

LKQ Europe is committed to becoming a net-zero emissions company

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LKQ Europe progresses in driving sustainability towards becoming a net-zero emissions company by 2050. LKQ Europe contributes with key initiatives to LKQ Corporation's sustainability agenda, highlighted in LKQ's new Sustainability Report.

Zug, Switzerland. LKQ Europe, Europe's Automotive Aftermarket leader, has reaffirmed its commitment to becoming a net-zero emissions company by 2050. LKQ Corporation recently revealed its 2021 Sustainability Report outlining the company's ongoing focus on responsible environmental, social, and governance ("ESG") practices, including documentation of how LKQ is promoting diversity, employee training, and safety.

LKQ Corporation has long been a leader in environmental services and sustainability. In fact, it's the foundation upon which LKQ was built. Today, LKQ is the world's largest recycler of vehicles and the world's largest alternative and aftermarket parts and services provider. Its operations recycle more than 90% of the materials from procured vehicles. In 2021 LKQ Corporation procured 780,000 vehicles, resulting in 2.1 million tires, and 1.1 million tons of crush auto scrap. 13.8 million recycled parts were sold last year.

LKQ's commitment to sustainability is an essential part of the company's corporate strategy. The company's efforts are framed by the Sustainable Development Goals (SDG) of the United Nations. LKQ is engaging in sustainability projects that will positively influence its customers, the climate and environment, its employees, the society, and communities.

"At LKQ Europe, our sustainability approach is based on the three pillars planet, people and communities. As the leading distributor of automotive aftermarket parts in Europe with a state-of-the-art distribution network our main focus is set on emission reduction," says Arnd Franz, CEO of LKQ Europe. "We are developing sustainable business solutions in all areas and regions, reducing the CO2 emissions of our businesses, driving employee engagement, and supporting the communities we are operating in. We are on a continuous path towards becoming a net-zero emissions company by 2050."

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ARND FRANZ
CEO of LKQ Europe

A key enabler of a circular economy in the automotive sector

LKQ contributes to a sustainable society, enhancing the safety, reliability, and lifetime of cars by applying circular economy principles to its business model. This includes repair, remanufacturing, and recycling of car parts, saving valuable resources. Last year alone, LKQ's global remanufacturing operations were able to save an estimated 26,000 tons of raw material, 208,000 MWh of electricity, and 43,000 tons of CO₂.

Currently LKQ Europe is investigating future solutions for traction battery handling, expecting around 34 million installed high-voltage batteries in the battery-electric vehicle fleet in Europe alone by 2030, that will eventually need to be repaired, remanufactured, reused, or recycled. LKQ wants to be first-to-market with electrification in the Independent aftermarket and is committed to offer solutions for this challenge.

In May 2021, LKQ Corporation acquired Green Bean Battery, a hybrid battery reconditioner and installer, which developed a proprietary hybrid battery reconditioning process that creates a more reliable battery while simultaneously extending its useful life for hybrid vehicles.

On the route towards zero emissions

LKQ is contributing to the targets of the Paris Agreement, working on an emissions sustainability roadmap with the goal to reduce global Scope 1 and Scope 2 emissions by 30% by 2030 compared to the 2021 baseline relative to revenue. Pilot projects with battery-electric and HVO-fuel-powered delivery vans, are currently running in different countries and will guide the roadmap to net zero in 2050. First results are promising and some of the new delivery cars have already been integrated into our local branch network for last mile deliveries.

LKQ Europe's route towards zero emissions also includes behavioral change such as driver training, lower emission vehicles, use of alternative fuels, and initiatives in its buildings, branches, and products. For example, 8'500 solar panels are now installed on LKQ's newest and BREEAM Excellent certified distribution center in Berkel en Rodenrijs, Netherlands. The company engages with its suppliers to identify the CO₂ footprint of products supplied, to and distributed by LKQ to ensure continuous progress towards a CO₂ neutral economy.

Building a common European corporate culture

Offering all employees a safe and motivating working environment by valuing different backgrounds, supporting diversity and inclusion, driving individual development with the new internal LKQ YOU training program, and building a common European corporate culture are key goals. This past summer, LKQ launched its first-ever global employee engagement survey, "Your Voice Matters". LKQ has identified areas for improvement and has taken meaningful action based on the feedback from the survey. With the "Let's Move To-

gether” campaign, LKQ Europe encouraged colleagues to get moving, raising awareness of the importance of mental health and how physical health and exercise can improve mental status.

About LKQ Europe

LKQ Europe, a subsidiary of LKQ Corporation, with its head office in Zug, Switzerland, is the leading distributor of automotive aftermarket parts for cars, commercial vans and industrial vehicles in Europe. It currently employs approximately 26,000 people with a network of more than 1,000 branches and approximately \$6.1 billion in revenue in 2021. The organization supplies over 100,000 independent workshops in over 20 European countries.

The group includes Euro Car Parts, LKQ Fource, RHIAG Group, Elit, LKQ CZ, and STAHLGRUBER Group, as well as recycling specialist, Atracco. LKQ also holds a minority interest in Mekonomen Group.

The LKQ Sustainability report can be accessed at <http://www.lkqcorp.com> in the Corporate Responsibility section.

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