-02	Waste by type and disposal method	SDG 3, 6, 12	Page 21	Please note: Historical waste data was corrected in 2018 to account for an updated calculation methodology, hence the decrease in total reported waste compared to the previous report.
306-03	Significant spills	SDG 3, 6, 12, 14, 15	Page 14	
ENVIRONMENTAL COMPLIANCE				
307-01	Non-compliance with environmental laws and regulations	SDG 16	Page 45	There were no environmental non-compliance events in 2018 that posed a significant impact to our business or operations.
SUPPLIER ENVIRONMENTAL ASSESSMENT				
308-01	New suppliers that were screened using environmental criteria		Global Requirements Manual for Suppliers Supplier Sustainability Policy	We expect our suppliers to share our commitment to environmental compliance and sustainability, as outlined in our Global Requirements Manual for Suppliers and Supplier Sustainability Policy. Active screening of conformance is not currently conducted.

GRI CONTENT INDEX

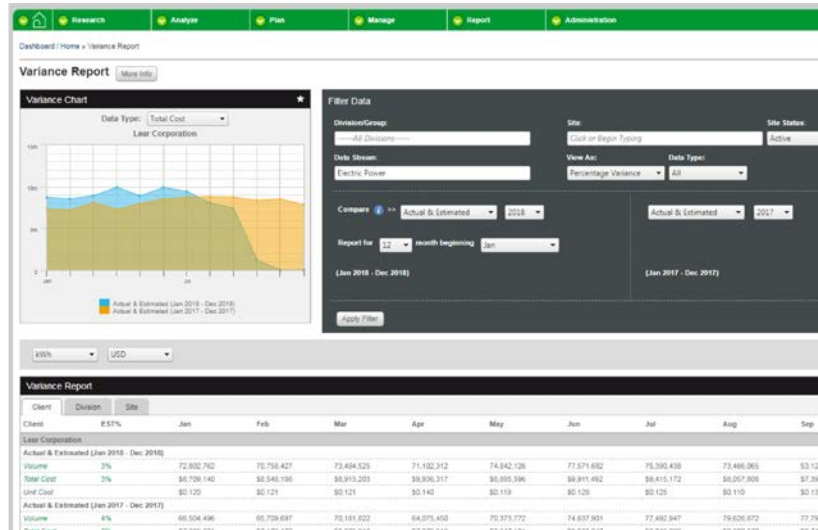
GRI Disclosure Number	GRI Disclosure Title	UN SDG Alignment	Page Number and/or Hyperlink	Additional Information
EMPLOYMENT				
401-01	New employee hires and employee turnover	SDG 5, 8	-	We do not currently publicly report metrics related to our new employee hires and employee turnover. We look forward to improving how we report this information in future years.
OCCUPATIONAL HEALTH AND SAFETY				
403-01	Occupational health and safety management system	SDG 8	Page 47	
403-08	Workers covered by an occupational health and safety management system		Page 47	
403-09	Work-related injuries		Page 47	
403-10	Work-related ill health		Page 47	
TRAINING AND EDUCATION				
404-02	Programs for upgrading employee skills and transition assistance programs	SDG 8	Pages 57, 59, 61	
404-03	Percentage of employees receiving regular performance and career development reviews	SDG 5, 8	Pages 62, 63	
DIVERSITY AND EQUAL OPPORTUNITY				
405-01	Diversity of governance bodies and employees	SDG 5, 8	Page 58	
405-02	Ratio of basic salary and remuneration of women to men	SDG 5, 8, 9	-	We do not currently publicly report metrics related to salary and remuneration ratios. We look forward to improving how we report this information in future years.
NON-DISCRIMINATION				
406-01	Incidents of discrimination and corrective actions taken	SDG 5, 8, 16	Pages 56, 60	Specific metrics regarding incidents of discrimination were not available at the time of this report. We take incidents of discrimination seriously and look forward to improving how we report this information in future years.
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
407-01	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	SDG 8	Page 56	
HUMAN RIGHTS ASSESSMENT				
412-02	Employee training on human rights policies or procedures		Page 60	
LOCAL COMMUNITIES				
413-01	Operations with local community engagement, impact assessments, and development programs		Pages 24-26, 49-51, 64	

An aerial photograph of a two-lane asphalt road winding through a dense green forest. A red car is driving on the road. The road has double yellow lines in the center and a white dashed line on the right edge. The word "APPENDIX" is overlaid in large white letters on the left side of the image.

APPENDIX

LEAR'S DATA MANAGEMENT AND INTEGRITY PLATFORMS

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Continuous Improvement

Everything Lean
Everything Six Sigma

Tools Menu

- Lear Internal Project Tracker (LIFT)
- Operational Excellence Assessment (OEA)
- On-Line Improvement Plan (OIP)
- Management Operating System (MOS)
- CI Dictionary
- CI Dictionary (Spanish)
- CI Leader Job Description

Site Contents

Continuous Improvement profile

PEOPLE & MINDSET & IMPROVEMENT
CUSTOMER FOCUS
TEAMWORK
SUPPORTING COMMUNITIES
OPERATIONAL EXCELLENCE

Welcome to the Global Continuous Improvement resource site. As you navigate the Internal Project Tracker, as well as links to data bases and depositories of efficiencies and heightened quality. Our commitment to 'Reach for Greatness'.

[Open Forum Discussion](#) [Success Stories](#) [MarketPlace](#)

[new discussion](#)

Recent My discussions Unanswered questions ...

LEAN SIX SIGMA for TRANSACTIONAL or NON-MANUFACTURING FA
By Genabre, Antonietta

Continuous Improvement Tracking System - CITS

Projects: CEA-8 rev 01 CEA-8 rev 02 CEA-8 rev 03 Administration Help

You are using Internet Explorer with Compatibility Mode turned on. This may cause the application to not function properly. [Click here](#) for instructions on how to turn off Compatibility Mode.

Project search filters

Project ID: Title / Problem Statement Project Type Metric Business Segment

Region: Select region Status: Select status Plant Name (Limit 30): Select plants Originator (Limit 30): Select originators

Project Complete Date Range: [] [] [Reset](#) [Search](#) [Export to Excel](#)

Project search results:

Project ID	Plant Name	Business Segment	Title	Problem Statement	Project Type	Metric	Originator	Status	Completed	Attachment
4804	Henderson (Texas)	8-Systems - Wire	DMS (Sistema de Gestión de Defectos)	Actualmente en plan de trabajo de ensamblaje, no se está en sistema a data desde el registro de material defectuoso (material prima, amon, amon) en el sistema de cliente final. El registro se hace en una hoja de excel (metodo antiguo).	Just Do It		Ingrid Arreola Rivera Vazquez	In-Process		
4803	Brasil (Fernandopolis - IT)	Setting - JT South America	Protection in rubber to hanging gun	There are many vibrations with hanging gun and there is a possibility that faults accidentally bumped in the batch.	Just Do It	Other	Jaime Escobar	Completed	11-07-2018	
4802	Germany (Bismarck)	8-Systems - 18Ca	Optimization of scrap buckets	Der Transport der Schmelze im Bereich der Stationen führt aufgrund des Gewichtes und der unzureichenden Stabilisierung des Füllstandes zur Beschädigung des Füllbehälters.	Just Do It		Hennrich Wilmanns	In-Process		
4801	Mexico (Rancho)	8-Systems - Wire	Process flow of UCS scan	Using a single line for all UCS readers can not guarantee tracking of readers.	Just Do It		Fayal Boulton	In-Process		

Improvement Plan - Main Menu

Welcome Mavi, Avtar,

[View/Edit Improvement Plan \(select a region below\)](#)

Global Seating

- [Request Additional Plant Location Access](#)
- [Run a Report](#)
- [Weekly Data Exports](#)
- [Change History](#)

CDP SCORE REPORTS

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CLIMATE CHANGE 2018 CDP SCORE REPORT



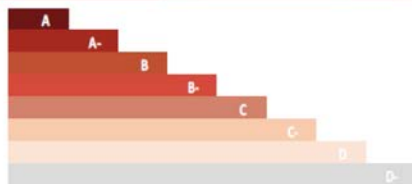
OVERVIEW

The CDP Score Report allows companies to benchmark and compare their progress towards environmental stewardship against peers, in order to continuously improve their climate change governance and stewardship. The score achieved by each company is comparable to companies from its region and sector, and investors will additionally receive a copy of the CDP Score Report.

COMPANY PROFILE

Lear

Region	North America
Country	United States of America
Sector	General
Questionnaire	General



YOUR CDP SCORE

AWARENESS C

Sector average: B-

Regional average: C

Water 2018 CDP SCORE REPORT



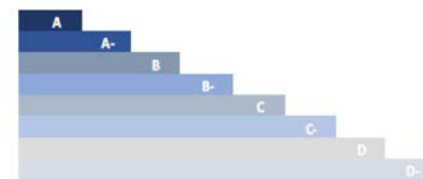
OVERVIEW

The CDP Score Report allows companies to benchmark and compare their progress towards water security against peers, in order to continuously improve their water governance and stewardship. The score achieved by each company is comparable to companies from its region and sector, and investors will additionally receive a copy of the CDP Score Report.

COMPANY PROFILE

Lear

Region	North America
Country	United States of America
CDP Program	Overlap
Sector	General
Questionnaire	General



YOUR CDP WATER SCORE

AWARENESS C

Sector average: C

Regional average: C

GLOBAL EHS CULTURE MODEL

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