Transparency in Supply Chains Act Disclosure

At Lear Corporation, we are committed to conducting business in an ethical, lawful, and socially responsible manner. This objective is reflected in our company’s Value Statements, three of the six of which are related to fostering respect in others:

We will:
- Treat all individuals with dignity and respect,
- Conduct our business ethically, and
- Continually strive for excellence.

We will treat our suppliers with respect and encourage long-term relationships.

We will be good corporate citizens, value the environment and actively participate in our community.

One important way that we foster respect on an international scale is by taking steps to keep slavery and human trafficking out of our supply chain. This disclosure, made pursuant to the California Transparency in Supply Chains Act of 2010 (“SB 657”), outlines our efforts to ensure that the people who make our products are treated with dignity and respect.

We do Not Tolerate Forced Labor or Human Trafficking Anywhere We Do Business

For years, Lear has been committed to recognizing human rights throughout our global organization. We believe that all employees should have the right to voluntarily elect whether to be employed by Lear, and our Global Labor Standards prohibit anyone in our company from using any type of forced labor or engaging in abusive or corrupt business practices. We will not use forced or involuntary labor of any kind or tolerate physically abusive disciplinary practices, and do not employ children under the legal age for employment in any location.

Additionally, Lear’s Code of Business Conduct and Ethics (“Code”) calls for all employees to follow all applicable laws, rules, and regulations of the cities, states and countries in which Lear operates. This includes laws that prohibit human trafficking or forced labor. The Code also incorporates and echoes the principles of our Global Labor Standards by expressly prohibiting forced labor or child labor.

To promote these standards within our supply chain, Lear requests that all of our suppliers agree in writing to our Purchase Order Terms and Conditions (“Terms”). Under the Terms, our suppliers and their permitted subcontractors are prohibited from using any type of forced labor or child labor or engaging in abusive or corrupt business practices. The majority of our suppliers have agreed to the Terms, and any supplier who is subject to the Terms is also obligated to ensure that any subcontractors they utilize are approved by Lear and have agreed to abide by the Terms.

We Take Any Reports of Slavery or Human Trafficking Seriously

If anyone has reason to believe that slavery is being used in our supply chain, we want to know about it. Lear has an extensive Complaint Reporting Policy in place, which allows Lear employees, suppliers’ employees, and even unaffiliated third parties to report violations of any law, regulation, or company policy. To allow for anonymous reporting without fear of retaliation, Lear has implemented a
Compliance and Ethics Line. This toll-free, local phone number allows any employee to call 24 hours a day, any day of the week, to speak with a third party in his or her local language.

If we become aware that any of our suppliers is engaging in forced labor or human trafficking, or is doing business with subcontractors who engage in slavery or human trafficking, we will investigate and address the issue as soon as possible. While Lear does not conduct audits or engage in a formal verification program to evaluate and address the risk of slavery and human trafficking in our supply chains, in the event that we receive a report that a particular supplier may be engaging in forced labor or human trafficking, we will take the necessary steps to help the supplier become compliant with our terms and may terminate business with such supplier.

We Use Strict Internal Accountability Standards

Lear monitors and enforces our Code and other policies affecting workplace human rights through a compliance program that includes oversight by a Compliance Committee that reports directly to Lear’s Audit Committee of the Board of Directors. Lear also regularly assesses the effectiveness of its compliance programs. We require our employees to report any legal violations that they suspect are occurring both within the company or any of its suppliers, including uses of forced labor or human trafficking.

Our Employees are Trained to Report Signs of Forced Labor and Human Trafficking

Lear makes clear to every employee, including those who work in our supply chain, that we do not tolerate any uses of forced labor or human trafficking. We require our employees and managers who work with our supply chain to know and comply with all Lear policies and legal requirements relating to their jobs, including the Code, our Global Legal Standards, our Purchase Order Terms and Conditions, and all applicable local laws and regulations. In addition, all of our salaried employees receive yearly training on the Code. We believe that by ensuring that our employees know these guidelines, we have equipped them to recognize and report any violations of our policies or the law, including those related to slavery and human trafficking. Reporting may be done through our Compliance and Ethics Line or to any supervisor or manager. When an employee reports the possible existence of slavery or human trafficking in our supply chain, we investigate and address any issues on a corporate level.