

LKQ Europe is driving its sustainability commitment forward

April 22, 2021

LKQ Europe's sustainability agenda aims to reduce CO₂ emissions and, help its employees develop and engage with the communities in which they work. LKQ Corporation, the parent company of LKQ Europe published its first Sustainability Report in April.

Zug, Switzerland. As an essential part of its corporate strategy, LKQ Europe is engaging in sustainability projects that will have a positive impact on its customers, employees, and the environment. Specifically, when it comes to climate and environmental impacts, people development, society, and the communities in which we operate. LKQ is committed to reducing CO₂ emissions and making its contribution to meeting the targets of the Paris Agreement.

"As we strive for future profitable growth and continued success, we are committed to contributing to sustainable development by taking our social and ecological responsibilities seriously. With respect to environmental aspects within our operations, our aim is to be among the most progressive companies in the European Automotive Aftermarket. We also involve our partners in our efforts to improve our performance with regard to protecting environment and society, and encourage them to meet high sustainability standards," says Arnd Franz, CEO of LKQ Europe.

LKQ Corporation has been an environmental leader since it was founded in 1998 as a salvage dismantler and recycler of passenger vehicles. Today, we are the largest vehicle recycler, with our North American operations recycling more than 90% of the materials from the vehicles we procure that would otherwise go to landfills. At the beginning of April, LKQ Corporation announced its inaugural Sustainability Report outlining the Company's ongoing focus on responsible environmental, social, and governance ("ESG") practices, including documentation of how the company is promoting diversity, employee training, and safety.

LKQ Europe has implemented a state-of-the-art logistics network aimed at delivering products and minimizing emissions efficiently. The company is working on an emissions sustainability roadmap with an annual reduction of CO₂ emissions in our fleet of up to 30% within the next ten years. The route towards zero emissions will be a combination of awareness and behavior that will be achieved, for example, through driver training, lower emission vehicles, alternative fuels, and ultimately alternative vehicles with adequate range and by also planning pilot projects in different countries all over Europe. In the UK and Republic of Ireland LKQ just launched an electric delivery vehicle trial on the Isle of Wight. It will run for six months and take into account the charging point infrastructure to identify branches with vans whose typical mileage is suited to the range and capability of an electrical vehicle. LKQ



is also considering pilot projects with fuel cell powered heavy trucks once vehicles and filling stations become available.

"We monitor the CO_2 emissions of all our operations including distribution centers, buildings, branches, products, and the more than 6,000 vehicles in our fleet. We will also encourage our suppliers to identify the carbon footprint of the products supplied to and distributed by us to ensure we make continuous progress towards becoming a CO_2 -neutral company," says Arnd Franz, CEO of LKQ Europe.

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ARND FRANZ

CEO of LKQ Europe

We have undertaken a number of initiatives at our facilities to reduce our energy use and related carbon emissions. And we are exploring more opportunities to add solar panels to our facilities and purchase renewable energy for our facilities over Europe.

As part of LKQ's sustainability agenda, the roof of our new Central Distribution Center in the Netherlands will be fully equipped with photovoltaic panels, making the building completely energy self-sufficient. Partly because of this, the distribution center has received the BREEAM Excellent certification. The large number of windows in the building provide plenty of daylight, creating a pleasant working environment. Additionally, the building is entirely gas-free and provides a sufficient charging infrastructure for electric vehicles.

In Germany we have significantly reduced our carbon footprint in recent years by replacing 98% of all lights in more than 100 branches and our head office with energy-saving LEDs. STAHLGRUBER has been completely supplied with CO₂-neutral electricity and gas for years.

In the Nordic countries, we are a leader in environmentally friendly car dismantling, recycling and remanufacturing of OEM automotive parts. The business consists of recycling and sales of used car parts as well as materials such as metal, rubber, glass and many more. A reused car part consumes 100% less raw materials and natural resources than a new one. Our passion for the environment drives us on a daily basis, and as the largest car dismantling chain in the Nordics, our work plays a major role in the industry's recycling machinery. Working with insurance companies, we help car owners, repair shops and dismantlers to repair cars more easily and cost-effectively – and to recycle to protect the environment.



Our people are our most valuable asset. We are committed to providing all of our employees with a safe and secure work environment, and we are investing in the future of our team through providing individual development and by offering interesting career opportunities. In 2020, LKQ Europe has also started to monitor and measure data relating to health and safety, diversity and equality, employee engagement and talent management in European entities and regions.

LKQ Europe is engaging in CSR activities in all our regions and countries in Europe to make an important contribution as an employer to the social and economic development of our local communities and, also by collaborating with, and investing in, these communities. In the Netherlands, we aim to encourage employees to help others by raising money for a good cause and supporting various initiatives. The vision is to create a world where being sick, having (financial) problems, or loneliness no longer exists. In Italy, we are partnering with several CSR initiatives, such as Food for Good, supporting charitable organizations with a free supply of food left over from meetings and events, and "Un cuore e un sorriso" donating spare parts for their vehicles used for their missions in Italy and Eastern Europe.

About LKQ Europe

LKQ Europe GmbH, with its head office in Zug, Switzerland, a subsidiary of LKQ Corporation, is the leading distributor of automotive aftermarket parts for cars, commercial vans and industrial vehicles in Europe. It currently employs approximately 26,000 people in over 20 European countries with a network of 1,000 branches and more than \$5.49 billion in revenue in 2020. The organization supplies around 100,000 independent workshops in over 20 countries. The group includes Euro Car Parts, Fource, RHIAG Group, Elit, Auto Kelly, and STAHLGRUBER Group, as well as recycling specialist, Atracco. LKQ also holds a minority interest in Mekonomen Group.

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