

European parliament member Ismail Ertug visits LKQ Europe's logistics operations in Sulzbach-Rosenberg

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LKQ Europe's sustainability agenda that aims to reduce CO₂ emissions drastically and to promote sustainable and innovative logistics was the center of attention on Ertug's visit.

Sulzbach-Rosenberg, Germany. Ismail Ertug, Member of the European Parliament, S&D Group vice-president in charge of transport, and Founder of the Driving Future Platform, visited the LKQ STAHLGRUBER Logistics Center in Sulzbach-Rosenberg on June 25, 2021.

Arnd Franz, CEO of LKQ Europe, reiterated LKQ's commitment to sustainability as an essential part of its corporate strategy, engaging in sustainability projects that will positively impact its customers, employees, and the environment. LKQ is committed to reducing CO₂ emissions and making its contribution to meeting the targets of the Paris Agreement. With respect to environmental aspects within LKQ Europe's operations, the aim is to be among the most progressive companies in the European Automotive Aftermarket. Arnd Franz also addressed the importance of enhancing legal guidance for the access to in-vehicle generated data to allow vehicle diagnostics and predictive maintenance for the Independent Aftermarket to ensure competition, innovation and entrepreneurship in European mobility services, and affordable mobility for everyone.

During his visit in Sulzbach-Rosenberg, Ismail Ertug emphasized the importance of innovative and sustainable mobility and the transformation towards more ambitious targets on the way to carbon-neutrality over Europe: "The transformation of our mobility, transportation, and logistics is necessary to achieve not only the CO₂ reduction targets of the European Green Deal but also to enhance the social aspects within the sustainability approach. Smart mobility is designed to make traffic flows in Europe as efficient as possible with the help of digitization and automation. This can reduce emissions, and also traffic jams. Furthermore, regulations for revised CO₂ standards for cars and trucks and at the same time improved infrastructure for alternative fuels and charging stations in Europe are essential for the further spread of zero-emission cars and commercial vehicles."

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ISMAIL ERTUG

Member of the European Parliament

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 its 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.

Arnd Franz, CEO of LKQ Europe: "All available technologies need to compete in a CO₂ reduction policy. Electrification offers an important route to decarbonization while at the same time further improvement and efficiency of the internal combustion engine, advanced alternative fuels, and the promotion of other climate-friendly energy sources, such as hydrogen or biofuels, can help to promote competition and offer additional significant CO₂ reduction potential that should be unlocked by a supportive regulatory framework. We strongly believe in a level playing field when reducing CO₂ emissions and fuel cell trucks are an important part of the future of transportation. Especially as they allow for CO₂ reductions of more than 80 percent compared to conventional combustion engines. While the technology is currently being further developed and brought to commercial maturity, investments must also be made into the infrastructure."

LKQ intends to implement a pilot with fuel cell-powered heavy trucks once offers become available. In the third quarter of this year, two Volvo LNG trucks will be introduced into LKQ Europe's transport network as part of a one-year pilot project. The expected CO₂ reduction is 20 percent. However, as the infrastructure does not yet allow for an expanded utilization of the concept, it is limited to 10 transport routes reflecting less than 10 percent of LKQ's replenishment transport volume in Germany. In the UK and Republic of Ireland, LKQ has launched an electric delivery vehicle trial on the Isle of Wight. The project 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 not only monitors the CO₂ emissions of its transportations, but of all operations including distribution centers, buildings, branches, and products. The company has undertaken a number of initiatives at its facilities to reduce energy use and related carbon emissions. And LKQ is exploring more opportunities to add solar panels to its facilities and purchase renewable energy for our facilities over Europe. In Germany, LKQ has significantly reduced its carbon footprint in recent years by replacing 98% of all lights in more than 100 branches and its head office with energy-saving LEDs. The German operations have been completely supplied with CO₂-neutral electricity and gas for years.

LKQ Corporation, the parent company of LKQ Europe, has been an environmental leader since it was founded in 1998 as a salvage dismantler and recycler of passenger vehicles. Today, we are the most prominent 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.

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 1,000 branches and approximately USD 5.5 billion in revenue in 2020. The organization supplies around 100,000 independent workshops in over 20 European countries. The group includes Euro Car Parts, Fource, RHIAG Group, Elit, Auto Kelly, and STAHL-GRUBER Group, as well as recycling specialist, Atracco. LKQ also holds a minority interest in Mekonomen Group.

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