

Lear Supplier Sustainability – Minimum Requirements

Lear requires its suppliers to align and comply with Lear's **Supplier Sustainability Policy**, including identifying risks within their supply chains and taking appropriate measures to address them. Lear works hard to carefully select its suppliers and develop long-term collaborative relationships for mutual success. Lear continuously monitor and evaluate suppliers' quality, delivery, and price, including suppliers' governance, ethics, and sustainable business practices.

Minimum Criteria

Suppliers are required to have the following elements implemented at site level.

- Company Code of Conduct – suppliers need to have a Code of Conduct covering business ethics. Suppliers with >250 employees, company-wide, are required to have a Code of Conduct and Ethics implemented at their site level.
- Human Rights Policy – suppliers need to develop their own Human Rights Policy that supports Lear's Human Rights Policy. The policy needs to outline social responsibility principles and respect for human dignity, including topics regarding non-discrimination and harassment, the freedom of association and collective bargaining, as well as prohibitions of child labor, forced labor, modern slavery, and human trafficking.
- Environmental Sustainability – suppliers are required to have an environmental sustainability policy and environmental management system that is compliant with international standards (ISO or equivalent). Suppliers with >500 employees, company-wide, need to be certified with environmental management system international standards (e.g., ISO 14001 or equivalent), implemented at site level. Suppliers with <50 employees, company-wide are required to have at least an environmental sustainability policy.

The environmental sustainability policy needs to cover the following areas or more:

- GHG emission/Carbon reduction
 - Energy efficiency/Renewable energy
 - Water quality management/Reduced water consumption
 - Air quality
 - Recyclability (reuse and recycling) and waste reduction
 - Responsible chemical management
 - Biodiversity, land use and deforestation
- Health & Safety Policy – Suppliers need to have a formal written health and safety policy in place, which complies with local law, industry requirements and international standards (e.g., ISO 45001 or equivalent).

Suppliers are required to have the following elements implemented at company-wide level.

- Code of Conduct for Suppliers - suppliers with >250 employees, company-wide, are required to have a code of conduct or sustainability policy for suppliers.
- Responsible Materials Sourcing Policy – suppliers of products containing raw materials identified in the Conflict-Affected and High-Risk Areas (CAHRAs) need to have a Responsible Materials Sourcing Policy.

Sustainability Assessment

All eligible suppliers identified by Lear are required to complete and submit a Sustainability Assessment Questionnaire (SAQ) as a requirement for doing business with Lear. Suppliers are expected to meet the minimum criteria as defined by Lear and will be assessed based on the maturity of their sustainable business practices.

- The SAQ needs to be fulfilled through NQC's **Supplier Assurance Platform**. Suppliers agree to work with Lear and NQC Ltd. to provide continuous improvement plans and other documentation as needed in support of SAQ score improvement.
- All identified suppliers who have not completed an SAQ or have not been able to meet Lear's minimum criteria will not be considered for new business unless a corrective action plan is provided to the Lear Buyer and Lear's Supply Chain Sustainability team at sustainability@lear.com.
- Training and guidance will be made available for all suppliers.

Eligibility

- The requirement qualifies all production parts suppliers identified by Lear, including directed source suppliers. If a directed source supplier does not agree to submit an SAQ, Lear will defer to its OEM customer.
- Eligibility of the suppliers will be determined by the Lear Supplier Sustainability Risk Management Process.