2024 Sustainability Report

Doing our part for a more sustainable world

Steering Wheel & Column

LKQ

Keeping you moving

LKQ

Keeping you moving

Forward-Looking Statements

This report contains certain forward-looking information about us that is intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts. Words such as "guidance," "expect," "will," "may," "anticipate," "plan," "estimate," "project," "intend," "should," "can," "likely," "could," "outlook" and similar expressions are intended to identify forward-looking statements. These statements include information about our Sustainability targets, goals, and programs in addition to our plans, strategies, expectations of future financial performance and prospects. Forward-looking statements are not guarantees of performance. You should not place undue reliance on any forward-looking statement. These statements are based upon the current beliefs and expectations of our management and are subject to significant risk and uncertainties that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that the expectations will prove to be correct. The inclusion of information in this report should not be construed as a characterization regarding the materiality or financial impact of that information. More information on factors that could cause actual results or events to differ materially from those anticipated is included from time to time in our reports filed with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2024, particularly under Part I, Item 1A–Risk Factors, and in our Quarterly Reports on Form 10-Q. Additionally, new risk factors emerge from time to time and it is not possible for us to predict all such risk factors, or to assess the impact such risk factors might have on our business or Sustainability programs and goals. We undertake no obligation to update publicly any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law. This report uses certain terms, including "material" to reflect the issues of greatest importance to the Company and our stakeholders. Used in this context, these references are not the same as "material" as defined by or construed in accordance with U.S. securities laws or as used in the context of financial statements and reporting.

The Sustainability Report covers LKQ Corporation ("LKQ" or "LKQ Corporation"), unless otherwise stated. This is LKQ's fifth Sustainability Report, the most recent of which was published in 2024. LKQ engaged Deloitte & Touche LLP, an Independent Accountant, to perform a review engagement on management's assertion related to Scope 1 and Scope 2 greenhouse gas emissions in accordance with the GHG Protocol as of, and for the year ended, December 31, 2024. Information outside of the Scope 1 and Scope 2 greenhouse gas disclosures included in the Greenhouse Gas (GHG) Emissions Disclosure, including linked information, was not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information. See Deloitte & Touche LLP's report on page 59 of the Appendix. The unit system used in this report is the International System of Units (SI) with U.S. spelling. 1 metric ton (mt) equals 1,000 kilograms (kg) while 1 U.S. ton (tn) equals 2,000 pounds (lb), and 1 mt equals 2,204.62 lb. In case of any questions or comments, please contact sustainability@lkqcorp.com

LKQ

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We Are LKQ

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Trailer Hitch
The trailer hitch is a component which securely connects a vehicle to a trailer, enabling safe and stable towing. It effectively transfers towing forces while ensuring proper alignment and stability throughout the journey.

Steering LKQ Towards a Sustainable Future

A Message from our President and CEO

LKQ embodies the principle that business excellence and Sustainability are fundamentally connected. As I took the helm as CEO this past year, I was energized by our company's 26-year legacy of turning this principle into measurable impact through our leadership in the circular economy, consistently setting the standard in automotive recycling and remanufacturing.

Having been part of the LKQ community for over two decades, I've experienced first-hand how our commitment to Sustainability drives innovation and creates value. Our foundation in the circular economy isn't just about recycling vehicle parts, it's about reimagining how our industry can operate sustainably while driving profitable growth — the north star of our "Charting Our Future" strategy announced in September 2024.

We stand at the forefront of a rapidly evolving industry, where the steady adoption of electric vehicles presents both challenges and opportunities, requiring us to remain agile. At the same time, vehicle circularity presents exciting opportunities for expansion, with tremendous potential in our European markets for recycling and salvage solutions. As we adapt to these industry shifts, we're strategically investing in advanced remanufacturing, refurbishing, and repairing capabilities and services while leveraging our global presence. Increased knowledge sharing between our European and North American operations exemplifies how cross-border collaboration drives innovation and strengthens solutions.

Sustainability, however, isn't just about what we do, it's also about who we are. Throughout my career, I've seen that the strength of LKQ has always been our people, and I am deeply committed to fostering an entrepreneurial spirit where every employee feels a sense of shared ownership in our successes. This culture of empowerment, combined with our "promote from within" philosophy, creates an environment where diverse thinking flourishes and our teams take pride in their contributions to both our business and Sustainability goals.

As we turn our attention to 2025 and beyond, I see three key focus areas critical to driving us forward: minimizing waste, simplifying our operating model, and harnessing a lean mindset. These imperatives are fundamentally linked to Sustainability, and I believe that through these principles and our continued investment in our people and technology, together, we will build on our legacy and drive LKQ towards an even more Sustainable future.

Justin

Justin L. Jude
President and
Chief Executive Officer

CEO Reflections on Sustainability

In a candid conversation with Richard Brasher, Vice President Sustainability, CEO Justin Jude reflects on his first year leading LKQ, sharing insights on the company's Sustainability journey and his vision for building upon LKQ's 26-year legacy.

How has your first year been as CEO at LKQ?
"My first year has been incredibly rewarding, particularly the opportunities to travel and meet with others. Whether it's visiting many of our locations across the globe and hearing directly from our frontline teams, visiting our R&D hubs to see our latest innovations, or stopping to chat in the hallways of our headquarters in Nashville, each interaction has allowed me to understand what drives our people and our customers even more. Furthermore, being surrounded by diverse minds and thinking has challenged me to become a better leader."

What role do you think LKQ's employees should play in the company's Sustainability journey?
"I'm a strong believer that operational excellence is inherently linked to Sustainability. Our employees are essential to eliminating inefficiencies and driving profitability through their daily actions and innovative thinking. I've been consistently impressed by how our teams proactively work to simplify operations, even in the face of market headwinds. Success requires building trust between management and team members, ensuring everyone understands that our Sustainability initiatives benefit both business performance and environmental stewardship. Having an open mind is crucial as we remain agile and adapt to industry changes."

How do you see Sustainability driving innovation at LKQ, particularly in terms of products and operations?
"We're constantly monitoring market dynamics, especially the gradual shift from internal combustion engines to electric vehicles, to ensure our business remains sustainable in the long term. We're investing significantly in remanufacturing capabilities for hybrid and electric vehicle batteries, recognizing the critical role of battery recycling in addressing resource scarcity. Our scale and efficiency in recycling position us uniquely to lead in sustainable automotive solutions."

Looking to 2030, what does Sustainability success look like for LKQ?
"Success means achieving profitable longevity while consistently exceeding compliance requirements in all of our Sustainability initiatives. We're focused on continuous improvement in reducing greenhouse gas emissions across our operations. This commitment is linked to our dedication to frugality and waste reduction, going beyond just regulatory compliance. Our goal is to continue sharing best practices across our global operations, particularly in areas like electricity consumption reduction and fleet efficiency initiatives."

Transforming Vehicle Sustainability

Company Profile

What We Do

We are a global distributor of vehicle products, including replacement parts, services, components, and systems used in the repair and maintenance of vehicles. We offer customers a broad range of new, aftermarket, salvaged, refurbished, and remanufactured parts, replacement systems, components, equipment, and services to repair and accessorize automobiles, trucks, and recreational and performance vehicles. Our customers are primarily collision and professional repair shops.

Why We Do It

Delivering value to customers and playing a leadership role in the circular economy are synonymous at LKQ. By focusing on salvage dismantling processes that allow for almost all vehicle components to be repurposed, we ensure that we meet the needs of our customers and the planet. As a company that continually grows and innovates, we are dedicated to both customer success and vehicle circularity. We are constantly exploring unique ways to salvage vehicle components and meet the challenges posed by new components, such as those found in electric vehicles. Working with our stakeholders, we help extend the useful life of a vehicle, reduce repair costs, and prevent materials from ending up in landfills. This circular model benefits all our stakeholders, from our employees to our customers and investment community. We are committed to driving profitable growth through highly efficient, responsible, sustainable, and ethical business practices.

Our global workforce of approximately 47,000 employees, spread across roughly 1,450 facilities, forms the backbone of our organization's achievements.

Market Leader in each of our Operating Segments

Europe

- Hard parts, aftermarket collision, and paint
- Recycled collision and major mechanical parts (Sweden)
- Approximately 880 facilities

Wholesale – North America

- Aftermarket, recycled collision products, and paint
- Recycled and remanufactured major mechanical products
- On-site, mobile, and remote diagnostics via Elitek Vehicle Services
- Approximately 465 facilities

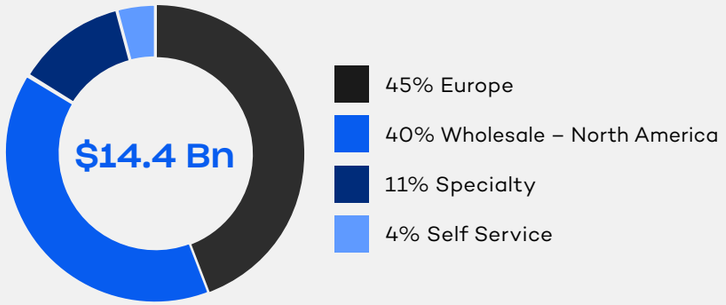
Specialty

- Specialty vehicle, aftermarket products, and accessories
- Operates across major U.S. and Canadian markets
- Approximately 40 facilities

Self Service

- Retail operations for recycled end-of-life vehicles; operates mostly under “LKQ Pick Your Part”
- Sells precious and scrap metals to recyclers
- Approximately 65 facilities

2024 LKQ Segment Revenue



The Principles Guiding Our Journey

Our Mission

To be the leading global value-added and sustainable distributor of vehicle parts and accessories

We aim to achieve our mission by

- offering our customers the most comprehensive, available, and cost-effective selection of parts and service solutions, and
- building strong partnerships with our employees and the communities in which we operate.

Charting Our Future Through LKQ: D.E.L.I.V.E.R.S.

Development	We create a work environment that ignites personal growth, learning, and well-being for our employees.
Excellence	We raise the bar and outperform our competitors through the highest standards.
Leadership	We inspire and encourage progress by creating an inclusive environment.
Integrity & Trust	We cultivate honesty, fairness, and truth to progress.
Value-Added	We provide value to our stakeholders, customers, employees and communities.
Embracing Change	We promote innovative and creative thinking and are champions of positive change.
Resourceful	We are solution focused and skilled when creating the best experience for customers.
Sustainability	We are committed to positively impacting our people, our communities, and our environment.

Fueling Our Evolution

2024 marked a year of transformation for LKQ. We embarked on our "Charting Our Future" strategy while making significant strides in leadership and governance, strategic portfolio management, operational excellence, industry recognition, and capital allocation. These milestones and achievements underscore our commitment to sustainable growth and shareholder value creation while reinforcing our position as a global leader in the alternative and specialty vehicle parts industry.

Leadership and Governance

- Justin Jude was appointed President and CEO in July 2024, succeeding Dominick Zarcone upon his retirement. With over 30 years of operational expertise and a deep understanding of LKQ, Justin has held numerous roles since joining the company in 2004—a true testament to LKQ's 'promote from within' philosophy and 'LKQ Proud' culture. Justin's purpose-driven, operationally focused, and engaging leadership style will guide LKQ into 2025 and beyond.
- LKQ is governed by an 11-member Board of Directors, 10 of whom are independent directors under NASDAQ guidelines, and we have separate Chairman and CEO roles. Additionally, we have continued to strengthen and refresh our Board by adding four new independent directors within the past year.

See page 31 for more information on our Board of Directors.

Capital Allocation

- The Board of Directors authorized a $1 billion increase to our stock repurchase program, bringing the total authorization to $4.5 billion. This increase demonstrates LKQ's strong commitment to returning value to shareholders. We extended the stock repurchase program through October 2026, reflecting confidence in our long-term value creation potential and financial strength.
- We successfully priced €750 million ($777 million) in senior unsecured notes due 2031, strengthening the company's balance sheet and providing flexibility for future growth initiatives, such as finding more sustainable solutions in an ever-more Sustainability-focused European environment.

Strategic Portfolio Optimization

- We divested Elit Polska, former operations in Poland, and all operations in Slovenia and Bosnia over the course of 2024. These actions demonstrate LKQ's commitment to strategic asset management and portfolio optimization.
- The agility of our North America team was again validated in 2024 with the full integration of FinishMaster into the LKQ Network by closing 129 of the 151 locations.

What Does Operational Excellence Mean to LKQ?

- Simplify business portfolio and operations
- Expand lean operating model globally
- Grow organically

Operational Excellence

- We launched the "Charting Our Future" strategy in 2024, which focuses on operational excellence, sustainable growth, and maximizing shareholder value through strategic initiatives and market expansion.
- Our German business signed a new collective bargaining agreement with the German trade union Verdi, covering approximately 5,000 Germany-based employees and ensuring labor stability through April 2026. This agreement underscores LKQ's commitment to and recognition of its workforce and promotes operational continuity.
- Our European business revealed a central workshop concept hub to harmonize LKQ Europe's 16 concept brands, aiming to expand the network from nearly 8,000 to 10,000 partner workshops across Europe. This initiative enhances resource sharing, best practices, and innovation while supporting independent businesses in competing effectively in the automotive aftermarket.

Industry Recognitions

- LKQ Euro Car Parts, a trading name of LKQ Group (UK) Limited, a subsidiary of LKQ, won 'Supplier of the Year' at the British Independent Garage of the Year Awards.
- Digraph, a trading name of LKQ Group (UK) Limited, won the Independent Automotive Aftermarket Federation (IAAF) award for Commercial Vehicles Distributor of the Year.
- RHIAG Inter Auto Parts Italia S.r.l., an LKQ subsidiary in Italy, was recognized for Corporate Social Responsibility efforts in the Italian Independent Aftermarket.
- Keystone Automotive Operations, an LKQ subsidiary in North America, was named 2024 Channel Partner of the Year by the Specialty Equipment Market Association (SEMA), recognizing its leadership in aftermarket parts distribution and commitment to innovation.
- Warn Industries, a segment of Keystone Automotive Operations and subsidiary of LKQ in North America, won the "Off-Road/4-Wheel Drive Product Award" in the Best New Products category at SEMA, highlighting LKQ's commitment to product excellence.

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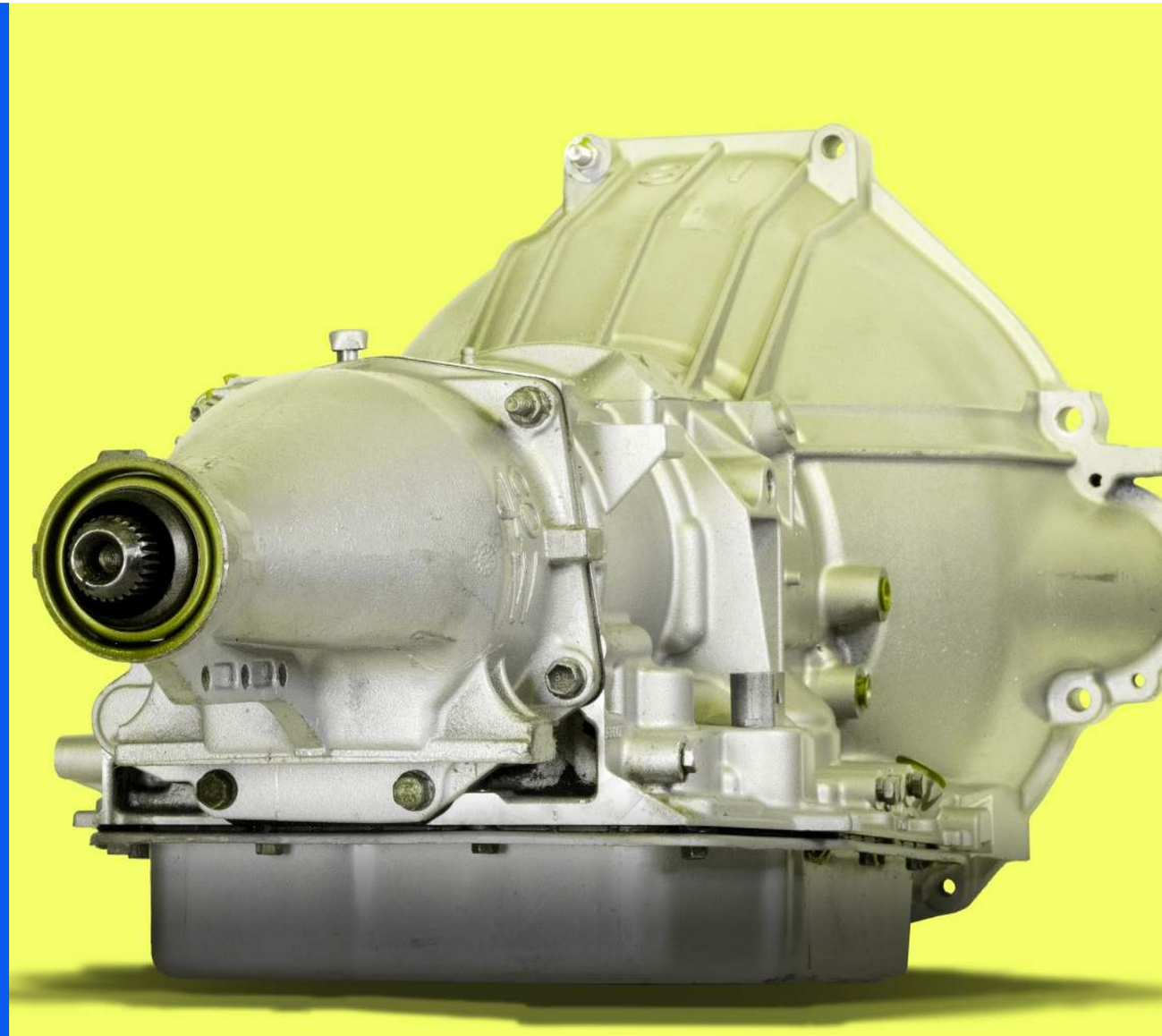


Transmission
Transmission assemblies control power and torque from the engine to the wheels through interconnected components.

Powering Progress: Our Sustainability Strategy

The three pillars of our strategy demonstrate that managing Sustainability risks and capitalizing on opportunities is at the heart of the value we deliver as a global business and effectively managing climate-related risks and opportunities are central to our global strategy. This report explains how we achieved this in practice.

Profitably delivering sustainable solutions

Delivering economic and sustainable value go hand-in-hand

People-led performance

Empowering our diverse workforce to excel in delivering value safely

Strong governance and ethical practices

Reinforcing our values through robust corporate citizenship and ethical practices

Casa Grande, AZ, U.S.

A Strategy Grounded in Materiality

In 2023, we conducted our first Double Materiality Assessment (DMA) to better understand and act on Sustainability topics that impact both our financial performance and the world around us. This aligns with the Corporate Sustainability Reporting Directive (CSRD), which requires reporting on impact materiality (our effects on people and the environment) and financial materiality (factors influencing business performance).[1]

Through research, peer benchmarking, and stakeholder engagement, including input from our Sustainability Advisory Committee, we identified key impacts, risks, and opportunities (IROs).

We assessed impact and financial materiality across our value chain by gathering input from internal stakeholders with topical expertise and by conducting desktop research in industry and academia. In consideration of the guidance provided by the CSRD, we developed grading scales for impact and financial materiality and evaluated our research against these grading scales to determine materiality. These findings will continue to shape our Sustainability strategy and ensure alignment with CSRD disclosure requirements.

In 2024, we refreshed our DMA to confirm alignment with our developed priorities.

On February 26, 2025, the European Commission published a set of proposals, referred to as the Omnibus packages, that aim to simplify Sustainability Reporting requirements established under previous regulations and directives. As these proposed amendments enter into force, the timing and scope of our mandatory reporting according to CSRD may change although LKQ Corporation will remain subject to the directive. We are tracking legislative developments, and we will adjust our approach accordingly.[2]

Material impacts, risks, and opportunities were mapped to the following relevant topical ESRS:

ESRS Topic	ESRS Sub-topic
E1 - Climate Change	• Climate change adaption • Climate change mitigation • Energy
E2 - Pollution	• Pollution of water
E5 - Circular Economy	• Resource inflows, including resource use • Resource outflows related to products and services
S1 - Own Workforce	• Working conditions • Equal treatment and opportunities for all
S2 - Workers in the Value Chain	• Working conditions • Equal treatment and opportunities for all • Other worker-related rights
S4 - Consumers and End-Users	• Personal safety of consumers and/or end-users • Social inclusion of consumers and/or end-users
G1 - Business Conduct	• Corporate culture • Protection of whistleblowers • Corruption and bribery

[1] Refer to our Double Materiality Assessment section on page 46 of the Appendix for further information.
[2] Refer to Our Journey to EU CSRD Compliance section on page 46 of the Appendix for further information.

Rater and Ranker Achievements

MSCI

AAA

Maintained for 3 years

11.0
Low Risk

Maintained Low Risk for 3 years

CDP Supporter 2024

In 2024, LKQ received its inaugural CDP[1] rating which was a 'C'. In submitting to CDP, LKQ joined thousands of companies worldwide who submit to CDP, demonstrating our commitment to climate-change transparency. LKQ will continue working on its climate transition plan, including value chain engagement and other key strategies.

COMMITTED ecovadis Sustainability Rating

We leverage EcoVadis to obtain a standardized and comprehensive assessment of our Sustainability performance. For further information on how LKQ is leveraging EcoVadis with its suppliers, see page 34.

Goals and Progress

We are consistently working toward our goals and making progress

Profitably Delivering Sustainable Solutions	Progress	UNSDG
By 2025, establish a published roadmap to achieve the 2030 30% reduction of Scope 1 and 2 emissions.	In 2024, we developed a company-wide GHG emissions reduction plan. Refer to page 21 - Charting Our Path to GHG Emissions Reduction.	11, 12, 13
By 2030, reduce global Scope 1 and 2 emissions by 30% compared to the 2022 base year[2] relative to revenue.	Our Scope 1 and 2 emissions in 2024 are 21.7 mt CO_2e/$m, -1.8% vs 2023 (2023: 22.1 mt CO_2e/$m) and -16.2% vs 2022 (2022: 25.9 mt CO_2e/$m).	11, 12, 13
By 2050, achieve net zero emissions across our operations.	We aim to achieve net zero emissions (Scope 1 and 2) by 2050.	11, 12, 13

People-Led Performance	Progress	UNSDG
By 2025 and 2030, achieve 73% and 78% participation in employee engagement surveys, and engagement scores of 76 and 78, respectively.	In 2024, we achieved an 85% participation rate (2023: 89%) and an overall engagement score of 72 (2023: 74).	4, 5
By 2025, increase the global female representation in our workforce to 20%.	Goal achieved in 2024.	5

Strong Governance and Ethical Practices	Progress	UNSDG
Annually contribute $4 million through LKQ's Community Foundation.	Goal achieved in 2023 and 2024.	4, 13
98% of salaried, office, and sales-related team members complete Code of Ethics attestation **annually**.	100% achieved in 2023 and 2024.	

[1] Formerly known as the Carbon Disclosure Project.
[2] The base year (unaudited) has been updated from 2021 to 2022 as 2022 better represents business-as-usual at LKQ globally following the significant disruption experienced in 2020 and 2021 due to Covid-19. Scope 1 and 2 emissions disclosed for 2021 were 331,065 mt CO_2e. Emissions for 2022 disclosed in this report are 365,389 mt CO_2e.
[3] See pages 15-18 for how SDGs 9 and 12 are inherent in our business.

We Support the Sustainable Development Goals

Our alignment of business practices and focus on stakeholder welfare supports certain United Nations Global Compact principles for responsible business, including human rights, labor, environment, and anti-corruption.

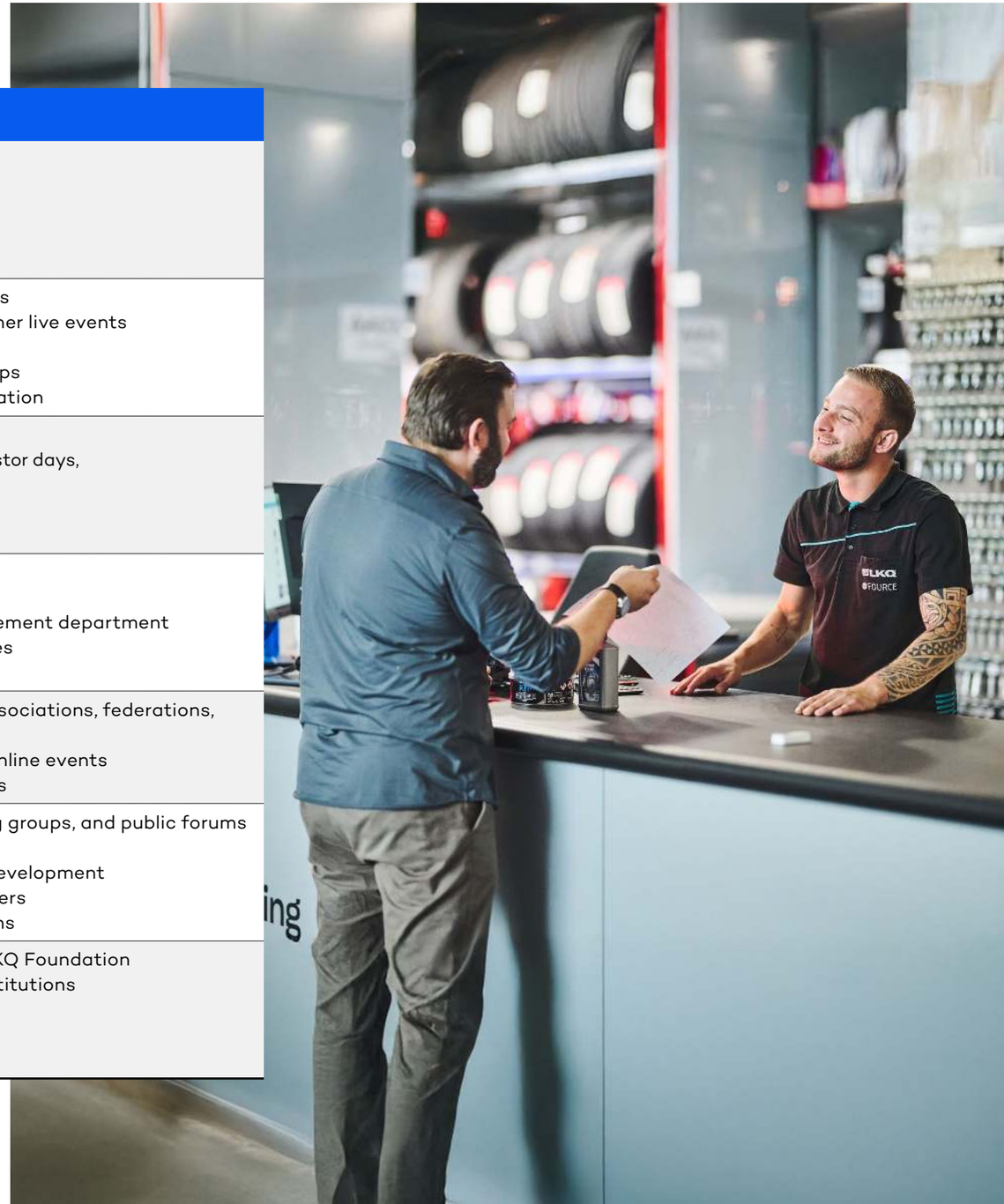
- 4 Quality Education — Training and development opportunities for our workforce
- 5 Gender Equality — Building a culture of inclusion, diversity, and belonging
- 9 Industry, Innovation and Infrastructure — Innovation to extend the lifespan of vehicles[3]
- 11 Sustainable Cities and Communities — Making transportation accessible and sustainable
- 12 Responsible Consumption and Production — Supported through our leadership in the circular economy[3]
- 13 Climate Action — Supported by our GHG emissions reduction roadmap

United Nations Sustainable Development Goals

Our Blueprint for Proactive Stakeholder Engagement

Through strategic dialogue and diverse engagement channels, we continuously strengthen our relationships with stakeholders to align our actions with their evolving needs and expectations.

	Methods of Engagement
Employees	• Employee engagement surveys • Annual performance reviews • Town halls • Speak Up Program • Training programs
Customers	• Direct engagement by sales teams • Trade shows, conferences, and other live events • Branded social media channels • Customer surveys and focus groups • Microsites used in customer education
Stockholders and Credit Investors	• SEC filings • Equity and credit conferences, investor days, and non-deal roadshows • Investor relations website • Annual stockholders meeting
Suppliers	• Global Supplier Code of Conduct • Site visits • Direct engagement by the procurement department • Terms and conditions on purchases • Supplier surveys
Industry and Sustainability Associations	• Membership and affiliations to associations, federations, and networks • Conferences, and other live and online events • Interacting with raters and rankers
Government Affairs	• Ad-hoc, regular meetings, working groups, and public forums • Written proposals • Support for policy research and development • Adherence to transparency registers • Engagement via trade associations
Community	• Worldwide support through the LKQ Foundation • Partnerships with educational institutions • Scholarships • Student internships • Volunteering



Understanding our European Business

A Conversation with Andy Hamilton, Senior Vice President and President and Managing Director of LKQ Europe

How is the European automotive aftermarket transforming, and what growth opportunities do you see for LKQ in Europe?
The European aftermarket is undergoing significant changes, driven by two broad, but divergent, trends: firstly, the car parc is continuing to age at an ever-increasing rate, and secondly, the share of electric vehicles in both new and used car markets is growing across every European region in which we operate. By 2030, we expect over 30 million battery electric vehicles (BEVs) to be in use across Europe.

An aging parc indicates a need for more frequent and complex repairs, and more innovative solutions to improve value and Sustainability, brought about by investment in vehicle remanufacturing and recycling — an area in which we have access to unrivaled resources and expertise. Greater demand also increases competition, and it's on us to help our independent workshops offer a best-in-class customer experience, including through the training and workshop concept brands we offer.

The rise of BEVs will have almost the reverse impact. With fewer moving parts, workshops will see less demand for traditional services, but more for new skills, like battery management and software updates. That's where the opportunity to sell more training and equipment comes in, as workshops adapt to service a broader variety of vehicle types than ever.

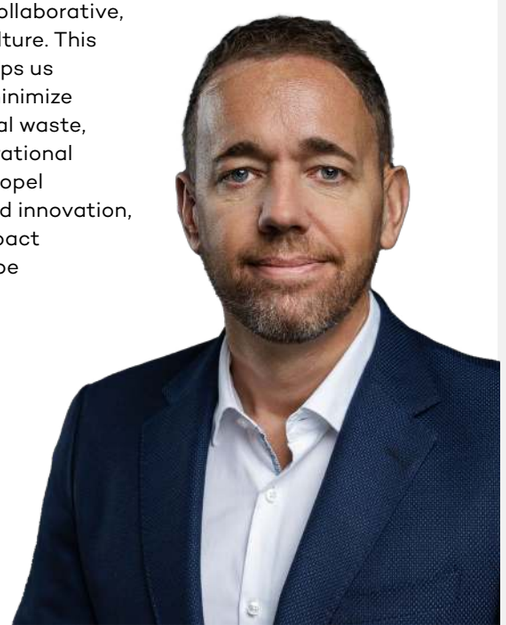
What have been some key Sustainability highlights for Europe in 2024?
In 2024, we made significant progress in our Sustainability journey, with a continued focus on: the efficiency and profitability of our operations, the impact we have on our people and communities, and the environmental impact of the products, services, and the solutions we supply. We are expanding our salvage and remanufacturing capabilities, strengthening our circular economy contributions, and rationalizing our stock keeping units (SKUs) to improve operational efficiency and cost effectiveness

Over the years, we have reduced our GHG emmissions by installing solar photovoltaic (PV) panels in our Central Distribution Centers (CDCs) in the UK and in the Netherlands and we are exploring other opportunities across our European locations, including the ongoing installation of LED lighting. As for our fleet, we have introduced BEVs where practical and economically sustainable, and have several pilot projects underway, including the use of Hydro-treated Vegetable Oil (HVO) and Compressed Natural Gas (CNG) as an alternative means of powering our diesel Heavy Goods Vehicles (HGVs).

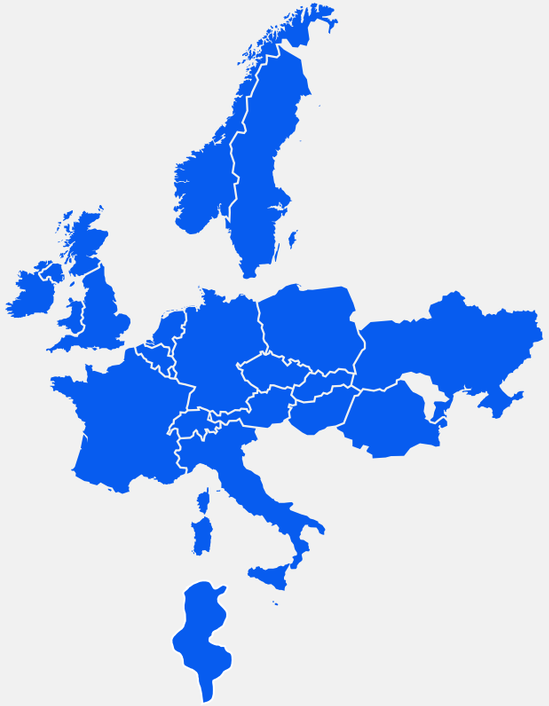
Being a truly sustainable business is also about how we treat and manage our people, and how we hold ourselves accountable to do what we say as an inclusive employer of choice. Our people fuel our success, enabling us to deliver excellent results and grow our business sustainably.

How is LKQ innovating its Sustainability strategy in Europe to meet market shifts?
We are focused on optimizing our distribution network to improve efficiency, while applying sustainable solutions to reduce our environmental impact. We are investing in our remanufacturing capabilities to offer parts as a cost-effective and sustainable solution for the ageing car parc, and to unlock new solutions for EV battery repair. We are working towards 100% recyclable packaging for all products within our private label house of brands. And we have committed to upskilling 24,000 technicians to safely maintain and repair hybrid and electric vehicles across 12 countries by 2028.

Ultimately, our strategy is deeply rooted in what's best for our stakeholders, driving us to think about and deliver on how we can improve our customers' total cost of ownership for both internal combustion engine (ICE) and battery electric vehicles, extend the useful life of vehicles to ensure we keep them on the road for longer, creating the most shareholder value, and fostering a collaborative, engaging, culture. This approach helps us actionably minimize environmental waste, improve operational efficiency, propel substantiated innovation, and drive impact that we can be "LKQ Proud" of every day.



Powering Sustainability: LKQ Europe



Countries where we purchase renewable electricity and/or natural gas to power our operations include:

- Belgium
- Germany
- Italy
- Netherlands
- Norway
- Sweden
- UK

Profitably Delivering Sustainable Solutions

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16 Circularity in Numbers

17 Extending Vehicle Life

18 Powering the Future

19 Championing Sustainability Across the Automotive Industry

20 Managing Our Scope 1 and 2 Emissions

21 Charting Our Path to GHG Emissions Reduction

22 Advancing Scope 3 Emissions Insights

Infotainment system
An infotainment system is a central digital platform in vehicles that combines information and entertainment functions. It enables drivers and passengers to control various features like navigation, media, and vehicle settings.

LKQ's Role in the Vehicle Lifecycle

Across its global operations, LKQ Corporation is united by the goals of reducing the cost of vehicle ownership and extending the lifespan of vehicles on the road. LKQ's origin is the circular economy. Our scale of operations makes meaningful contributions to a circular economy within the automotive industry by minimizing waste, extending the lifespan of vehicles, and optimizing resource use. Our integrated approach ensures that we deliver value at every stage of the vehicle lifecycle, from production to end-of-life.

Across the vehicle lifecycle, LKQ's leadership, innovation, and commitment to Sustainability drive meaningful impact for our customers, partners, and the planet. Circularity presents an opportunity for the automotive industry to address many of its challenges as well as improve the return on its investment in the transformation occurring within this industry.

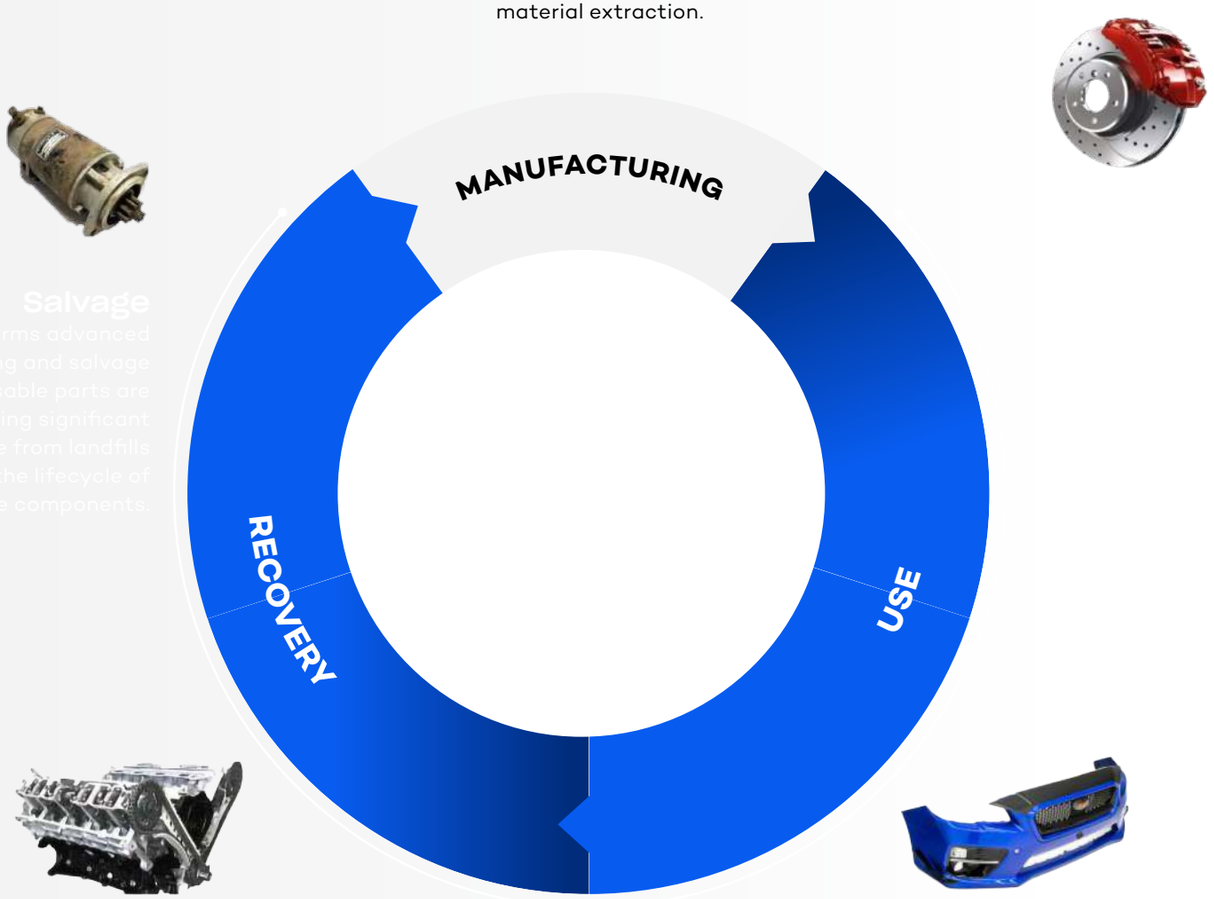
Circular economy approaches can reduce vehicle lifecycle carbon emissions per passenger km by up to 75% by 2030.

Source: World Economic Forum

Approximately 20% of our global revenue in 2024 (2023: 22%) was linked to contribution to the circular economy.[1]

[1] The change in our 2024 circular revenue percentage is due to acquisitions. More information can be accessed in "EU Taxonomy Regulation - Our Progress" on page 48.

Manufacturing new vehicles carries a potentially higher environmental impact, due to the need for virgin raw material extraction.



Salvage
LKQ performs advanced dismantling and salvage operations. Reusable parts are recovered, diverting significant volumes of waste from landfills and extending the lifecycle of automotive components.

Recycling and Remanufacturing
LKQ leads the way in remanufacturing components and recycling materials to close the loop on vehicle waste. By creating a circular flow of resources, we help the industry maximize resource efficiency, reduce raw material extraction, and lower greenhouse gas emissions.

Circularity in Numbers

At LKQ Corporation, circularity isn't just a concept, it's the foundation of our business. Our ability to process hundreds of thousands of vehicles annually and recover a broad range of reusable parts underscores our industry leadership. By leveraging our operational scale and innovative practices, we maximize resource efficiency while creating lasting value for our customers, partners, and shareholders.

Our Scale and Efficiency

Vehicles Processed Annually: In 2024, LKQ processed approximately 735,000 vehicles in North America and Europe, salvaging a diverse array of high-quality parts for reuse and resale. This scale not only reduces waste but also ensures a reliable supply of parts to meet a growing customer demand.

Market Leadership: In 2024, we reused, refurbished, and remanufactured approximately 11,674,000 parts, driving Sustainability while delivering cost-effective solutions to our customers.

Competitive Advantage: LKQ's operational scale creates a formidable competitive moat driving economies of scale, enhancing profitability, and reinforcing our industry leadership.

Growth Potential in Salvage Operations

As the demand for sustainable automotive solutions grows, so does LKQ's opportunity to expand its salvage and remanufacturing capabilities, most notably in Europe. With advancements in vehicle feedstock sourcing and yield improvement technologies, we are well-positioned to capture new growth opportunities while maintaining our market leading position and maximize value to our shareholders.

Salvage Achievements[1,2]

	2024 ('000s)	2023 ('000s)
Vehicles processed	735	766
Salvaged parts sold	11,674	12,630
Anti-freeze/water fluid (liters) salvaged	1,101	1,116
Batteries salvaged	656	706
Catalytic converters salvaged	1,415	1,488
Fuel recovered (liters)	14,412	14,355
Scrap sold (metric tons)	1,055	932
Tires salvaged	2,259	1,997
Waste Oil (liters) salvaged	8,064	8,641

Remanufacturing Achievements[3]

	2024 ('000s)	2023 ('000s)
Aluminum (metric tons)	47	48
Copper (metric tons)	5	4
Steel (metric tons)	61	62
Other (metric tons)	2	2

[1] Figures (all of which are unaudited) include achievements from our salvage operations in North America and Europe. The number of vehicles processed annually varies by year due to the volume demands on our business.
[2] Figures are measured or estimated when no on-site measurement process is available, depending on the LKQ business.
[3] This data represents an estimated annual weight of products recovered and recycled, and waste generated by our manufacturing, remanufacturing, and related core processing centers including precious metals. Non-hazardous waste data is provided by our waste collection service provider. Other recycled materials are a mixture of plastic regrind, catalyst materials, and precious metals.

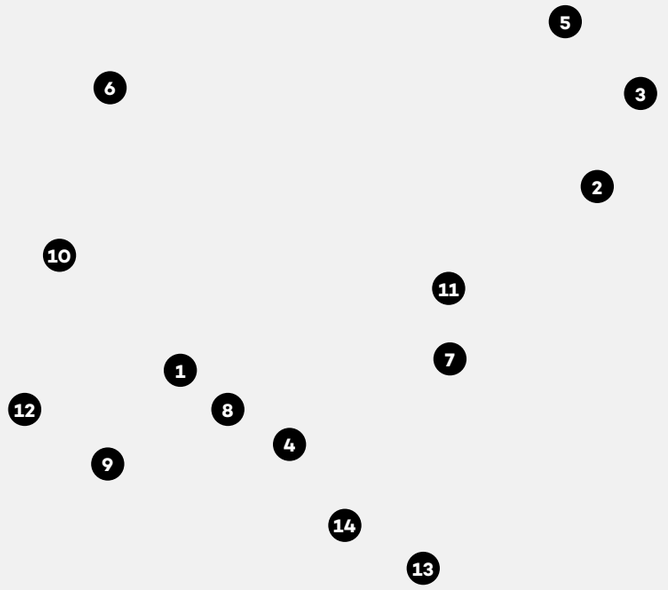
We See Value Where Others Don't

The salvaging experts at LKQ, proprietary technology, and partnerships with recycling operators combine forces to increase the value extracted from each salvaged and end-of-life vehicle. Recovered parts are reused, refurbished, remanufactured, or recycled, generating both economic and sustainable value.

	2020 Dodge Caravan Transmission	2021 Chevrolet Equinox Hood	2016 Ford F-150 Steering Gear	2017 Toyota Camry Infotainment Unit
New Original Equipment Manufacturer (OEM)	$4,660	$1,117	$1,992	$4,704
Remanufactured	$3,539	N/A	$830	N/A
Salvage	$1,500	$625	$365	$140
Average Savings vs OE	46%	44%	70%	97%

For illustrative purposes, numbers vary by vehicle make/model/year; as of March 2025

What Do We Salvage?



1 Batteries
2 Front and Rear Doors
3 Front and Rear Bumpers
4 Suspension Components
5 Deck Lids and Trunks
6 Door Mirrors
7 Anti-Lock Brake Units
8 Engine, Transmission, and Other Drivetrain
9 Cooling Components
10 Headlamps and Taillamps
11 Seats and Trim panels
12 ADAS Components
13 Wheels
14 Tires

Extending Vehicle Life

Keeping vehicles on the road longer is one of the most effective ways to promote Sustainability in the automotive industry. By enabling repairs with high-quality, cost-effective replacement parts, LKQ helps extend the lifespan of millions of vehicles each year.

LKQ's Wholesale - North America (aftermarket) and European operations provide aftermarket parts that offer a more affordable alternative to original equipment manufacturer (OEM) parts. This allows vehicle owners and repair shops to maintain and repair vehicles efficiently, keeping them in service for longer and reducing the need for premature replacements.

Additionally, LKQ's remanufacturing capabilities further support vehicle longevity by restoring critical components to like-new condition. This process not only extends the usability of existing parts but also reduces waste and conserves resources by minimizing the demand for new raw materials.

By making vehicle repair and maintenance more accessible, LKQ is at the forefront of a circular economy approach that maximizes resource efficiency, minimizes waste, and reduces environmental impact, wherever possible.

Maximizing Resource Utilization

LKQ's salvage and remanufactured parts extend the life of vehicles keeping them operational longer, conserving materials, reducing waste, and promoting a more resource efficient transportation system.

Reducing Environmental Impact

Extending vehicle lifespans lowers the environmental footprint associated with manufacturing new vehicles and components. By making repairs more accessible, LKQ supports Sustainability across all drivetrain technologies while reducing emissions and material consumption.

Delivering Value to Society

By extending the life of vehicles to help keep them on the road longer, LKQ provides economic value to customers through cost effective repairs while contributing to environmental Sustainability by reducing premature vehicle disposal.

As a member of the Forum on Automotive Aftermarket Sustainability (FAAS), LKQ and other stakeholders are supporting the development of a study in collaboration with the Politecnico di Torino, a leading engineering university in Italy and EU. The aim of the study is to calculate the CO_2 impact of vehicle repair versus replacement, considering the entire lifecycle of the vehicle, from production to end-of-life.

FAAS
Forum on Automotive Aftermarket Sustainability

Quantifiable Benefits

LKQ estimates that its efforts have **extended the lifespan of millions of vehicles globally**, resulting in substantial reductions in waste and emissions.

Resource Efficiency

1 million metric tons of steel saved annually by extending the lifespan of **1 million** vehicles[1]

Reducing Carbon Footprint

Up to **10 million** tons of CO_2e avoided annually by extending the lifespan of **1 million** vehicles[2]

[1] Estimate using data from J.D.Power/International Energy Agency (IEA) and the American Iron and Steel Institute (AISI) - average passenger vehicle weight of 4,094 lbs (1,857 kg) and average steel content of 54% per vehicle

[2] Basis for calculation is the assumption that the manufacture of a new vehicle will generate between 5 and 14 tons of CO_2e per vehicle. Source: Total CO2-equivalent life-cycle emissions from commercially available passenger cars

Powering the Future

Exploring Innovation and Sustainability in the Ecosystem of Battery Electric Vehicles

As consumers adopt more electric and hybrid vehicles, LKQ Corporation is embracing innovation and Sustainability to ensure long-term relevance and leadership by collaboratively developing global EV-related capabilities. By investing in advanced technology, developing specialized capabilities, and supporting the circular economy, we are powering the future of mobility while moving forward with our Sustainability goals.

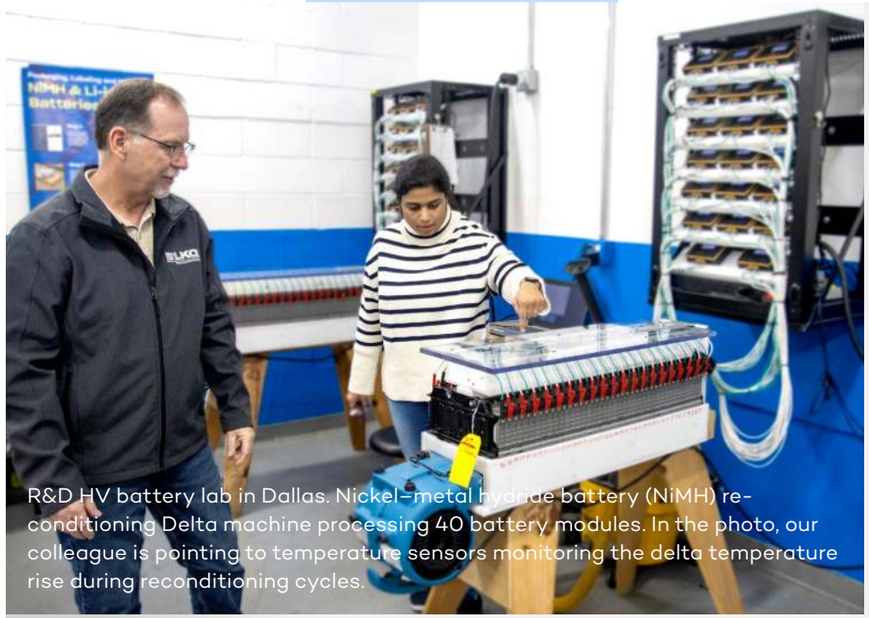
Innovating for a Sustainable Future

R&D Capabilities: Our state-of-the-art R&D Lab in Dallas, TX and our facility in Sanford, NC are at the forefront of technological innovation, enabling us to develop advanced remanufacturing solutions for the EV market.

Hybrid Battery Remanufacturing: Remanufacturing has long been recognized as a cost-effective alternative to new manufacturing, and LKQ is a leader in this space. By remanufacturing hybrid batteries and other critical components, LKQ not only reduces waste but also offers customers a high-quality, lower-cost alternative to new parts, extending the lifespan of vital vehicle systems. See the table on this page which demonstrates this value.

EV Battery Repair: With pilot programs in Europe, LKQ is exploring new ways to repair EV batteries, creating a new market for electric vehicle components.

Salvaging Critical Materials: Electric vehicles rely on rare earth minerals (REMs), which are vital for battery production. Some REMs, for example cobalt, come from electric motors. The copper that comes from the wiring harness or any other metals associated with the battery are recycled. LKQ is committed to resource conservation, which includes repairing, remanufacturing, or recycling at the end-of-life. Salvaging and recovering these critical REMs and metals helps reduce dependency on virgin resource extraction, supports supply chain Sustainability, and aligns with global decarbonization goals.



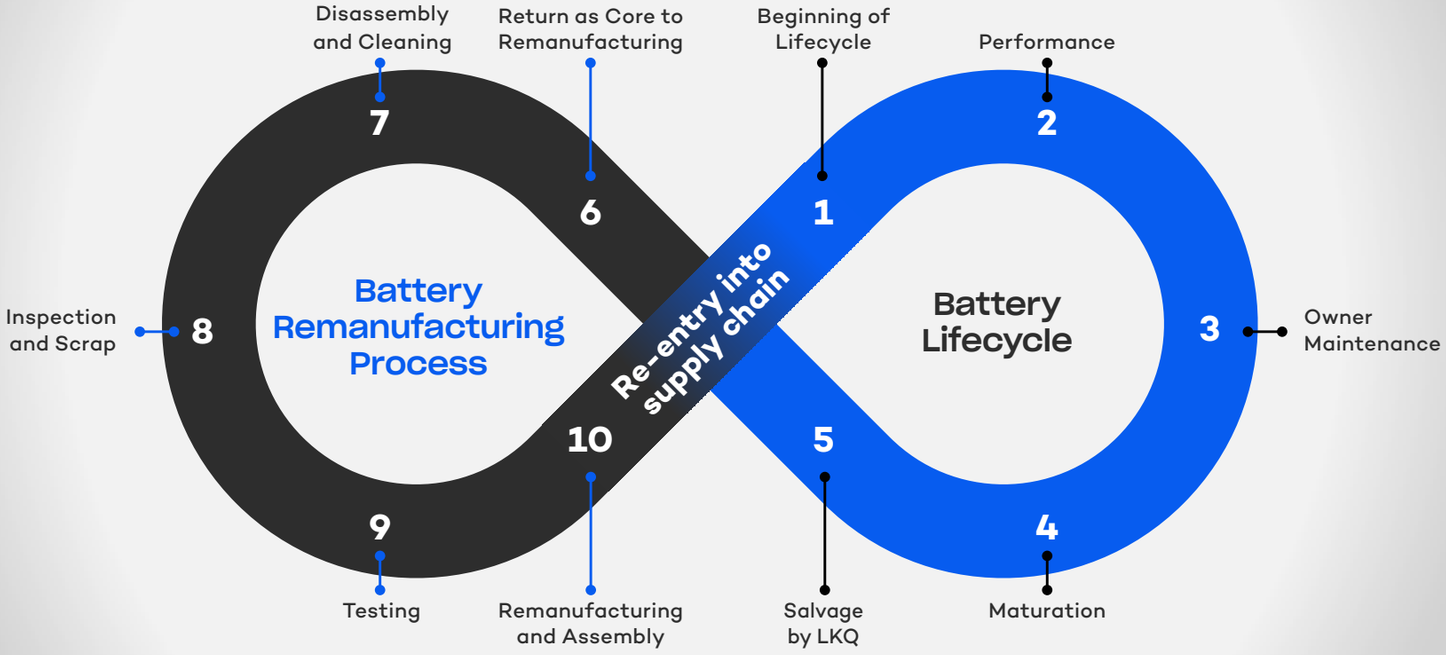
R&D HV battery lab in Dallas. Nickel–metal hydride battery (NiMH) re-conditioning Delta machine processing 40 battery modules. In the photo, our colleague is pointing to temperature sensors monitoring the delta temperature rise during reconditioning cycles.

LKQ offers customers a variety of hybrid battery replacement options as part of our innovation in powering the future.

Hybrid Battery Cost	2010 – 2015 Toyota Prius
New original equipment manufacturer (OEM) battery	$3,599
Refurbished battery with new modules	$1,995
Reconditioned battery with existing modules	$1,449
Salvage OEM battery	$850

For illustrative purposes, numbers vary by vehicle make/model/year; as of March 2025

LKQ Hybrid Battery Remanufacturing Process



Championing Sustainability Across the Automotive Industry

Sustainability is more than a commitment at LKQ, it's a driving force behind our leadership and collaboration within the automotive sector. From influencing industry-wide initiatives to empowering individuals through education, we are championing a sustainable future for the entire industry.

Industry Leadership in Sustainability

As a key player in the Forum on Automotive Aftermarket Sustainability (FAAS), LKQ participates in initiatives that promote resource conservation, circularity, and environmental stewardship. Our leadership role allows us to shape meaningful industry dialogues and inspire actionable change.

Recent FAAS Event in Europe

As a member of FAAS, LKQ collaborates with stakeholders across the automotive aftermarket value chain to understand and advance Sustainability within the independent automotive aftermarket industry. LKQ employees from Sustainability and other business functions participate in working groups focused on corporation GHG emissions, remanufacturing, product carbon footprint, and supply chain logistics optimization.

Additionally, FAAS organizes annual Sustainability days to bring together members and other key stakeholders to discuss perspectives, common challenges, and share best practices. In 2024, FAAS members visited our salvage operations in LKQ Atracco, an LKQ subsidiary based in Sweden, where they were able to learn about our business and salvage processes.

Driving Sector-wide Change

Through our engagement with FAAS and similar initiatives, LKQ reinforces its position as a thought leader, fostering collaboration and setting benchmarks for Sustainability across the automotive sector.

LKQ Lead Innovator Program

Innovation is key to prepare LKQ's customers for the future. We created a community with a small group of innovators amongst our customers in Europe. This relationship enables us to validate new business models, test new parts and services, and address emerging challenges, while keeping a competitive advantage in the automotive aftermarket space.

The program launched in Germany, the UK, Belgium, and the Netherlands with a total of 19 garage customers. We piloted new services, such as, access to reman engines, battery state of health (SOH) assessments, and in-vehicle data.

LKQ Academy: Future-proofing Our Customers' Success

The LKQ Academy is Europe's leading provider of advanced aftermarket repair and maintenance training. It helps customers future-proof their services, supports LKQ's long-term success, and accelerates the decarbonization of the car parc.

As vehicles become more technologically complex—due to electrification, digitalization, and advanced systems—workshops and their technicians need ongoing training, through the LKQ Academy, we equip them to meet these challenges.

In 2024, we delivered over 33,000 training courses and opened seven new flagship training centers, covering sustainable business management and nine key vehicle technology areas: diagnostics, electrics and electronics, engine management, hybrid technology, powertrain, air conditioning, chassis and body, surfaces, and trucks and trailers.

In 2025, we will open five more centers and launch a free Sustainability course in all 12 European countries LKQ Academy operates, helping workshops mitigate the impact of their daily activities through more efficient working practices, better energy and waste handling, and the use of more sustainable products and equipment.

LKQ is committed to upskilling 24,000 technicians to safely maintain and repair hybrid and electric vehicles across 12 European countries by 2028, as part of our pledge to the European Commission's Transition Pathway for Mobility. This is core to our wider efforts to support independent workshops and advance the Sustainability agenda in the automotive sector.

52K Registered users	**4.58** Customer Satisfaction Index (out of 5)	**170** Lectures
68K Certifications released	**12** Countries[1]	**2,200** Training contents
10 Languages[1]	**330** Training sites	**WEBAPP** For a flexible user experience

[1] The count of countries and languages decreased from 2023 due to divestitures in Europe. Some numbers on this page are approximate.

Managing Our Scope 1 and 2 Emissions

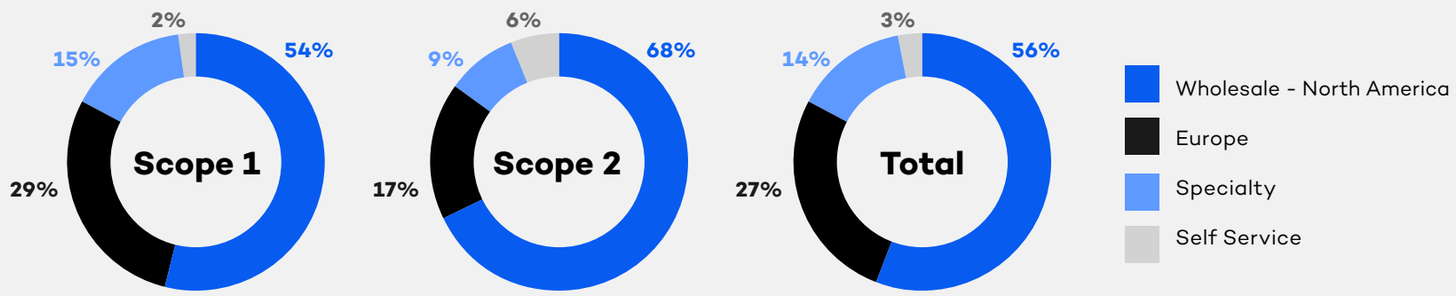
We are committed to reducing greenhouse gas (GHG) emissions across our operations, focusing on Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased energy). By analyzing trends, optimizing our network, and implementing targeted initiatives, we continue to make progress towards a more sustainable future.

In 2024[1], we recorded 311,979 mt CO_2e, a 4% absolute decrease compared with the prior year[2] (2023: 324,394 mt CO_2e) and a 15% absolute decrease compared with 2022[3] (2022: 365,389 mt CO_2e).

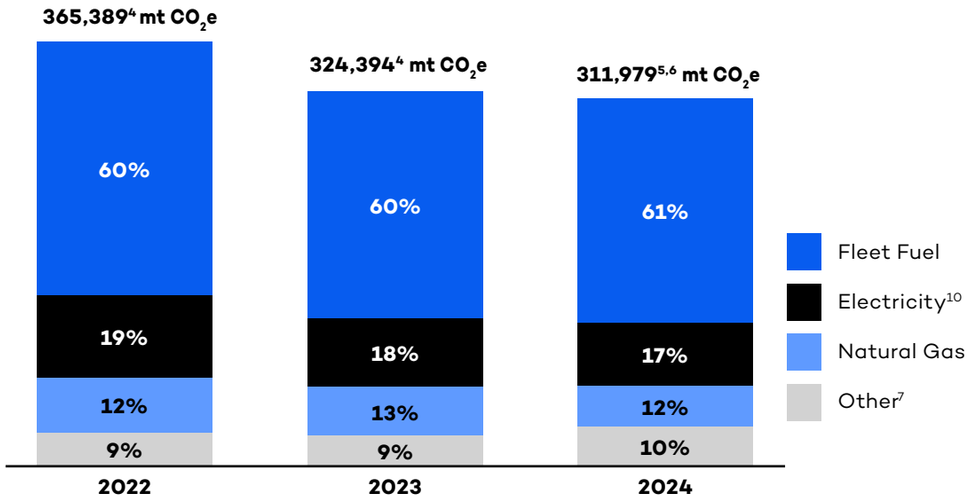
Key Initiatives in 2024

- **Renewable energy procurement:** in 2024 we have expanded the use of renewable energy supported by certificates (RECs) in Europe (Netherlands, Belgium, Italy) and we have signed new contracts for 2025 both in Europe (Czech Republic) and in North America.
- **Fleet fuel initiatives:** we have maintained and expanded the use of Liquefied Petroleum Gas (LPG) and Compressed Natural Gas (CNG) as alternative fuels in lieu of gasoline and diesel. Additionally, we have entered into contracts to introduce Hydrotreated Vegetable Oil (HVO) in 2025 in our UK operations, and we are exploring expanding this to other European countries. Finally, we continue to gradually replace internal combustion engine (ICE) vehicles with electric vehicles where possible and economically feasible.
- **Energy efficiency upgrades:** we have continued our investments in energy-efficient lighting and insulation systems across our facilities in North America and Europe.
- **European network optimization:** as part of our European Network optimization plan, in 2024 we have, where possible, consolidated locations into more efficient sites across core countries. This initiative has enabled us to streamline operations, reduce energy consumption, and lower overall emissions while maintaining exceptional service.

Total Scope 1 and Scope 2[10] GHG Inventory by Operating Segment (mt CO_2e)



Total Scope 1 and Scope 2 GHG Inventory by Activity



490
(3.2%) electric vehicles in our global fleet[8]

43,070,733
kWh (22.1%) of renewable energy purchased supported by certificates

2,702,452
liters (3.5%) of alternative fuel[9]

[1] For additional details about our Scope 1 and 2 intensity goals and our 2024 progress refer to page 11.
[2] Scope 2 market-based methodology is used as reference for tracking performance against goal. Additional information including location-based and market-based breakdowns, comparison with prior year and base year and details about the calculation methodology are available in Appendix 'Greenhouse Gas (GHG) Emissions Disclosure'.
[3] The base year (unaudited) has been updated from 2021 to 2022 as 2022 better represents business-as-usual at LKQ globally following the significant disruption experienced in 2020 and 2021 due to Covid-19. Scope 1 and 2 emissions disclosed for 2021 were 331,065 mt CO_2e. Emissions for 2022 disclosed in this report are 365,389 mt CO_2e.
[4] Comparative figures for 2022 and 2023 (unaudited) have been adjusted to account for the impact of the Canadian Business acquired in 2023 (Uni-Select) and to account for corrections in calculation methodologies and identified data errors.
[5] 2024 figures include the acquired Canadian Business (Uni-Select).
[6] For additional details about the scope of work performed by our external auditors, Deloitte, on our 2024 GHG Scope 1 and 2 emissions, refer to page 59.
[7] Other include: Fuel Non-Fleet (including recovered fuel from our salvage operations) and District Heating.
[8] Approximately as of December 31, 2024, including full-electric and hybrid vehicles.
[9] Alternative fuel (equivalent) includes CNG, LPG, Propane.
[10] This chart represents Scope 2 market-based emissions including the effect of renewable electricity purchased where applicable.

Charting Our Path to GHG Emissions Reduction

In responsibly managing the impacts of our operations, we aim to reduce our carbon footprint and advance our GHG emissions reduction goals while maintaining a balanced approach. Guided by actionable strategies and measurable goals, we are working to achieve a 30% intensity Scope 1 and 2 emissions reduction by 2030, leveraging the use of renewable energy, operational efficiency, and innovation to drive meaningful and economically viable change.

Key GHG Emissions Reduction Levers

Renewable energy investments

- Purchase Renewable Energy supported by certificates (RECs) maintaining the current commitment and expanding it to all geographies where possible.
- Continue to explore Purchase Power Agreements (PPA) through the installation of solar photovoltaic panels in central distribution centers and branches where applicable to complement our long-term GHG emissions reduction strategy.

Fleet fuel initiatives

- Advance the use of alternative fuel in lieu of gasoline and petrol. Alternatives already identified include: Liquefied Petroleum Gas (LPG), Compressed Natural Gas (CNG), and Hydrotreated Vegetable Oil (HVO).
- Continue a gradual transition to electric vehicles where applicable and economically viable.
- Explore other fleet efficiency initiatives by focusing on route optimization and fleet right-sizing while benefitting from efficient last mile delivery systems and the expansion of telemetry as applicable.

Business integrations and property upgrade initiatives

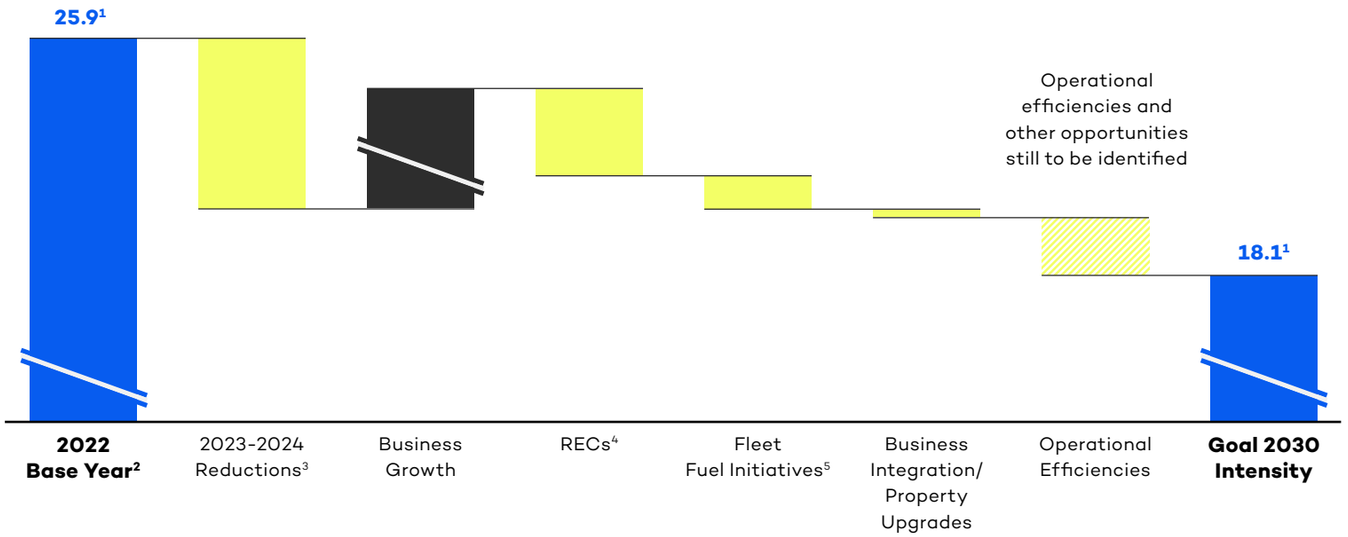
- Continue to complete business integration projects and network optimization initiatives across North America and Europe.
- Continue the installation of LED lighting and sensors to control the energy usage across our entire network and improve building insulation to enhance energy efficiency.
- Continue the rollout of smart meter installation across our network to facilitate data tracking and monitoring.

We continue to allocate significant time and resources to advance our goals and aspirations, and we are identifying additional operational efficiencies and economically viable opportunities across our operations to achieve our 2030 intensity goal.

"Incorporating Sustainability into our real estate strategy is essential for long-term success. By prioritizing energy efficiency and sustainable solutions, we aim to reduce our environmental impact while enhancing the value of our properties and ensuring long-term operational cost savings."

Michael Baker, Vice President, Global Real Estate

Lever Impact Breakdown (2022–2030)



[1] Unit of measure is mt CO_2e/$m.
[2] The base year (unaudited) has been updated from 2021 to 2022 as a more representative year of LKQ business-as-usual post-Covid-19 disruption.
[3] Reductions achieved in 2023 and 2024, including small divestitures not requiring a base year recalculation (below the internally recognized threshold of 5% for significant changes).
[4] Additional RECs in North America and Europe.
[5] Use of alternative fuels (HVO, CNG, LPG) and EVs.

Advancing Scope 3 Emissions Insights

Scope 3 emissions, those generated across the value chain, often constitute the largest component of corporate GHG inventories. LKQ's first objective is to enhance the calculation of these emissions and complete its inventory of all relevant categories. As we refine our Scope 3 emissions data, we will be able to consider new goals and strategies and focus on necessary actions to influence their impact more effectively.

Introduction to Scope 3 Emissions

Scope 3 emissions encompass indirect emissions across the lifecycle of our products and operations, including upstream and downstream activities. Our strategy for calculating Scope 3 emissions prioritizes significance and practicality, focusing on the categories most relevant to our business and our stakeholders.

Our Methodology

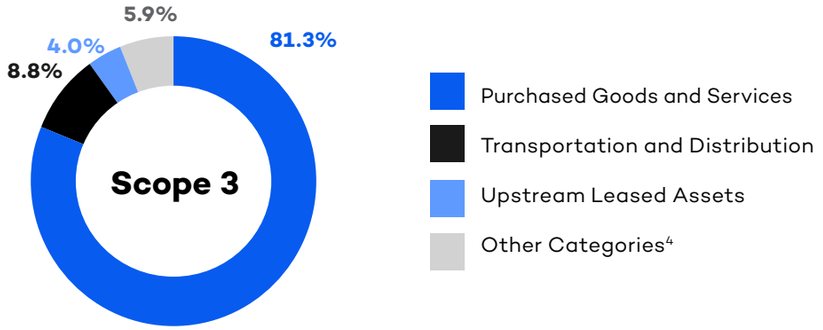
To calculate emissions, we predominantly utilize a spend-based approach, which aligns financial data with industry average emission factors. This methodology enables us to assess emissions across our complex value chain while prioritizing the most material categories. Although we are starting with this approach we aim to improve data quality over time for significant categories of Scope 3 emissions.

Progress Update

In 2024, we made significant progress in calculating our Scope 3 emissions, with data collected and disclosed for 8 out of 13 categories[1] identified as relevant for our business. In line with the phase-in approach established by LKQ, in 2024 we focused on the categories that contribute the most to our overall footprint.

2024 Scope 3 Emissions

For 2024[2], for the 8 calculated Scope 3 categories, our emissions amount to 1,941,370[3] mt CO_2e, across the following key categories:



	Scope 3 Categories Relevant for LKQ[5]
Category 1	Purchased goods and services
Category 2	Capital goods
Category 3	Fuel- and energy-related activities
Category 4	Upstream transportation and distribution
Category 5	Waste generated in operations
Category 6	Business travel
Category 7	Employee commuting
Category 8	Upstream leased assets
Category 9	Downstream transportation and distribution
Category 10	Processing of sold products
Category 11	Use of sold products
Category 12	End-of-life treatment of sold products
Category 15	Investments

[1] In accordance with the GHG Protocol, there are 15 Scope 3 categories.
[2] For additional details refer to Appendix 'Greenhouse Gas (GHG) Emissions Disclosure'.
[3] Data not subject to review by Deloitte & Touche LLP.
[4] Other categories included: Capital goods, Fuel- and energy-related activities, Business travel, Employee commuting and Investments.
[5] Categories 13 and 14 have been deemed not relevant for LKQ Scope 3 accounting.

People-Led Performance

In this section:

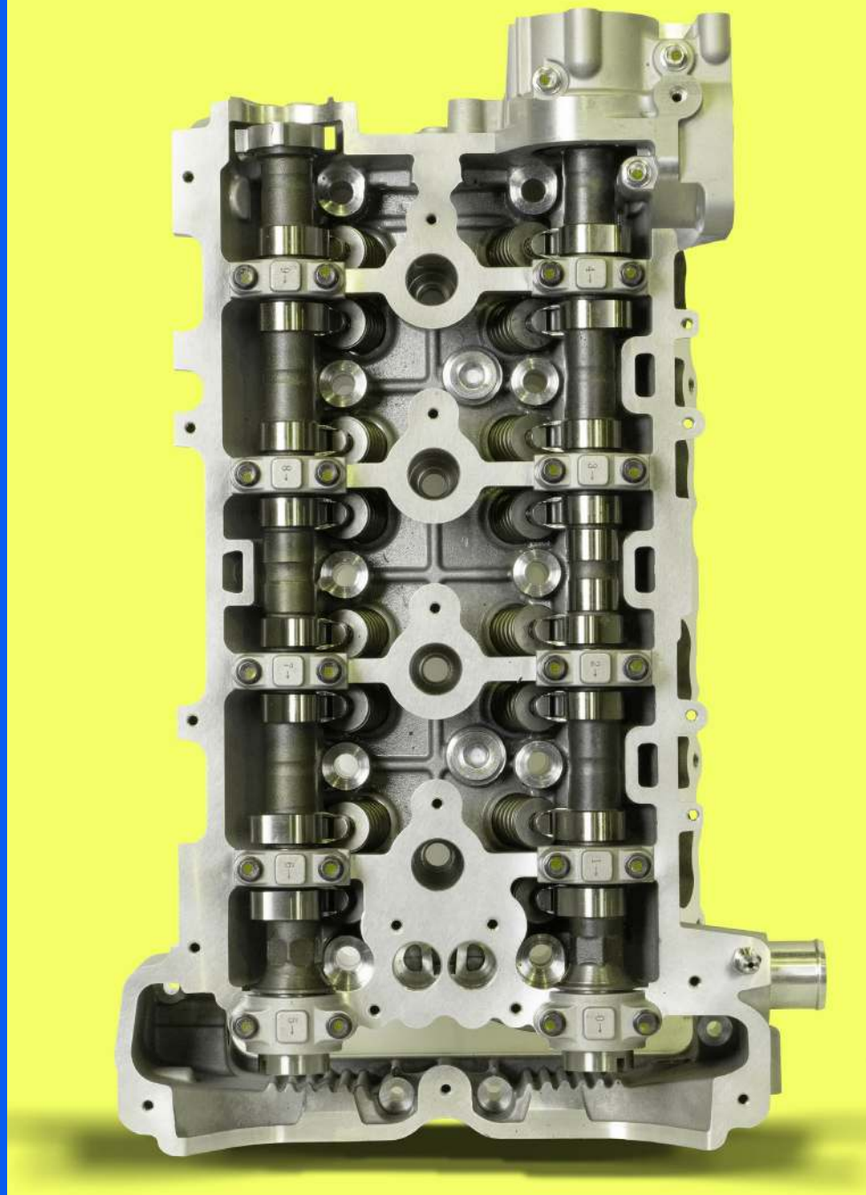
24 Safety - Now and Always

25 Investing in Our People Through Empowerment

26 Innovation Through Belonging Powered by Our People

27 Fostering Team Member Inclusion

28 Global Inclusion Networks



Cylinder Head
The cylinder head seals the combustion chamber and controls the flow of air and fuel into the engine. It manages exhaust gases, keeping everything running smoothly and efficiently.

Safety - Now and Always

Safety is fundamental to LKQ and an integral component of Sustainability

We value safety because we value our employees and the communities in which we operate. We strive to continue building upon our strong safety foundation and to maintain safety as part of our culture and a key consideration for decisions on how we operate the business.

We show our commitment to safety through our comprehensive safety program, which includes, but is not limited to: safety training, safety communications, and partnerships between our Risk Management team, leadership, and our site managers to promote and continually improve our safety culture.

Throughout the year, our Risk Management team supports and promotes our safety efforts by conducting safety reviews.

We empower our employees to report safety concerns through our global anonymous hotline and through their engagement in our North America LKQ Safety Pit Stop Program.

Fleet Safety

Our collective safety efforts are part of an operational culture that prioritizes keeping our employees and the public on the roadways safe. These efforts include utilizing safety technology, such as camera systems, some of which monitor and correct driver behavior.

Approximately half of our European delivery fleet has camera systems, and in 2024 we finalized the rollout of the Lytx camera system in North America[1]. Additionally, our European segment operates a Road Safety Campaign, which was first introduced in 2022, that raises awareness about important topics such as safe driving practices and sustainable driving efforts.

[1] Excluding recent acquisitions.
[2] TRIR (Total Recordable Incident Rate) is a mathematical calculation that describes the number of employees per 100 full-time employees that have been involved in a recordable injury or illness. Number of recordable incidents x 200,000 / total number of labor hours worked = TRIR
[3] DART (Days Away/Restricted or Job Transfer Rate) is a mathematical calculation that describes the number of recordable incidents per 100 full-time employees that resulted in lost or restricted days or job transfers due to work-related injuries or illnesses. Number of recordable incidents x 200,000 / total number of employee hours worked = number of DART incidents.

"Our people are our most valued asset. Their safety is not simply a priority, but part of our culture and commitment shared throughout all levels of the organization. We will continue to invest in tools, training, and other resources needed to keep improving our safety culture."

Rick Galloway, Senior Vice President and Chief Financial Officer

4.7
2024 Total Recordable Incident Rate (TRIR)[2]
(2023 Rate: 4.8)

4.0
2024 Days Away, Restricted and Transferred (DART)[3]
(2023 Rate: 4.0)

The numbers above refer to North America only. We are aligning our non-North American safety reporting to the Occupational Safety and Health Administration (OSHA) definitions and plan to report consolidated global safety performance metrics.

Investing in Our People Through Empowerment

Our people are at the heart of all we do.

The LKQ journey of Justin Jude, our CEO, is emblematic of the company's culture of internal mobility and people cultivation. Justin began his time with LKQ more than 20 years ago, holding various roles during his career at LKQ including Vice President - Supply Chain, Vice President - Information Systems (North America), President of Keystone Automotive Operations, Inc. and Senior Vice President and President of Wholesale - North America. In January 2024, he took the role of Executive Vice President and Chief Operating Officer, which he held until his promotion to President and Chief Executive Officer in July 2024.

Justin is one of many people who have found their place at LKQ. We maintain strong employee retention rates of salaried, office, and sales-related team members with high levels of employee engagement and by sharing business knowledge with our talent. In 2024, LKQ continued to encourage employees to complete professional learning and development courses on topics like Health and Safety, Legal and Compliance, Human Resources, and Operations. 2024 marked the first complete training year on our digital learning platform, with approximately 368,000 courses completed online.

Whether in salvage yards, distribution centers, or one of our many branches and offices, our team members are empowered to make decisions and encouraged to take ownership of their work in a way that facilitates efficiency and promotes employee engagement and satisfaction.

Supporting internal mobility isn't just the right thing to do, it improves employee retention rates and operational efficiency. We will continue to commit resources to ensure that our team members are learning and are provided opportunities to take their next career step with LKQ.

"LKQ offers more than just a job; we provide a pathway for growth. Every employee has the opportunity to build a rewarding career and achieve their full potential within our organization."

John Meyne, Senior Vice President and President of Wholesale – North America

2024 Employee Engagement Survey

Our global employee engagement survey helps us understand what we're doing well and where we can improve for our team members. In 2024, participation reached 85%, including team members who joined through acquisition during the time the survey window was open.

Through our "You Said. We Delivered." initiative, we continue to act on survey feedback and ensure results are communicated across the organization.

72
Engagement Score
(2023: 74)

85%
Participation Rate
(2023: 89%)

90% Agree
"I understand how my work contributes to the success of the business."
(2023: 91%)

90% Agree
"I am clear about what is expected of me in my job."
(2023: 91%)

92% Agree
"I am trusted to do my job effectively."
(2023: 93%)

"An employee engagement survey is only as valuable as the actions that follow. In 2024, we kicked off digital action planning in North America through our 'You Said. We Delivered.' initiative, transitioning from manual tracking to a digital platform with a results dashboard. This new approach equips leaders with better tools to build meaningful action plans and enables improved tracking to help us better understand and strengthen our engagement efforts."

Genevieve Dombrowski, Senior Vice President, Human Resources

Innovation Through Belonging Powered by Our People

Our Respect and Inclusivity Commitment ensures that every team member has the opportunity to thrive and feel a true sense of belonging in an environment where we empower everyone to bring their authentic selves to a safe and supportive workplace. Our team members bring diverse backgrounds, perspectives, and innovative approaches — driving LKQ's success through collaboration and shared purpose.

Born out of the challenges of the pandemic, the Inspired to Thrive initiative has continued to evolve, with significant growth in 2024.

Our Inspired to Thrive initiative provides our employees with opportunities to flourish, not just in the workplace, but in all aspects of life. The initiative focuses on:

1. Holistic Well-being
2. Financial Empowerment
3. Inclusive Culture
4. Professional Growth
5. Community Engagement

In 2024, we remained laser-focused on Holistic Well-being, the foundation for all aspects of individual thriving. This approach prioritizes both the physical wellness and mental health of our team members by recognizing that a healthy mind and body are essential for success. LKQ offers a wide range of support services, from well-being programs to financial empowerment and career development resources, designed to help our team members succeed and feel their best. In North America and Europe, where well-being is a key part of our organizational charter, our Well-being Champions Training has helped establish a network of colleagues who serve as first points of contact for employees in need, fostering a culture of support and care.

As part of LKQ's commitment to Holistic Well-being, LKQ's Compassion Program supports team members in the U.S. and Canada as they navigate difficult and unexpected moments, particularly during times of loss. In addition to providing financial resources, LKQ honors their loved ones by planting a tree for every team member who takes bereavement leave.

In 2024, LKQ added fertility treatment coverage to healthcare plans in the United States based on feedback from our employee engagement survey. In addition to other local action plans we provided a series of impactful webinars in the U.S. on topics such as financial literacy, mental well-being, and career development. Globally, through our Inspired to Thrive initiative we took part in physical wellness initiatives throughout 2024, like "Walk this May" to encourage overall health.

Fostering Team Member Inclusion

We are committed to learning from and appreciating the diverse cultures and backgrounds that shape our global team. We believe that our differences represent our greatest strength and are the key to innovation, fresh ideas, and a more connected workforce. This philosophy is at the heart of our Inclusion, Diversity, and Belonging focus, a new title for a deeply rooted commitment that has guided us for years.

We remain steadfast in fostering an environment where every individual feels valued, respected, and empowered to thrive. Prioritizing Inclusion highlights our belief that building a truly diverse and welcoming workplace starts with intentional action. Inclusion means ensuring that every team member—regardless of background, identity, or perspective—feels heard, seen, and valued. It is also about embracing diverse viewpoints and worldviews, recognizing that great ideas emerge when people feel safe to contribute their unique insights.

We recognize that these efforts require continuous adaptation and growth. Our commitment to Inclusion, Diversity, and Belonging is an evolving journey, one that reflects our core values and the belief that embracing our differences drives meaningful progress. We recruit, hire, promote, and retain team members based on merit and demonstrated skills. By celebrating the diverse cultures, perspectives, and experiences that make us unique, we foster inclusive workplaces that reflect the communities we serve.

Talent Acquisition Partnerships

Disability Solutions @Ability Beyond

Diverse Americans

JobCirc

USO

Women Automotive Network

WIN Women's Industry Network

Work for Equality

Inclusion, Diversity, and Belonging Partnerships

Council of Korean Americans

Hispanic Scholarship Fund

Human Rights Campaign Foundation

Malala Fund

Thurgood Marshall College Fund

Global Inclusion Networks

Our voluntary inclusion networks have always been and will always be open to all.

The LKQ Women's Network continues to grow and has over 1,000 global members united in supporting the advancement of women across our company and industry. Focused on development, recruitment, and community engagement, the Network empowers team members while giving back to meaningful causes.

In 2024, members raised nearly $16,000 in the Nashville American Cancer Society Walk and nearly $6,000 in Canada's Walk for the Cure. The European Women's Network was also shortlisted for the Global Impact in Diversity Award at the Women Automotive Awards and helped secure the Gender Equality Certification (UNI/PdR 125:2022) in our Italian Operations.

Together, our Network is building an inclusive culture and making a difference within LKQ and across the communities we serve.

The LKQ Veterans Network's mission is to empower our proud community of employee veterans, guards, reservists, and military families to support and encourage each other through shared experiences, veteran recruitment, career development, outward engagement, professional growth, and retention.

In 2024, LKQ's Veterans Network proudly partnered with Veteran Service Organizations, which is committed to supporting military members, their families, and the children of fallen heroes. Through collaborations with the USO (United Service Organizations), Folds of Honor, and No Greater Service, we mentor transitioning service members as they move from active duty to the civilian workforce while also providing support to those who have sacrificed the most.

In 2024, LKQ launched the LatinX & Hispanic Network. This new group has already become our largest membership-based inclusion network, with nearly 800 members, highlighting our continued commitment to fostering belonging and community within the organization. The LatinX & Hispanic Network's mission is to honor and support diverse cultural heritage through Cultural Enrichment, Career Development, and Customer Focus.

By fostering a sense of belonging and pride, the network aims to create an inclusive environment that empowers team members, enriches company culture, and positively impacts the communities served. The network leverages unique backgrounds to support each other, drive professional growth, and enhance cultural awareness to better serve LKQ customers.

"At LKQ, our inclusion networks are more than just groups, they are the heart of our commitment to creating an environment where everyone feels valued and empowered. Belonging isn't just about being present; it's about being supported, and celebrated for who you are. Together, we build a stronger LKQ where every team member thrives."

Genevieve Dombrowski, Senior Vice President, Human Resources

94%
Of workers care about feeling a sense of belonging at work

Source: Harvard Business Review

Strong Governance and Ethical Practices

In this section:

30 LKQ Leadership Structure

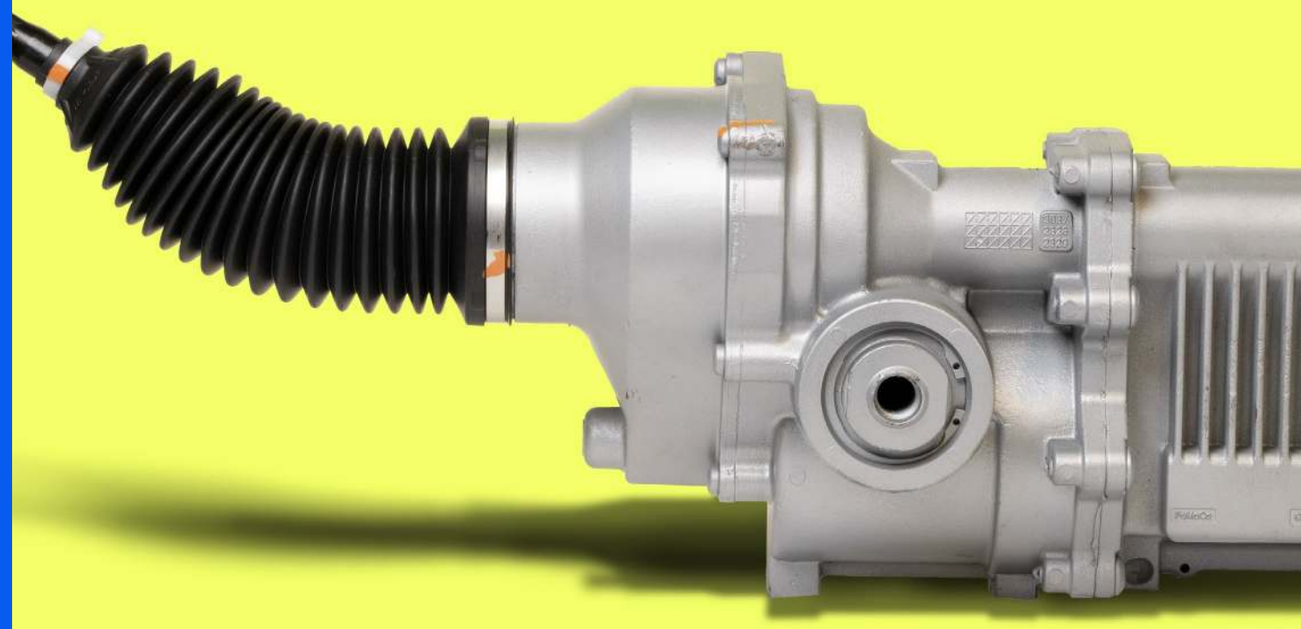
31 LKQ's Board of Directors

32 Pillars of Governance

34 Cultivating a Sustainable Supply Chain

35 The LKQ Foundation at the Heart of Our Culture

36 LKQ Gives Back to Our Local Communities



Steering Rack Pinion
An essential component that transforms the steering wheel's rotational motion into linear movement, turning the wheels and ensuring precise and smooth, responsive steering.

LKQ Leadership Structure

Good governance is the cornerstone of a strong, successful company. By fostering a culture of integrity and sound decision-making, LKQ is well-positioned to navigate challenges and seize opportunities with confidence.

We operationalize Sustainability throughout the organization with accountability and oversight at the board and management levels. Leading this effort is our VP Sustainability, who reports directly to our Senior Vice President and Chief Financial Officer. This reporting structure ensures that Sustainability not only has a seat but an influential voice at the table.

Our VP Sustainability updates the Board annually, ensuring alignment with our strategic priorities. The Board's Compensation and Human Capital Committee provides oversight on the Company's programs and policies relating to community involvement, culture, and human capital. This encompasses aspects such as inclusion, diversity, and belonging, workforce safety and engagement, well-being, and leadership development and effectiveness. The Governance/Nominating Committee of the Board has responsibility for overseeing the broader Sustainability initiatives of the company, ensuring they align with our long-term goals and values.

In addition, our VP Sustainability delivers quarterly updates to the Risk Management Committee and the Sustainability Advisory Committee, made up of key LKQ senior leadership. Furthermore, Functional and Regional Workgroups are held on a regular basis across the Corporation.

This governance framework reflects our deep commitment to Sustainability and accountability.

LKQ's Sustainability Governance Structure

"Sustainability is one of LKQ's core values and is a shared responsibility across our business. It is essential to building long-term resilience and delivering value to our stakeholders. We continue to be committed to embedding Sustainability into our operations—to help drive innovation, efficiency, and positive impact. Through strategic oversight and continuous improvement, our aim is that Sustainability remains a key driver of growth and a reflection of our values."

LKQ Board of Directors

LKQ's Board of Directors

Oversight and Support by a Diverse and Independent Board

Our Compensation and Human Capital Committee considers effective practices to incentivize and align management with strategic goals. LKQ's executive compensation plans include a high percentage of at-risk compensation and are designed to ensure a culture of pay-for-performance. Since 2021, our long-term cash incentive programs have included a multiplier that may increase or decrease earned amounts by up to 10% based on performance against our multi-year Sustainability objectives.

Our Board by the Numbers

As of our last annual meeting (05/07/2025)

11 Board Members

91% Independent

4 Years Average Tenure

36% Diverse[1]

4 New Directors Over the Past Year

3 Female Board Members

[1] The diversity metric includes ethnicity and gender.

Patrick Berard
Director

Andrew Clarke
Director

Meg Ann Divitto
Director

Sue Gove
Director

Justin L. Jude
President and
Chief Executive Officer

John William Mendel
Director

James S. Metcalf
Director

Jody Greenstone Miller
Director

Michael S. Powell
Director

Guhan Subramanian
Chairman of the Board

Xavier Urbain
Director

Current LKQ Board of Directors

Pillars of Governance

LKQ is committed to maintaining the highest level of ethical standards. We are guided by our Code of Ethics that applies to all Board directors, officers, and employees, and to all our subsidiaries, and by our policies addressing workplace harassment and discrimination, anti-bribery and anti-corruption, and export controls, among other topics. LKQ has an online, in-house training system (LKQ You) through which our employees take classes to help them understand the rules relating to these issues and the importance of adhering to the rules. All employees, including part-time employees, are trained on our ethics program when they join the Company and receive regular training on our policies periodically thereafter.

Our General Counsel has managerial responsibility for developing our business ethics, including anti-corruption, policies, and operating guidelines, and ensuring compliance. Our Board of Directors, through its Audit Committee, maintains oversight of our compliance programs and receives regular reports on any raised or suspected ethical violations. To view these policies and others, please visit LKQ's website. At LKQ, we endeavor to conduct our business in a socially responsible and ethical manner consistent with human rights principles.

Our approach to human rights is guided and informed by international standards. We are committed to embedding respect for human rights throughout all aspects of our business and within all geographies in which we operate. Our Human Rights Statement details our commitment to freedom of association, ethical supply chain management, workplace health and safety, prevention of human trafficking, and diversity, inclusion, non-discrimination, and non-harassment.

Product and Process

At LKQ, we stand behind the integrity of our products with the LKQ Parts Replacement Promise[1]. Our Commitment to Quality allows us to back our recycled and aftermarket collision products with warranties, which are the best in the industry. Our recycled, reconditioned, remanufactured, rebuilt, aftermarket, heavy truck, and self-service parts come with a warranty in the LKQ Parts Replacement Promise program. Our Quality Assurance (QA) Team is responsible for overseeing product quality and safety at LKQ. Our employees are educated in the latest quality and safety regulations by receiving regular training in those areas. Employees in direct contact with customers provide valuable feedback for quality improvements.

Data Privacy and Cybersecurity

We are dedicated to upholding data privacy laws that dictate the responsible collection, storage, usage, sharing, transfer, and disposal of personal information in our operations. With the introduction of new and expanded data privacy regulations worldwide, our Privacy and Cybersecurity teams work with the business to ensure our compliance. These teams are tasked with creating and implementing suitable technical, physical, and administrative safeguards to prevent unauthorized access, use, disclosure, alteration, or destruction of personal data. Additionally, our Incident Response Plan is tested through annual tabletop exercises. Employees are key to protecting data, so we educate and involve our team members in this important matter.

LKQ's Board of Directors is actively involved in oversight of LKQ's risk management program, and cybersecurity represents an important component of the Company's overall approach to risk management. LKQ's cybersecurity policies, standards, processes, and practices are fully integrated into its operations and are based on recognized frameworks established by the International Organization for Standardization, the National Institute of Standards and Technology and other industry standards. In general, LKQ seeks to address cybersecurity risks through a comprehensive, cross functional approach that is focused on preserving the confidentiality, integrity, and availability of the information that LKQ collects and stores, maintaining access to critical systems by identifying, preventing, and mitigating cybersecurity threats and effectively responding to cybersecurity incidents when they occur.

[1] North American customers only.

Bribery and Corruption

LKQ is dedicated to upholding compliance with all applicable laws and regulations that prohibit corruption, bribery, money laundering, or similar behaviors in any region where we operate. Our stance on bribery and corruption is unequivocal. We refrain from offering, providing, soliciting, or accepting bribes or any form of inducement to unfairly gain business, establish business connections, sway decisions in favor of LKQ, or for any other unethical purpose.

Protection of Whistleblowers

The Speak Up Program at LKQ demonstrates our strong commitment to fostering a transparent and ethical environment. We prioritize upholding high ethical standards and value our employees' role in ensuring that we win with integrity.

The main goals of our Speak Up Program include:

- Encouraging Open Communication: Employees are encouraged to report misconduct promptly, knowing their efforts are valued.
- Building a Culture of Trust: We nurture a culture of integrity where raising concerns is respected and addressed swiftly.
- Providing Clear Reporting Channels: We stress the importance of accessible reporting channels for employees to communicate concerns.
- Ensuring Confidentiality and Protection: We ensure confidentiality in the Speak Up Program and have zero tolerance for retaliation.

Lobbying and Political Contributions

At LKQ, all lobbying activities and expenditures for lobbying are filed in states in which LKQ engages with those governments, and it registers on the federal level in accordance with federal guidelines. LKQ also has a political action committee (PAC). The participation and reporting of actions taken by those involved in the PAC follow all applicable federal and state guidelines. Our corporate donations are less than $0.5 million. LKQ does not donate corporate funds to federal candidates.

LKQ Europe is registered on the European Parliament Transparency Register. This includes its fields of interest, membership and affiliations to associations, federations, networks, or other bodies, as well as the annual costs attributable to activities covered by the Register. These costs are less than €0.2 million. LKQ Europe is a signatory to the Transparency Register Code of Conduct.

Pillars of Governance (continued)

Environmental Stewardship

LKQ is committed to being good stewards of the environment by maintaining an environmental management system (EMS) to help reduce our environmental impact and increase operating efficiencies.

The EMS framework consists of performance monitoring, evaluation, and improvements. Performance monitoring includes self-inspections and independent external audits.

The self-inspections are conducted by facility personnel and uploaded to a cloud environmental compliance platform. The independent external audits are conducted by third-party environmental consultants. These audits are currently being conducted at our salvage and manufacturing facilities.

Certain operating facilities maintain Stormwater Pollution Prevention Plans (SWPPP), Spill Prevention Control & Countermeasures (SPCC) plans, and stormwater, wastewater, and air permits. LKQ retains environmental consulting firms to review, develop, and update these permits and plans as necessary.

The LKQ Environmental Department oversees the administration of numerous federal, provincial, and state issued Waste Generator registrations, which allow our operations to safely dispose of hazardous and non-hazardous waste.

The LKQ Environmental Department conducts monthly environmental compliance calls with operations to review recent and upcoming regulatory changes, discuss lessons learned from inspections and audits, and share best management practices.

The LKQ Environmental Department maintains an environmental training curriculum for employees in our salvage, manufacturing, warehouse, and retail divisions to increase environmental stewardship and compliance awareness and competence.

Additional details are available in our Environmental Statement - LKQ

Approach to Tax

LKQ recognizes the importance of contributing to the societies in which we operate. We are committed to complying with all applicable tax laws and regulations in the jurisdictions where we conduct business and to making timely and accurate tax filings in every country in which we operate. When needed, we seek advice from outside experts to ensure tax compliance.

See our latest annual 10-K for further information regarding taxation.

Certification Highlights:

ISO 9001 Quality Management – Various European and North American Operations

ISO 14001 Environmental Management – LKQ Atracco, Vege Mexico and Warn Industries

ISO 45001 Occupational health and safety management system – LKQ RHIAG

ISO/IEC 17025 Laboratory Management Systems Certification – North America-Wholesale (Assured Quality Testing Services)

IATF 16949 Quality Management System – Warn Industries in North America

Cultivating a Sustainable Supply Chain

Supplier Code of Conduct and Supply Chain Sustainability Strategy

In 2022, LKQ adopted a Global Supplier Code of Conduct[1], which is an extension of LKQ's Code of Ethics. The aim is to hold our vast supplier network accountable for meeting or exceeding LKQ's policies and practices in relation to risk assessment and due diligence for human rights, labor practices, and environmental standards. We are committed to the observance of human rights and the protection of our environment. LKQ is aware of our accompanying responsibility in the procurement of products and services, and we commit ourselves to comply with our standards. We also expect our suppliers to respect human rights and protect the environment. To this end, we are intensifying cooperation with our suppliers to promote the social and environmental impact of our supply chain.

Our LKQ Europe Framework agreement templates include a reference to the Supplier Code of Conduct, with the commitment for our suppliers to either sign our Supplier Code of Conduct or confirm that equivalent policies and procedures will be applied. In 2024, 92% of the contracts signed at the European level with direct suppliers were based on the LKQ template, including the reference to the Supplier Code of Conduct. As agreements with indirect suppliers[2] are often based on the suppliers' templates, a link to the Supplier Code of Conduct has been added in LKQ Europe's Purchase Order template with our primary affiliates.

Supply Chain Due Diligence Program

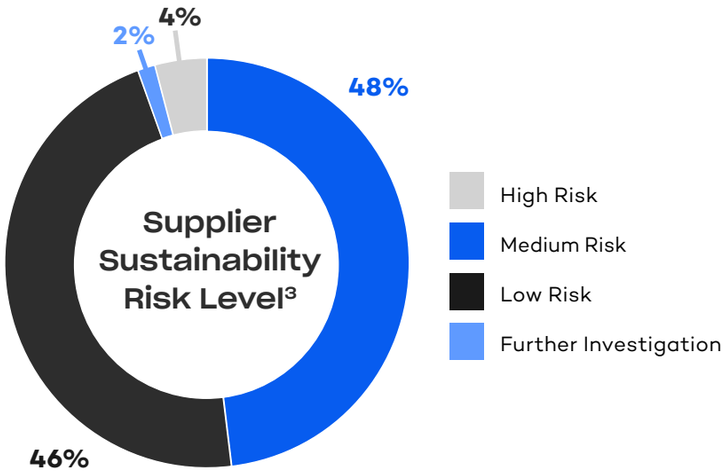
We want to build strong relationships with our suppliers based on trust and transparency. Our aim is to ensure a reliable and sustainable supply chain, following a holistic approach focused on compliance with laws and regulations and ethical and sustainable business conduct. We integrate Sustainability into our procurement decisions, partnering with our suppliers to reduce our impact on the environment and to have a positive influence on people and local communities in which we operate.

Supplier Risk and Sustainability Assessment

The Risk and Sustainability assessment process was first launched in LKQ Europe following a holistic approach to gain transparency on our suppliers' performances, commitments, and achievements. The aim is to reduce risks not only in ethical, social, and environmental terms, but also with regards to compliance, finance, quality, privacy, and security. In 2024, we began implementing EcoVadis in North America.

In 2024, 100% of LKQ Europe suppliers in scope for the assessment (8,610 suppliers) were uploaded and assessed using the EcoVadis IQ+ platform; this platform assigns a Sustainability risk level to each supplier, considering the industry sector, the size of the company and the country where the company operates, the relevance of the supplier for the purchasing segment and the supplier's publicly available relevant documents (e.g. Sustainability Report, Code of Ethics, Human Rights Policy, Certifications, etc.). The Sustainability risk level is calculated with reference to 4 main areas: Environment, Labor and Human Rights, Ethics, and Sustainable Procurement.

Overall, 4% of the analyzed suppliers are falling in the "high risk" category, 48% in the "medium risk", 46% in the "low risk" category, and 2% need further investigation.



The suppliers at higher risk or that are significant to LKQ, selected according to our Supplier Risk Framework, are requested to complete a Sustainability assessment registering on the EcoVadis platform. The EcoVadis Assessment Methodology covers 21 criteria across the above mentioned four main topics (Environment, Labor & Human Rights, Ethics, and Sustainable Procurement), and allows companies to monitor Sustainability performance of their suppliers, manage supply chain risks, propose improvement actions, build capacity, and share best practices. At year-end 2024, 246 LKQ suppliers were registered and rated in the platform, and an additional 65 suppliers were in the assessment process.

Having successfully piloted EcoVadis in Europe, LKQ extended the EcoVadis relationship to North America and initiated the North America implementation in the fourth quarter of 2024.

Sourcing Minerals Disclosure

LKQ is committed to taking necessary actions to ensure our complex global supply chain sources tin, tantalum, tungsten, and gold (also known as 3TGs) from certified conflict-free sources. These actions are consistent with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. We follow the international framework provided by the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. We work to continuously improve our processes and engagement with suppliers with respect to responsible sourcing and to ensure all lines of business comply with all local rules and requirements. More information related to 3TG minerals is available in our Conflict Minerals Statement and our SEC filing.

[1] See our Global Supplier Code of Conduct for more information on how we require our suppliers to ensure compliance with the Supplier Code by each of its officers, directors, employees, other workers, representatives, agents, subcontractors, and sub-tier sources who are involved in the procurement and production process related to products and services provided to LKQ Corporation and its affiliates, (pages 1-10) and the formal channels in which a supply chain worker or supplier can raise concerns (pages 8-10).
[2] Direct suppliers are suppliers providing products that are then distributed by LKQ Europe on the market, Indirect suppliers are suppliers providing goods and services that are directly purchased by LKQ Europe group and not distributed.
[3] Europe only.

The LKQ Foundation at the Heart of Our Culture

In 2020, we established the LKQ Community Foundation (the "Foundation") to strengthen partnerships with employees and the communities where LKQ operates. The Foundation reflects LKQ's commitment to supporting charities around the globe with a concentration on those in locations close to our operating communities and celebrating the philanthropic efforts of its employees.

The Foundation proudly supported a diverse range of non-profit organizations that are making a meaningful impact across both our global and local communities. In total, the Foundation contributed over $4 million to such global organizations in 2023 and 2024.

The primary focus for the Foundation is to first take care of our own. A part of the Foundation's activities supports the educational aspirations of young members of our employees' families. This effort reflects our deepest commitment to ensuring that all LKQ team members and their families have an opportunity to thrive. To this end, The Joseph Holsten Scholarship Fund, named in honor of our former president and longstanding board member, is not only a part of our legacy, but a cornerstone of our future. This is part of our commitment to our people, and our investment in the potential of all LKQ team members. We welcome scholarship application requests from those looking to attend universities, colleges, and technical/vocational schools.

In 2024, we awarded $1 million in scholarships to the dependents of LKQ employees through The Joseph Holsten Scholarship Fund.

The Foundation also contributed $336,000 to our Employee Assistance Fund to help our employees in their greatest time of need, which included the tragic aftermath of the late season hurricanes in the southeastern United States. It is also well-funded for future hardships affecting LKQ employees.

LKQ Foundation

The Foundation's contributions also included $1 million for our annual Holiday Vote, which was distributed to 20 different organizations. The organizations that received the most votes from our global employee base included the Employee Assistance Fund, Doctors Without Borders, American Cancer Society, Make-A-Wish Foundation, and Children's Miracle Network Hospitals.

In addition, the Foundation supported:

22

Organizations committed to health and wellness totaling approximately $1.3 million

12

Organizations dedicated to education totaling above $1.5 million

7

Organizations focused on U.S. veteran, military, and global first responders totaling over $900,000

7

Organizations working to protect the environment totaling around $250,000

LKQ Benelux-France Foundation

One of the beneficiaries of the Foundation was the LKQ Benelux-France Foundation, an LKQ subsidiary Foundation located in the Benelux region. While our goal is to establish more regional foundations around the world, we would like to highlight the wonderful work of our colleagues in the Benelux region.

The LKQ Benelux-France Foundation in the Netherlands received a $50,000 grant from the LKQ Community Foundation. The LKQ Benelux-France Foundation decided to use this amount to support their top three initiatives. Each charity received an equal distribution

- In collaboration with 'Stichting DaDa' the LKQ Benelux-France Foundation purchased two Qwiek Up machines, which are portable projection machines that can be used in a hospital operating room to project videos in order to calm patients.
- In collaboration with 'Cristian Refugee Relief Stichting' the LKQ Benelux-France Foundation supported refugees at the borders of Europe (mostly in Greece and Ukraine). The funds were primarily used to purchase essential supplies for refugees (i.e. hygiene products).
- In collaboration with 'Make A Wish Foundation' the LKQ Benelux-France Foundation was able to make wishes come true for several children/teenagers with life-threatening diseases.

LKQ Gives Back to Our Local Communities

At LKQ, we believe that true Sustainability extends beyond our core business; it's about making a tangible difference in the communities where we live and work. In 2024, our employees across at least 13 countries dedicated their time, skills, and resources to over 200[1] local initiatives that addressed critical social needs. From supporting children and assisting those facing health challenges to providing education and vocational training for young people, our teams took action to uplift their communities. These efforts reflect our deep-rooted commitment to social impact, demonstrating that Sustainability is not just a corporate goal but a personal mission for many of our employees.

In some regions, our initiatives went a step further by aligning community service with LKQ's expertise in salvaging vehicle parts. Through hands-on programs, employees helped repurpose automotive components, reducing waste while providing valuable materials for education and skill-building programs. This fusion of Sustainability and social good embodies our belief that responsible business practices can drive positive change, both for the environment and for people. As we continue to expand our global footprint, we remain committed to fostering meaningful, locally driven initiatives that create lasting impact.

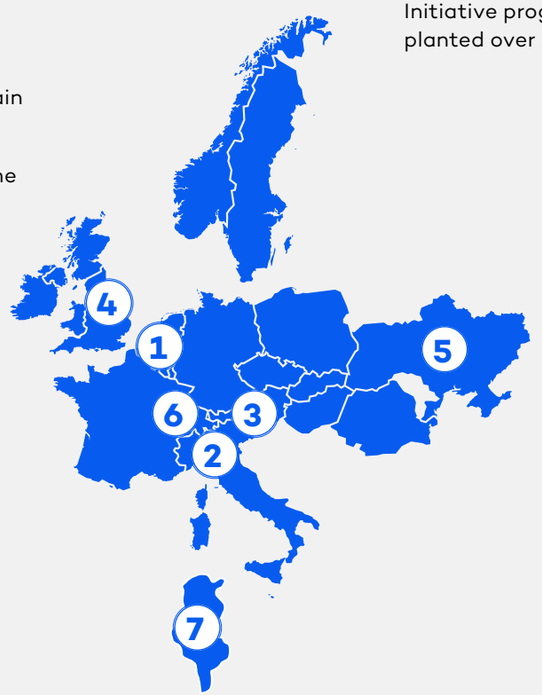
[1] The examples on this page represent a selection only.

1. **Several cities in Canada:** More than a hundred LKQ employees and their families took part in a walk or run for the Canadian Cancer Society in support of breast cancer awareness, advocacy, and research.
2. **Toronto, Canada:** The LKQ Toronto East Social Committee participated in an SPFA (Slo-Pitch For Awareness) charity softball tournament to raise awareness for autism.
3. **Several cities in the U.S.:** LKQ employees, along with families and friends, participated in the Making Strides Against Breast Cancer walks to support and raise funds for the American Cancer Society, providing support for breast cancer survivors, caregivers, and their families.
4. **Redmond, OR; Sumner, WA; Caseyville, IL; and Gorham, ME:** These LKQ locations hosted their local fire department's annual training and donated scrap vehicles for the cause.
5. **Minneapolis, MN:** LKQ supported the Nitro-X Youth Camp, an organization which exposes high school students to the automotive collision repair industry. The LKQ team helped more than a dozen high school students paint car panels and learn new painting techniques.

1. **Bengaluru, India:** LKQ improved the facilities and infrastructure of a higher primary school, supporting the creation of a favorable learning environment for the sudents.

Over 50 LKQ India volunteers participated in the One Tree Planted Initiative programs where they planted over 450 trees.

1. **Several cities in the Netherlands:** Members from LKQ Benelux & France supported a Dutch charity event where participants cycle, run, or walk up the Alpe d'Huez mountain in France to raise funds for cancer research and to support cancer patients.
2. **Milan, Italy:** LKQ employees collected dozens of toys for the Abio Milano: Associazione per il Bambino in Ospedale (Abio Milan: Association for Children in Hospital), that operates in 10 hospitals and clinics in Milan.
3. **Salzburg, Austria:** Several LKQ employees participated in the refurbishment of residential living spaces for people with disabilities.
4. **Several locations in the UK:** LKQ employees from more than 130 branches, through the UK branch community fund, donated to initiatives of their choice.
5. **Ukraine:** Since the beginning of the conflict in the Ukraine, 35 ambulances have been donated to the region through the support of our UK operations.
6. **Aargau, Switzerland:** LKQ supported a driving event organized for people with disabilities to test drive handicap-accessible vehicles.
7. **Kalaa Kebira, Tunisia:** Many colleagues from VEGE Tunisia took part in a blood donation drive at the regional blood transfusion Centre of Sousse.



Appendix

In this section:

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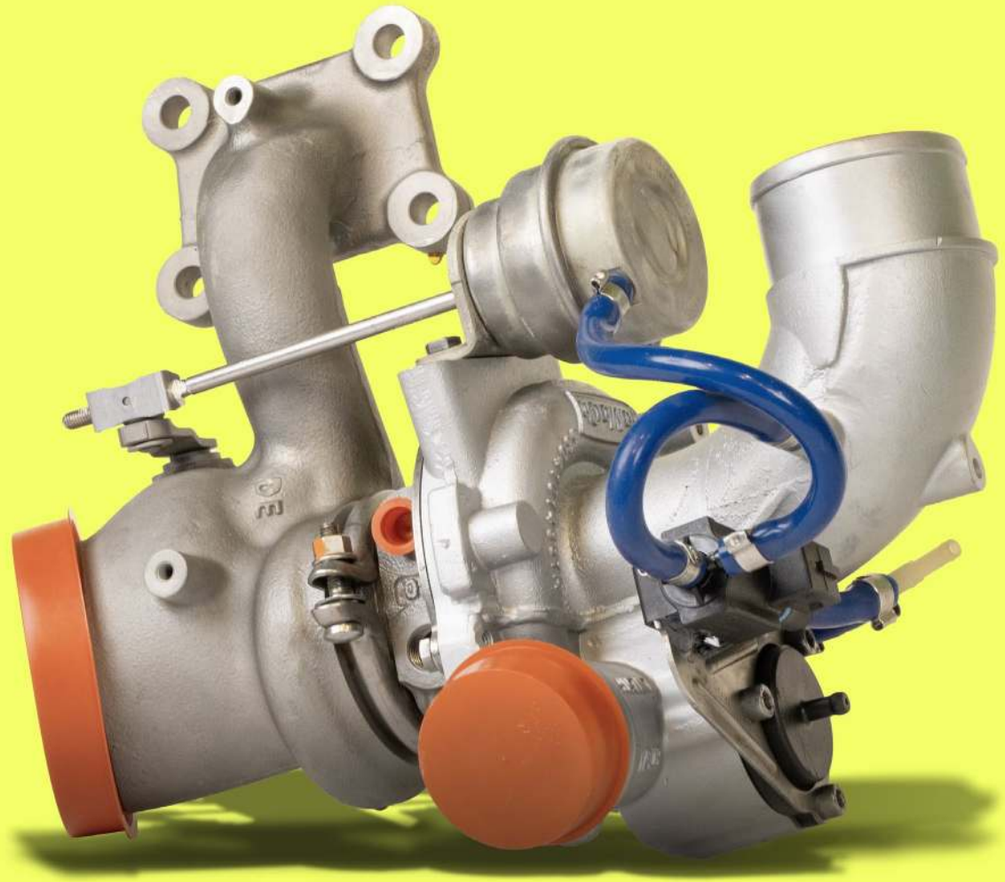
60 Glossary



Turbocharger
Not always a standard part, but often an upgrade, a turbocharger is a high-performance component added to the engine to obtain boosted power and efficiency by using exhaust gases to spin a turbine. The turbine then draws in more air and compresses it to provide additional power.

SASB Disclosures

The disclosures in this section are informed by the recommendations of the Sustainability Accounting Standards Board (SASB). SASB is an independent, private sector standards setting organization dedicated to improving the effectiveness and comparability of corporate disclosures on environmental, social, and governance factors.

SASB Sector: Consumer Goods Sector, Multiline and Specialty Retailers & Distributors CG-MR

Reporting Period: Annual Year 2024 (January 1 through December 31, 2024)

Data is unaudited.

	Accounting Metric	Code	Disclosure
Energy Management in Retail & Distribution	Total Energy Consumed (Gigajoules – GJ) Percentage Grid Electricity (%) Percentage Renewable (%)	CG-MR-130a.1	4,652,040 (2023: 4,358,140) 15.1% (2023: 15.8%) 3.3% (2023: 3.8%)
Data Security	Description of approach to identifying and addressing data security risks	CG-MR-230a.1	See Data Privacy and Cybersecurity section of the report (page 32)
	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	CG-MR-230a.2	1) LKQ did not experience any material security incidents in 2024. 2) (See above) 3) (See above)
Labor Practices	(1) Average hourly wage and (2) percentage of in-store and distribution center employees earning minimum wage, by region	CG-MR-310a.1	1) $21.67[1] (North America) / €13.80[3] (Europe) (2023: $21.57 / €12.60) 2) 1.7%[1,2] (North America) / 4.6%[2,3] (Europe) (2023: 1.0% / 3.9%)
	(1) Voluntary and (2) involuntary turnover rate for in-store and distribution center employees	CG-MR-310a.1	1) Voluntary turnover: 25.2% (2023: 23.8%) 2) Involuntary turnover: 13.2% (2023: 7.2%)
	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	CG-MR-310a.3	During each of the years 2024 through 2019, we incurred an immaterial amount of monetary losses as a result of legal proceedings associated with labor law violations.

[1] Disclosure metric includes employees from the U.S., Canada and Mexico.
[2] Disclosure metric states 1.7% in North America and 4.6% in Europe of employees included are paid at minimum wage. All others are paid above minimum wage as LKQ implemented a standard minimum wage well above the national and most state and provincial requirements.
[3] Disclosure metric includes employees from Austria, Belgium, Czech Republic, France, Germany, Hungary, Ireland, Italy, Netherlands, Romania, Slovakia, Switzerland, Tunisia, Turkey, Ukraine, and the UK.

SASB Disclosures (continued)

	Accounting Metric	Code	Disclosure		2024	2023
Workforce Diversity & Inclusion	Percentage of Gender Representation of Employees	CG-MR-330a.1		Male:	80.0%	80.8%
				Female:	19.6%	19.2%
				Other/Not Disclosed:	0.4%	0.0%
	Percentage of Gender Representation of Employees by employee category	CG-MR-330a.1	Executive Management	Male	89.0%	78.2%
				Female	11.0%	21.8%
			Non-executive Management	Male	83.7%	84.1%
				Female	16.3%	15.9%
			All Other Employees	Male	79.7%	80.2%
				Female	19.9%	19.8%
				Other/Not Disclosed	0.4%	0.0%
	Percentage of Ethnicity Diversity Group Representation of Employees[1]	CG-MR-330a.1		Black or African American:	13.2%	12.0%
				Hispanic or Latino:	26.0%	23.8%
				White:	54.5%	52.7%
				Other/Not Disclosed:	6.3%	11.5%
	Percentage of Ethnicity Diversity Group Representation of employees by employee category[1]	CG-MR-330a.1	Executive Management	Black or African American:	0.0%	0.0%
				Hispanic or Latino:	0.0%	0.0%
				White:	100.0%	93.6%
				Other/Not Disclosed:	0.0%	6.4%
			Non-executive Management	Black or African American:	4.9%	4.6%
				Hispanic or Latino:	14.4%	13.7%
				White:	75.4%	72.4%
				Other/Not Disclosed:	5.3%	9.3%
			All Other Employees	Black or African American:	14.5%	13.1%
				Hispanic or Latino:	27.7%	25.2%
				White:	51.4%	49.9%
				Other/Not Disclosed:	6.4%	11.8%
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	CG-MR-330a.2	During each of the years 2024 through 2019, we incurred an immaterial amount of monetary losses as a result of legal proceedings associated with employment discrimination.			
Activity Metric	Number of (a) retail locations and (b) distribution centers (excluding land)	CG-MR-000.A	Approximately 1,450 (2023: 1,650)			
	Total Area of (a) retail locations and (b) distribution centers (excluding land)	CG-MR-000.B	Approximately 4.5 million m^2 (2023: 4.6 million)			

[1] Diversity Group Representation metric includes only North American employees.

SASB Disclosures (continued)

	Accounting Metric	Code	Disclosure
Product Sourcing, Packaging & Marketing	Revenue from products third-party certified to environmental and/ or social Sustainability standards	CG-MR-130a.1	It is one of our standard contract obligations to suppliers to operate in compliance to all their local rules and regulations, when providing LKQ products within North America and Europe, including environmental and social laws. Suppliers are also specifically required, as a contract obligation, to comply with all relevant and applicable anti-slavery and human trafficking legislation and anti-bribery and corruption laws and to agree upon our Global Supplier Code of Conduct and accompanying policies and procedures.
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-MR-230a.2	LKQ is mindful of the environmental effects of chemicals used in products manufactured by our suppliers while keeping in mind safety and performance considerations for the complexity of the products we carry. We anticipate having more details from our suppliers and programs over the next three years. In North America, For LKQ branded products and our third-party products, most of our suppliers are IATF: 16949/ISO certified with their production activities performed in line with international standards.
	Discussion of strategies to reduce the environmental impact of packaging	CG-MR-230a.3	The products received by LKQ are packaged by our suppliers. This includes primary packaging and any secondary packaging required to secure and protect the load during transportation. Most, if not all suppliers, are running packaging improvement programs within their own operations. Our suppliers include some of the largest and best-known automotive brands in the world. Their Sustainability programs are extensive and well-established. This makes the product manufacturers better placed to effectively improve packaging. For Wholesale - North America, our QA Team has set vendor packaging standards to ensure product packaging stands up to high humidity climates, in which many of our suppliers reside. The time products spend in ocean containers, which can be extremely hot and humid, are a factor as well. LKQ has plans in place to engage with suppliers and run joint pilot initiatives on packaging improvement. Our Supplier Integration Team along with our Logistics Team will help identify opportunities for packaging improvement using sustainable materials and will engage with our suppliers to jointly implement new solutions. Our LKQ Europe operations team engaged with suppliers in a “Carton to Totes” program that involved changing the suppliers’ packaging to fit into our transport totes. It had a positive effect on the operations of our business. We learned there was little, if any, measurable improvement for sustainable packaging at this stage of transport. Next steps in this program includes the implementation of the reduction of secondary packaging by the supplier by using totes in our closed loop system. In February 2024 our United Kingdom operations launched a new sustainable pallet wrap following a two year development period. The pallet wrap can be reused up to one thousand times. In Europe, LKQ does not introduce additional packaging to the products during our logistics operations from the point of goods arrival at our warehouses to the point of delivery to our customers, if possible. We achieve this by using reusable containers and dedicated logistics equipment for the storage and transportation of products we carry. In 2024, our operations team in the Netherlands commenced a reusable pallets pilot in the replenishment process from the central warehouse to the branches in the network. We aim to use recycled cardboard boxes for shipping and transportation purposes whenever possible. We also recycle materials from packaging to warehouse whenever and wherever possible. Our private label operations in Europe launched a packaging strategy focused on the recyclability of the materials used and the recycling rate. Our aim is to maximize the use of recycled materials to meet current and future packaging regulations. We implemented our “We Care for Eco Packaging” logo, which is displayed prominently on most packaging materials. This logo represents our commitment to Sustainability and compliance and that boxes are made up of 90% recycled cardboard, bags are made of up to 50% recycled plastic and all packaging materials are 100% recyclable.

Climate-related Scenario Analysis

Introduction

Climate scenario analysis assesses potential impacts of climate-related risks and opportunities on businesses under future scenarios based on scientific and economic projections. The Taskforce on Climate-Related Financial Disclosures (TCFD) provides a framework for assessing such risks and opportunities. Some regulations (for example, California's Senate Bill 219 and Europe's Corporate Sustainability Reporting Directive CSRD[1]) require companies to disclose how climate-related scenario analysis is incorporated into their risk management program. LKQ has followed these requirements and guidelines in completing its own climate-related scenario analysis in 2024 in line with TCFD. Climate-related scenarios used are compatible with the critical climate-related assumptions made in our financial statements.

Governance

LKQ's Board of Directors has ultimate oversight of climate-related risks and opportunities and is responsible for reviewing and providing guidance on the Company's climate-related programs and policies as part of its wider Sustainability oversight. Sustainability is a subject discussed at least annually by the full board.

LKQ operationalizes Sustainability throughout the organization via a global Sustainability function as well as local Sustainability teams. LKQ has a VP Sustainability who reports directly to the Senior Vice President and Chief Financial Officer. In addition, the VP Sustainability updates the Risk Management Committee and the Sustainability Advisory Committee quarterly.

LKQ manages and mitigates risks to its business and financial performance, including climate-related and other environmental risks and opportunities. Risk management topics are reviewed and discussed on a regular basis among leadership teams across the entire organization, and consideration of risks and opportunities is part of LKQ's operating and investment decision-making process, in all aspects of the business. The Risk Management Committee reports on a regular basis to the Chief Executive Officer and Board of Directors.

Table 1. Description of key climate-related risks and opportunities

Risk/Opportunity	TCFD Category	Description
1. Physical risks/natural hazards (e.g. extreme heat, extreme cold, severe thunderstorms, wind, wildfire, precipitation (acute and chronic), inland and coastal flooding, drought, hail)	Physical Risk – Acute & Chronic	The risk that exposure to the occurrence and severity of certain weather conditions and the seasonality of weather patterns may result in damage to LKQ facilities, operational/supply chain disruption, and/or asset loss.
2. Carbon pricing	Transition Risk – Policy & Legal	The risk that new or existing carbon pricing schemes may result in increased operating costs for LKQ.
3. Shift of vehicle in operation	Transition Risk – Market	The risk that an increase in electric vehicles as a percentage of vehicles sold could have a negative impact on our sales of engines, transmissions, and other related parts in some markets.
4. Vehicle/product regulations	Transition Risk – Policy & Legal	The risk that compliance with any new or more stringent climate-related laws or regulations, or stricter interpretations of existing laws, could require additional expenditures by us or our suppliers.
5. Circular economy	Transition Opportunity – Markets	Market shifts and emerging regulation in favor of circular economy solutions could create a market opportunity for LKQ.

[1] European Sustainability Reporting Standards - Disclosure Requirement E1-1 - paragraphs 19-20-21.

Strategy

Due to the non-manufacturing nature of LKQ's business, our products and services face fewer climate-related risks and opportunities; nevertheless, we regularly assess how our business might be influenced by a changing climate.

Our approach to scenario analysis

In 2024, in accordance with TCFD methodology, LKQ's Sustainability team, with the support of the Sustainability Advisory Committee and key specialists, undertook a comprehensive process to identify and analyze climate-related risks and opportunities that may have the potential to represent a significant financial positive or negative impact on the Company over the short, medium, and long term. The process included:

- identifying a universe of climate-related risks and opportunities
- facilitating workshops to select and refine a shortlist of relevant risks and opportunities
- validating the selected risks and opportunities with key LKQ senior leadership
- assessing the possible magnitude of each of the identified risks and opportunities

Physical risks

LKQ has assessed physical climate-related risks for 50 locations across its operations in North America, the UK, and Europe. The analysis also included a selection of key supplier locations. Physical climate-related risk has been defined as exposure to acute and chronic natural hazards that may result in damage to facilities, operational/supply chain disruptions, displacement of employees, and/or asset loss. The physical climate-related risks evaluated included wind, flood, precipitation, convective storm, heat, cold, wildfire, and drought.

Transition risks and opportunities

LKQ has also evaluated transition risks and opportunities arising from the global transition to a lower carbon economy. A lower carbon economy is one which includes more extensive policy, legal, technology, and market changes to address the mitigation and adaptation requirements of climate-related change. The transition risks and opportunities reviewed and selected by LKQ to be evaluated included carbon pricing, vehicles in operation (VIO) volume/mix, product and vehicle regulations, and circular economy market opportunities.

This process resulted in a list of five key climate-related risks and opportunities (see Table 1 on the left).

Climate-related Scenario Analysis (continued)

LKQ has performed its climate-related scenario analysis to assess its climate-related risks and opportunities over the short (up to 2025), medium (2025 to 2030) and long-term (up to 2050)[1].

Physical risks were assessed across all three time periods considering that climate-related issues often manifest over the medium and longer terms. Transition risks and opportunities were assessed over short- and medium-term due to the more immediate risk exposure and lack of credible data to support long-term analysis.

Two future pathways were considered for the climate scenario analysis, in alignment with TCFD recommendations. Physical risk scenarios used IPCC-aligned CMIP6 SSP-RCP models, while transition risks and opportunities used reputable models from the IEA and NGFS suited to the risk being analyzed.[2]

A summary of the models used by risk is provided in Table 2.

Low Carbon Pathway:

- Assumes environmental regulation and collective action will limit the greatest physical impacts of climate change by keeping global temperature increase below 2 degrees Celsius (limiting global warming to 1.5 degrees Celsius by 2100).
- The greatest impacts are those associated with market and regulatory changes such as carbon prices, product regulations and greater availability of renewable energy sources.

High Carbon Pathway:

- Assumes low collective action against climate change and a greater degree of global warming (climate change accelerates causing 2.5 degree Celsius warming by 2050 and >4 degree Celsius by 2100).
- Physical impacts of climate change such as increased frequency and severity of extreme weather events and rising global temperatures are most significant under this scenario.
- Assumes that only currently implemented policies or stated policies are preserved.

Table 2. Scenarios used for analysis

Scenario	Category	Scenario Used	Warming 2050	Governing Body[3]
Low Carbon Pathway	Physical risks	RCP2.6-SSP1	<2°C	IPCC
	Transition risks and opportunities	Net Zero Emissions by 2050 (NZE2050)	1.5°C	IEA
		Net Zero 2050		NGFS
High Carbon Pathway	Physical risks	RCP8.5-SSP5	4°C+	IPCC
	Transition risks and opportunities	Stated Policies (STEPS)	2°C	IEA
		Current Policies	3°C+	NGFS

[1] CSRD defines short-term as the reporting period in the financial statements, medium-term from the end of the short-term reporting period up to five years, and long term more than five years.
[2] Carbon pricing data from NGFS's REMIND-MAgPIE 3.2-4.6 (NGFS Phase 4 Scenario Explorer) was utilized to model the financial impact; scenario-specific prices and GHG emission reduction targets were integrated into estimation models to project the economic outcomes under different carbon economy pathways. REMIND-MAgPIE 3.2-4.6 was chosen to model carbon pricing given the focus on the macroeconomic impacts of climate policies, including carbon pricing, and the availability of data disaggregated by region. Data for the shift of vehicles in operation from the IEA 2024 EV Outlook (Global EV Outlook 2024) was utilized to model the financial impact; scenario-specific EV and ICE stock numbers and percentages were integrated into estimation models to project the economic outcomes under different carbon economy scenarios. The IEA 2024 EV Outlook was chosen to model the shift of vehicles in operation given the availability of EV and ICE stock projection data. Physical risk scenarios used IPCC-aligned CMIP6 SSP-RCP models. The Shared Socioeconomic Pathways (SSP) provide narratives about possible future socioeconomic developments and mitigation efforts while the Representative Concentration Pathways (RCP) provide different greenhouse gas concentration trajectories, together allowing for a more comprehensive analysis of potential future states of the world.
[3] IPCC = Intergovernmental Panel on Climate Change; IEA = International Energy Agency; NGFS = Network for Greening the Financial System.

Climate-related Scenario Analysis (continued)

LKQ's climate-related scenario analysis highlighted potential impacts linked to specific risks and opportunities. In particular, the table above emphasizes both the financial risks posed by climate-related changes and the potential opportunities in circular economy practices, positioning LKQ to adapt strategically in response to evolving market and regulatory landscapes.

The impact of climate-related risks and opportunities is defined by estimating the likelihood and financial impact on business operations, strategy and financial performance where feasible. At a minimum, qualitative measures as defined in the risk assessment matrix are taken into consideration.

The degree of potential impact was determined on a linear scale range of "Low", having a low financial impact or "High" having a more significant financial impact on LKQ' business[1].

The analysis above is based on the current regulatory and market landscape as of the date of publication. We are committed to updating this analysis periodically in accordance with mandatory reporting requirements, including but not limited to California's Climate-related disclosures act and the CSRD. Between the reporting date and any updates, risks and opportunities related to climate change may be reassessed and adjusted to reflect new data, evolving regulatory requirements, and shifts in the broader economic and environmental context.

Table 3. Results of LKQ's scenario analysis

Risk/Opportunity	Risk summary		Low carbon scenario impact			High carbon scenario impact		
			2025	2030	2050	2025	2030	2050
Physical climate risks	Natural hazards (e.g., flooding, wind, extreme heat) can cause damage to LKQ facilities as well as operational/ supply chain disruption[a]	Scope: Illustratively extrapolated to all LKQ sites*	Medium	Medium	High	Medium	High	High
Carbon pricing (risk)	New or existing carbon pricing schemes may result in increased operating costs for LKQ[b]		Medium	Medium	High	Low	Low	Low
Shift of vehicles in operation (risk)	Market shifts away from internal combustion engine (ICE) vehicles may result in reduced revenue for LKQ[c]	Scope: EU-specific analysis	Medium	Medium	High*	Medium	Medium	High*
		Scope: U.S.-specific analysis	-	Medium	High*	-	-	Medium*
Product and vehicle regulations (risk)	Existing/emerging product and vehicle regulations may increase LKQ's operating costs due to compliance requirements*		Low	Medium	Medium	Low	Low	Medium
Circular economy (opportunity)	Market shifts and emerging regulation in favor of circular economy solutions creates market opportunity for LKQ*		Medium	High	High	Medium	Medium	High

Impact measurement level refers: a – impact pre-insurance, b – impact at tax line level (earnings), c – impact at revenue level

[1] Scenario impact thresholds are set as annual financial impacts, where possible, aligned with Low (<$50M), Medium ($50-250M), High ($250M+) impacts. Where financial impact analysis was not included (e.g., qualitative transition risk analysis) or was incomplete (e.g., extrapolated LKQ sites), reasonable best judgment was used to determine scenario impact. These instances are marked with an asterisk (*).

Climate-related Scenario Analysis (continued)

Table 4. Results of LKQ's scenario analysis: Process and impact

	Process to determine materiality	Impact of climate-related risks/opportunity
1. Physical risks	A selection of LKQ sites across North America and Europe were identified to evaluate their exposure to physical climate risks. The analysis also included a selection of key supplier sites. For each site, detailed information about its location and building characteristics was collected to assess geographical exposure and site-specific vulnerabilities, such as how building structures might respond to potential climate impacts. The evaluation examined a range of climate hazards that could impact these sites under various future climate scenarios. The analysis estimated potential damages and losses under these scenarios and illustratively extrapolated the results to all LKQ sites globally.	While almost all sites selected could be exposed to a greater or lesser extent to physical climate hazards, the analysis showed more significant exposures were identified in Florida and the central U.S. Key drivers of high exposure include precipitation, hail, wind speed, and storms, with the most material impacts projected for medium and long-term time horizons under a high carbon scenario.
2. Carbon pricing	An analysis of LKQ's Scope 1 emissions projections through to 2050 was conducted under two primary scenarios: 1. Business-as-usual (BAU) Scenario: Reflects LKQ's baseline emissions reported in 2022. 2. Decarbonize (Decarb) Scenario: Aligns with LKQ's Scope 1 and Scope 2 emissions reduction goals. Carbon pricing data from the NGFS (Network for Greening the Financial System) scenarios, based on the REMIND-MAgPIE 3.2-4.6 model, was incorporated into the analysis. Annual carbon price forecasts were categorized into two distinct pathways: 1. Net Zero Scenario: Represents a low-carbon future with aggressive emissions reductions. 2. Current Policies Scenario: Reflects a higher-carbon trajectory based on the continuation of current policies. Carbon price impacts were calculated by multiplying emissions projections by carbon price forecasts, broken down geographically (U.S., EU, and Non-EU regions).	Carbon prices could increase significantly, particularly in a low-carbon economy, with prices rising over 250% by 2050 according to the sources cited. Under LKQ's Decarbonization pathway, the financial impact of carbon pricing on operating costs is expected to decline as emissions are reduced. The most significant impacts are projected in the EU under a low-carbon scenario, though overall, this risk was not considered material given LKQ's ongoing decarbonization efforts.
3. Shift of vehicles in operation	LKQ's revenue exposure to internal combustion engine (ICE) vehicles was determined as a percentage of total revenue for each business segment. Annual projections for global, U.S., and EU vehicles in operation (VIO) were extracted from the IEA's 2024 EV Outlook under two climate scenarios: 1. Low Carbon Scenario: Represented by IEA's Net Zero Emissions pathway. 2. High Carbon Scenario: Represented by IEA's Stated Policies (STEPS) pathway. LKQ revenue associated with ICE vehicles in 2023 was applied to projected global ICE VIO data per year to estimate revenue at risk under each scenario.	EVs are projected to increase their share of global vehicles in operation under both scenarios. Without action, LKQ could face larger financial impacts by 2030 under a low-carbon scenario. EV adoption is expected to accelerate faster in the EU, presenting higher revenue risks for LKQ, while the U.S. lags in the near term but surpasses global EV penetration rates by 2030, according to the sources cited.
4. Vehicle/product regulations	A qualitative scenario analysis was conducted to assess the impact of emerging product regulations on end-of-life requirements for vehicles and traceability of batteries in the EU and U.S.. Key regulatory drivers include: 1. The EU's End-of-Life Vehicles (ELV) Directive and proposed Battery Regulation, mandating higher recycling, reuse, and recovery targets, as well as stricter traceability and lifecycle reporting for battery materials. 2. U.S. federal and state policies emphasizing extended producer responsibility (EPR) and battery traceability frameworks. These regulations are expected to increase administrative and operational costs due to requirements for tracking systems, enhanced reporting, and investments in recycling and recovery infrastructure.	A low carbon scenario indicates a quicker adoption pace for new regulations. While LKQ may need to enhance certain tracking systems and data collection processes, the Company is not expected to be directly affected by these mandates. The financial impact of these regulations is not deemed significant for LKQ globally.
5. Circular economy	A qualitative scenario analysis assessed the drivers of the circular economy, including both regulatory developments and industry ambition, in key markets such as the EU and U.S. Key factors analyzed include: 1. Regulatory drivers: Extended producer responsibility (EPR), recycling mandates, waste reduction targets, and GHG emissions reduction frameworks. 2. Industry ambition: Corporate Sustainability goals, advancements in recycling technologies, and closed-loop supply chain initiatives. LKQ can lead in providing circular vehicle parts and components to meet growing demand for sustainable alternatives, enhancing competitiveness, reducing resource dependency, and supporting long-term profitability.	In a low carbon economy, regulatory momentum and market interest is likely to accelerate, creating opportunities across all timeframes. In a high carbon economy, circularity presents some opportunities in the near and mid-term, with greater growth potential in the long term due to market activity. It is believed that the circular economy market size could be significant, offering space for many players as market growth continues. LKQ continually searches for new revenue streams from reuse, refurbishment, remanufacturing and recycling, while improving cost control and sourcing leverage where possible to repurpose underutilized components.

Climate-related Scenario Analysis (continued)

LKQ is committed to addressing the risks and opportunities posed by climate-related changes by integrating resilience into its risk management program and its operations, supply chains, and strategic planning.

Risk Management

LKQ's process for identifying and assessing climate-related risks and opportunities focuses on the direct operations stage of the value chain, considering different time horizons and climate scenarios specified above.

Our senior leadership team and Board of Directors manage and mitigate risks to our business and financial performance, including climate-related change and other environmental risks through the Risk Management Committee. Consideration of such risks is implemented as part of our operating and investment decision-making process, in all aspects of the business. The Risk Management Committee reports on a regular basis to our Chief Executive Officer and Board of Directors.

LKQ's process for identifying, assessing, and managing dependencies, impacts, risks, and opportunities related to climate change is integrated into its climate-related scenario analysis. In this process LKQ utilizes IPCC Climate Change Projections, scenario analysis, and materiality assessments at both site-specific and national levels. The climate-related scenario analysis is conducted biennially across key value chain stages, covering short-, medium-, and long-term horizons.

Metrics and Targets

A core focus in managing the environmental impact of LKQ's operations is managing its GHG emissions. Emissions from our operations come primarily from our fleet of vehicles and property. These include Scope 1 (emission sources controlled and owned by LKQ) and Scope 2 (indirect emissions through purchase of electricity, steam, heat, or cooling). In 2024, we recorded 311,979 mt CO_2e resulting in a 4% absolute decrease, compared with the prior year (2023: 324,394 mt CO_2e) and a 15% absolute decrease compared with 2022 (2022: 365,389 mt CO_2e).

Scope 3 emissions, those generated across the value chain, often constitute the largest component of carbon footprints. LKQ's first objective is to enhance the calculation of these emissions and complete its inventory of all relevant categories. In 2024, we made significant progress in calculating our Scope 3 emissions, with data collected and disclosed for 8 out of 13 categories identified as relevant for our business. For 2024, for these categories, our emissions amount to 1,941,370 mt CO_2e. We will continue to evaluate the remaining categories of Scope 3 emissions where relevant during the remainder of 2025.

LKQ set a goal to reduce global Scope 1 and Scope 2 emissions by 30% by 2030 compared to the 2022 baseline relative to revenue. By 2050, LKQ aims to achieve net zero GHG emissions across its own operations and to facilitate this aim, we intend to develop a Climate Transition Plan that outlines our pathway to achieving this goal.

Our Journey to EU CSRD Compliance

The European Union's Corporate Sustainability Reporting Directive (CSRD) expands on the EU Non-Financial Reporting Directive (NFRD) by mandating affected companies to disclose standardized qualitative and quantitative Sustainability information.

The European Sustainability Reporting Standards (ESRS) outline the disclosure requirements that companies need to meet to comply with the CSRD. The directive mandates companies falling within its scope to adopt the ESRS when reporting on their Sustainability information and to disclose information on material Sustainability topics.

LKQ Corporation, whose reporting perimeter aligns with the scope of consolidation outlined in its 10-K filing, has conducted a scoping analysis against CSRD requirements, identifying how entities within its reporting perimeter align with the directive's disclosure obligations.

With the goal of maintaining the highest compliance standards, pursuing the Company's global Sustainability strategy, and taking advantage of synergies within the Company, LKQ will report globally and publish within its annual Sustainability Report a consolidated Group-level Sustainability Statement in accordance with the ESRS.

On February 26, 2025 the European Commission published a set of proposals, referred to as the Omnibus packages, that aim to simplify Sustainability Reporting requirements established under previous regulations and directives. These include the CSRD, the EU Taxonomy Regulation, the Corporate Sustainability Due Diligence Directive (CSDDD) and the Carbon Border Adjustment Mechanism (CBAM). Before coming into effect, the proposed directives' amendments would need to be agreed to by both the European Parliament and the Council and then be transposed into law by each EU Member State. As these proposed amendments enter into force, the timing and scope of our mandatory reporting according to CSRD may change although LKQ Corporation will remain subject to the directive. We are tracking legislative developments, and we will adjust our approach accordingly.

Double Materiality Assessment

Process Used to Identify and Assess Material Impacts, Risks and Opportunities

The Company conducted its first Double Materiality Assessment (DMA) in 2023 to identify material impacts, risks, and opportunities (IROs) in accordance with ESRS 1 and 2 and European Financial Reporting Advisory Group's (EFRAG) implementation guidance. Material IROs are a critical element in determining the CSRD disclosure requirements. The CSRD requires affected companies to report on two parameters in line with the concept of double materiality: the company's impact on people and the environment (impact materiality) and topics that may impact the financial performance of the company (financial materiality).

The assessment and determination of material IROs was conducted through internal meetings including meetings with LKQ's Sustainability Advisory Committee.

IROs were identified primarily through desk-based research considering key Sustainability trends, industry trends, a benchmark of LKQ's peers, and Sustainability standards and frameworks, most notably the ESRS which define the reporting requirements of the CSRD. The process of identifying material IROs also considered the impact, risks and opportunities associated with each topic, the interests, and expectations of internal and external stakeholders, as well as LKQ's organizational purpose, strategies, and goals. Results were then shared and discussed with internal subject matter experts and adjusted as needed. Materiality for impacts was determined by evaluating scale, scope, remediability, and likelihood. Materiality for risks and opportunities was determined by assessing size and likelihood, using LKQ's internal risk management assessment as a guide. Both analyses were completed using qualitative and quantitative data.

Quantitative materiality thresholds were adopted for both the impact and financial assessments to determine which IROs would be material.

Our Journey to EU CSRD Compliance (continued)

Identified Material Impacts, Risks and Opportunities

The following material impacts, risks and opportunities were identified as material and mapped to the relevant topical ESRS[1]:

ESRS Topic	ESRS Sub-topic	Impact / Risk / Opportunity	Actual / Potential	Time Horizon[2]	IRO Driver
E1 - Climate Change	Climate Change adaptation	Risk	Potential	Medium / Long	Physical climate events
	Climate Change mitigation	Risk	Potential	Medium / Long	Shift in vehicles in operation (from ICE to EV)
	Energy	Impact	Actual	Short / Medium	GHG emissions
E2 - Pollution	Pollution of water	Impact	Actual	Short	Collection and storage of fluids and contaminated parts
E5 - Circular Economy	Resource inflows, including resource use	Impact / Opportunity	Actual / Potential	Short / Medium / Long	Remanufacturing and salvage processes lessen the sourcing of raw materials/High circular material use rate
	Resource outflows related to products and services	Impact / Opportunity	Actual / Potential	Short / Medium / Long	End-of-life treatment of products/Circular economy market size
S1 - Own Workforce	Working conditions	Impact	Actual	Short / Medium	Occupation health and safety incidents or exposure to own workforce
	Equal treatment and opportunities for all	Impact	Potential	Short / Medium / Long	Inclusion, Diversity, Belonging integration into hiring practices
S2 - Workers in the Value Chain	Working conditions	Impact	Actual	Short / Medium / Long	Occupation health and safety incidents or exposure to workers in the value chain
	Equal treatment and opportunities for all	Impact	Potential	Short / Medium / Long	Discrimination in suppliers' workplaces
	Other work-related rights	Impact	Actual	Short / Medium / Long	Child labor practices in value chain sourcing of raw materials
S4 - Customers and End-users	Personal safety of consumers and/or end-users	Impact	Potential	Short / Medium / Long	Personal safety for customers handling of auto parts
	Social inclusion of consumers and/or end-users	Opportunity	Potential	Medium / Long	Macroeconomic changes could drive more consumers to seek aftermarket or alternative parts
G1 - Business Conduct	Corporate culture	Risk	Potential	Medium / Long	Negative workplace culture resulting in lower productivity and higher turnover
	Protection of whistle-blowers	Risk	Potential	Medium / Long	Potential legal costs from a retaliation claim
	Corruption and bribery	Risk	Potential	Medium / Long	Potential legal costs and financial sanctions

Our double materiality assessment may change as we continue to refine our DMA methodology.

[1] The ESRS outline a framework of Sustainability topics designed to guide companies in disclosing relevant, comparable, and reliable information as part of their Sustainability Reporting under CSRD. ESRS topics are ten broad thematic areas covering key aspects of Sustainability Reporting. Sub-topics are more granular categories within each ESRS topic that specify the particular areas of focus.

[2] "Short"/"Medium"/"Long" stand for Short-term, Medium-term, and Long-term as the reasonably expected time horizons for the IROs. Definitions of Short, Medium, and Long term align with those in ESRS 1 (paragraph 6.4).

Our Journey to EU CSRD Compliance (continued)

EU Taxonomy Regulation - Our Progress

Regulation (EU) 2020/852, also known as the Taxonomy Regulation, was adopted by the European Council and Parliament in June 2020, entering into force in July 2020. It was designed to harmonize and support organizations in identifying economic activities that can be considered environmentally sustainable according to six environmental objectives (see Table 1).

Article 8 ("Transparency of undertakings in non-financial statements") of the EU Taxonomy Regulation, has been fully integrated into the Corporate Sustainability Reporting Directive (CSRD). Companies required to report under the CSRD, such as LKQ[1], are required to quantify and disclose the revenue (turnover), capital expenditures (CAPEX) and operating expenditures (OPEX) relating to economic activities which are Taxonomy-eligible, Taxonomy-aligned, and Taxonomy-ineligible.

LKQ began establishing a process for identifying Taxonomy-eligible and Taxonomy-aligned activities in 2024.

Given the regulation's technical complexity, our approach is guided by strict adherence to regulatory guidelines, ensuring that only activities covered by the Delegated Acts[2] are considered.

As part of its 2024 Sustainability Reporting, LKQ has conducted its first eligibility assessment, identifying activities outlined in the EU Taxonomy Delegated Acts that correspond to the Company's operations. A preliminary extraction of Taxonomy KPI denominators and numerators was also completed.

The assessment results confirm that the two key activities most representative of LKQ's operations, "2.6 Depollution and dismantling of end-of-life products" and "5.4 Sale of second-hand goods", align with the "Transition to a Circular Economy" objective, highlighting and reinforcing the inherently circular nature of our business. Table 2 shows the proportion of LKQ's revenue (turnover) that relates to these two areas in 2024.

To qualify as Taxonomy-aligned, per the Taxonomy Regulation, an economic activity must substantially contribute[3] to one or more of the six environmental objectives outlined in Article 9 ("Environmental objectives") (see Table 1), do no significant harm to the other objectives (the "Do No Significant Harm (DNSH) principle"[4]), and adhere to certain minimum safeguards[5].

As discussed in "Our Journey to EU CSRD Compliance" section, the European Commission has proposed amendments to the EU Taxonomy regulation that could have an impact on LKQ's mandatory reporting requirements. We are closely tracking legislative developments, and we will adjust our approach accordingly, as necessary.

Table 1. EU Taxonomy's environmental objectives

Climate Change Mitigation	Activities that contribute to the reduction of greenhouse gas emissions and the transition to a low carbon economy.
Climate Change Adaptation	Activities that enhance resilience to the impacts of climate change, helping society and ecosystems adapt to changing climate conditions.
Sustainable Use and Protection of Water and Marine Resources	Activities promoting the responsible and efficient use of water resources, as well as the protection and restoration of marine ecosystems.
Transition to a Circular Economy	Activities that contribute to the sustainable use of resources, waste prevention, and the promotion of circular business models.
Pollution Prevention and Control	Activities aimed at preventing pollution, reducing the release of hazardous substances, and promoting the sustainable use of resources.
Protection and Restoration of Biodiversity and Ecosystems	Activities that support the preservation, restoration, and sustainable use of ecosystems, biodiversity, and natural habitats.

Table 2. Proportion of LKQ's revenue (turnover) that relates to eligible activities CE 2.6 and CE 5.4.

CE 2.6 Depollution and dismantling of end-of-life products	16%
CE 5.4 Sale of second-hand goods	4%
Eligible	**20%**
Non-eligible / Potentially eligible	80%
Total revenue	**100%**

[1] Refer to Our Journey to EU CSRD Compliance section on page 46 in the Appendix for further information.
[2] Commission Delegated Regulation (EU) 2021/2139; Commission Delegated Regulation (EU) 2022/1214; Commission Delegated Regulation (EU) 2023/2485.
[3] In accordance with Articles 10-15 of Regulation (EU) 2020/852.
[4] In accordance with Article 17 of Regulation (EU) 2020/852.
[5] In accordance with Article 18 of Regulation (EU) 2020/852.

EU CSRD Disclosure – Our Progress

In 2024, we continued our efforts to prepare for full compliance with the EU CSRD requirements.[1] Below are the ESRS disclosure requirements for which we are providing partial preliminary disclosures. Unless otherwise stated, all disclosures refer to the full perimeter of LKQ Corporation for the fiscal year 2024.

ESRS	Disclosure Requirement	Disclosure
General Disclosures	BP-2	Refer to time horizon definition in our "Climate-related scenario analysis" section on page 42.
	SBM-1	For the current year, the revenues split by Segment reflected on page 5 of this report reconciles with the split disclosed in LKQ Corporation's 2024 10-K.
	SBM-2	Refer to "Our Blueprint for Proactive Stakeholder Engagement" on page 12.
	SBM-3	Refer to our "Double Materiality Assessment" on pages 46-47.
	IRO-1	Refer to our "Double Materiality Assessment" on pages 46-47.
	IRO-2	Refer to our "Double Materiality Assessment" on pages 46-47.
E1 – Climate Change	E1-SBM-3	Refer to our "Climate-related Scenario Analysis" section on pages 41-45.
	E1-IRO-1	Refer to our "Climate-related Scenario Analysis" section on pages 41-45.
	E1-3	Refer to our "Managing Our Scope 1 and 2 Emissions", "Charting Our Path to GHG Emissions Reduction", and "GHG Emissions Disclosure" sections on pages 20, 21 and 55-58.
	E1-4	Refer to our "Managing Our Scope 1 and 2 Emissions", "Charting Our Path to GHG Emissions Reduction", and "GHG Emissions Disclosure" sections on pages 20, 21 and 55-58.
	E1-5	Refer to our "GHG Emissions Disclosure" section on pages 55-58.
	E1-6	Refer to our "Managing Our Scope 1 and 2 Emissions", "Charting Our Path to GHG Emissions Reduction", "Advancing Scope 3 Emissions Insights", and "GHG Emissions Disclosures" sections on pages 20-22 and 55-58.

[1] For additional information on the EU Directive and its effects on LKQ, see "Our Journey to EU CSRD Compliance" on page 46.

EU CSRD Disclosure – Our Progress (continued)

ESRS	Disclosure Requirement	Disclosure
S1 – Own Workforce	S1-3	Refer to our ESRS G1-1 disclosure on whistleblowing Systems and Procedures on page 53.
	S1-6	All disclosed headcount information is as of the end of the reporting period, December 31, 2024[1].

The tables below represent the total number of employees by headcount, and the breakdown by gender and by country for countries in which LKQ has 50 or more employees, representing at least 10% of its total number of employees.

Headcount breakdown by gender

Male	37,205	80%
Female	9,090	20%
Not reported / Other[2]	181	-
Total employees	**46,476**	**100%**

Headcount breakdown by country

U.S.	14,760	32%
United Kingdom	8,867	19%
Germany	5,023	11%
Other	17,826	38%
Total	**46,476**	**100%**

Employee turnover

The table below represents the number of employees who have left LKQ during the reporting year and the turnover rate in the reporting period[3].

Total number of employees who have left the undertaking during the reporting period	17,660
Rate of employee turnover in the reporting period	38%

For the current year, the headcount figures reflected above and on page 5 of this report reconciles with the total headcount disclosed in LKQ Corporation's 2024 10-K.

[1] Figures cover all LKQ entities with the exception of Warn Industries.
[2] Other refers to individuals who have legally registered as a third, often neutral, gender in countries where this option is available.
[3] Turnover includes any leaver who left the company in the period January 1 – December 31, 2024. The turnover ratio is calculated by dividing the number of leavers by the total headcount as of December 31, 2024.

EU CSRD Disclosure – Our Progress (continued)

ESRS	Disclosure Requirement	Disclosure
S1 – Own Workforce (continued)	S1-8	The table below represents the percentage of employees covered by collective bargaining agreements and by worker representatives, reported at a country level for each European Economic Area (EEA) country in which LKQ has significant employment.

Coverage Rate	Collective Bargaining Coverage Employees - EEA countries only[1]	Social dialogue Workplace representation EEA countries only[1]
0-19%	-	-
20-39%	-	-
40-59%	-	-
60-79%	-	-
80-100%	Austria, Germany, Italy, Sweden	Belgium

S1-9

The table below represents the age distribution amongst LKQ employees.

Under 30 years old	9,826	21%
30-50 years old	22,525	49%
Over 50 years old	14,125	30%
Total	**46,476**	**100%**

The table below represents the gender distribution at top management level.
LKQ has defined top management as executive officers as defined in Item 10 in LKQ Corporation's 2024 10-K.

Male	8	89%
Female	1	11%
Total	**9**	**100%**

Top management level represents 0.02% of total employees.

S1-14

Refer to page 24 for data related to the number and rate of recordable work-related accidents for own workforce.

S1-16

Refer to LKQ's Proxy Statement published in March, 2025 for information related to the annual total remuneration ratio.

[1] For countries with > 50 employees representing > 10% of total employees.

EU CSRD Disclosure – Our Progress (continued)

ESRS	Disclosure Requirement	Disclosure
G1 – Business Conduct	G1-GOV-1	LKQ's Board of Directors, through its Audit Committee, maintains oversight over its compliance program and receives regular reports on any raised or suspected ethical violations. The Audit Committee consists of at least three directors, all of whom satisfy the applicable independence and experience requirements of the Sarbanes-Oxley Act 2002, the Securities Exchange Act of 1934 and the SEC rules adopted thereunder. LKQ's General Counsel has managerial responsibility for developing our business ethics, including anti-corruption, policies and operating guidelines and ensuring compliance. Matthew J. McKay became LKQ's Senior Vice President, General Counsel and Corporate Secretary in March 2021. Prior thereto, he served as our Senior Vice President of Human Resources from June 2016 to March 2021 and Associate General Counsel from December 2007 to May 2016. Prior to joining LKQ, Mr. McKay served as a law clerk for Judge William Bauer at the United States Court of Appeals for the Seventh Circuit. The VP Legal Compliance and Privacy, Julie A. Inderlied, is responsible for LKQ's Compliance Program and provides an annual program update to the Board of Directors. She reports to the General Counsel and is a licensed attorney with over 18 years of experience that includes privacy law, compliance, internal investigations, employment law, acquisition integrations, and program management. LKQ's Risk Management Committee is appointed by the Board of Directors and is composed of key members of senior management including those responsible for business units. The purpose of the committee is to identify and prioritize enterprise-wide strategic risks, assign owners to such risks and track remediation efforts. The committee periodically reports its findings to the Board of Directors.
	G1-1	**Policies on Business Conduct** LKQ has set up several policies with respect to business conduct matters, please refer to our "Pillars of Governance" section on page 32 for additional insights. In addition, LKQ includes anti-corruption in its Code of Ethics, has a Global Anti-Corruption policy and incorporates preventing bribery and corruption into its Supplier Code of Conduct. The Global Anti-Corruption Policy is designed to prevent, detect, and address corruption and bribery within LKQ. It outlines acceptable business practices, provides mechanisms for reporting suspected violations, and indicates disciplinary actions for breaches. This policy applies to all employees globally without any exclusions. The LKQ Legal Department is accountable for the implementation and oversight of this policy which is readily accessible to all salaried, office, and sales-related team members through the LKQ Policy Hub. LKQ's Global Anti-Corruption Policy aligns with the United Nations Convention Against Corruption (UNCAC) by adopting measures to prevent, detect, and address bribery and corruption. The policy includes clear guidelines on acceptable business practices, robust reporting mechanisms, and disciplinary actions for breaches, mirroring the UNCAC's emphasis on preventive measures. Additionally, LKQ's commitment to compliance with all applicable laws and cooperation with relevant law enforcement authorities supports the UNCAC's principles of international cooperation. LKQ's Supplier Code of Conduct sets forth expectations for suppliers to maintain high ethical standards. The policy prohibits any form of bribery or corruption and requires suppliers to comply with all relevant anti-bribery and anti-corruption laws. It applies to all suppliers, their employees, and subcontractors globally, with no exclusions. Suppliers are accountable for ensuring compliance and implementing measures to prevent corrupt practices. The policy is accessible on LKQ's Corporate website and communicated during supplier onboarding. Where appropriate, the Supplier Code is also incorporated into supplier agreements.

EU CSRD Disclosure – Our Progress (continued)

ESRS	Disclosure Requirement	Disclosure
G1 – Business Conduct (continued)	G1-1 (continued)	**Whistleblowing Systems and Procedures** LKQ Corporation has established a Speak Up Program that provides a structured and transparent process for identifying, reporting, and investigating concerns related to unlawful behavior or violations of its Code of Ethics. The process includes: • **Reporting:** ○ Direct Reporting: Employees can report concerns directly to their supervisor, manager, or the next level of management. ○ Human Resources: Human Resources is available to provide guidance and support for reporting concerns. ○ Legal: Legal concerns can be reported directly to the legal team. ○ Corporate Audit: Financial and audit-related issues can be reported to Corporate Audit. ○ Speak Up Hotline: A confidential hotline is available at lkqcorp.ethicspoint.com for reporting concerns, including anonymous reporting. • **Scope of Reporting:** The Speak Up Program is available to anyone, including all current and former employees, officers, and associates of LKQ, as well as external stakeholders such as customers, suppliers, contractors, agents, and distributors. • **Investigation Procedures:** Upon confirming that the allegations submitted by a reporter warrant an investigation, LKQ follows a structured process to ensure that concerns submitted via the Speak Up Program are addressed promptly, independently, and objectively. These procedures include: ○ Acknowledgment of Reports: confirmation is provided upon receipt of a report. ○ Independent Investigation: An independent and objective investigation is conducted by a trained investigator. This includes gathering evidence, interviewing relevant parties, and maintaining confidentiality throughout the process. ○ Corrective Actions: Based on the findings of the investigation, LKQ takes necessary corrective actions, which may include disciplinary actions, policy changes, or other measures to prevent future incidents. ○ Whistleblower Feedback: LKQ provides high-level feedback to the whistleblower on the outcome of the investigation. ○ Audit and Oversight: These procedures are audited at least annually by a third-party auditor. There is a structured process to report outcomes to the administrative, management, and supervisory bodies. In particular, the General Counsel and the Senior Vice President, Human Resources receive monthly reports on Speak Up cases, as well as specific updates on high-risk investigations.

EU CSRD Disclosure – Our Progress (continued)

ESRS	Disclosure Requirement	Disclosure
G1 – Business Conduct (continued)	G1-1 (continued)	**Whistleblower Protection** LKQ has a zero-tolerance for retaliation against whistleblowers which aligns with applicable laws, including Directive (EU) 2019/1937. Measures to protect whistleblowers include maintaining the confidentiality of investigations and ensuring that individuals who raise concerns in good faith are safeguarded from adverse actions. LKQ ensures that all employees receive information and training on how to report concerns through various methods, including Speak Up posters at LKQ sites, reminders during Annual Code of Ethics attestation, newsletter reminders, sections in the Code of Ethics dedicated to Speak Up, and a dedicated Speak Up Policy. Additionally, the Speak Up Policy is publicly available and a link to the Speak Up Hotline is included in LKQ's Supplier Code of Conduct. By implementing these comprehensive measures, LKQ Corporation ensures a culture of transparency, compliance, and ethical business practices while safeguarding whistleblowers from retaliation. **Training On Anti-Bribery And Anti-Corruption** LKQ requires advanced anti-bribery training for leaders in its Sales, Procurement, Pricing, HR, and Marketing functions as well as all Vice President or higher positions. This course is designed to provide advanced knowledge and strategies for combating bribery and corruption on a global scale, including: 1. Understanding the complexities and challenges associated with global anti-bribery and corruption efforts. 2. Learning advanced techniques and best practices to detect, prevent, and mitigate bribery and corruption risks. 3. Developing the skills necessary to implement effective anti-bribery and corruption compliance programs in a global context. In addition, all salaried, office, and sales-related team members receive a holiday gift reminder annually and are also required to attest to the Code of Ethics annually which reflects policies dedicated to anti-bribery, conflicts of interest and gifts and hospitality.
	G1-3	LKQ is committed to upholding compliance with all applicable laws and regulations that prohibit corruption and bribery. We refrain from offering, providing, soliciting, or accepting bribes or any form of inducement to unfairly gain business, establish business connections, sway decisions in favor of LKQ, or for any other unethical purpose. LKQ has procedures in place to prevent, detect, and address allegations or incidents of corruption and bribery. These procedures are part of LKQ's Speak Up Program, which encourages employees and other stakeholders to report suspected misconduct, including bribery and corruption. For additional information on LKQ's Speak Up Program and training on these topics, please refer to ESRS-G1-1, LKQ Corporation's 10-K, and page 32 of this report. Additionally, LKQ leverages internal financial and operational controls to prevent and detect bribery and corruption, including, but not limited to, controls covering segregation of duties, delegation of authority, financial records, accurate record keeping, expense monitoring, bank reconciliations and the review of financial results. Finally, LKQ is subject to regular internal and external audits. Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 and related rules, our management is required to report on, and our independent registered public accounting firm is required to attest to, the effectiveness of our internal control over financial reporting. For more information relating to internal controls, please see LKQ Corporation's 2024 10-K.
	G1 - 4	LKQ is not aware of any material violations of anti-corruption and anti-bribery laws or material breaches in procedures and standards of anti-corruption and anti-bribery.

Greenhouse Gas (GHG) Emissions Disclosure

Reporting Policy and Scope for Greenhouse Gas Emissions

Scope 1, 2, and 3 GHG emissions are collected and accounted for in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Resources Institute/World Business Council for Sustainable Development (GHG Protocol). The GHG emissions covered by this inventory are for the year ended December 31, 2024. LKQ reports GHG emissions under the operational control approach criteria described in the GHG Protocol.

Scope 1 includes LKQ's direct emissions from sources controlled by the company, i.e., the company's own transport by delivery vehicles from branches to workshops, and heating in premises where combustion takes place on-site.

Scope 2 includes LKQ's indirect emissions of purchased electricity and heat.

Scope 3 includes LKQ's emissions from indirect sources. The key component of Scope 3 emissions is represented by purchased goods and services which have been calculated using spend-based methodology and emission factors.

All emissions data have been collected and calculated since 2022[1] with the support of Net0 an independent third-party service provider.

Current Global Emissions in CO_2e

The following accounting includes three of the seven GHG emissions covered by the UNFCCC/Kyoto Protocol: carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O). LKQ does not believe that it has significant emissions of the remaining four gases namely perfluorocarbons (PFCs), hydrofluorocarbons (HFCs) (including refrigerants and fire suppressants), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3) and therefore they are omitted. GHG emissions are reported in metric tons of carbon dioxide equivalent (CO_2e).

Table 2. GHG Emissions Details

GHG Emissions (mt CO_2e)	2024	2023[2,8]	2022[2,8] (Base Year)	Absolute Change 2024 / 2023	% Change 2024 / 2023	Absolute Change 2024 / 2022	% Change 2024 / 2022
Gross Scope 1	258,692	264,891	289,656	-6,199	-2.3%	-30,964	-10.7%
Gross Scope 2 location-based	60,602	72,401	75,733	-11,800	-16.3%	-15,131	-20.0%
Gross Scope 2 market-based	53,287	59,503	75,733[5]	-6,216	-10.4%	-22,446[6]	-29.6%
Gross Scope 1 and 2 location-based	319,294	337,292	365,389	-17,999	-5.3%	-46,095	-12.6%
Gross Scope 1 and 2 market-based	311,979	324,394	365,389[5]	-12,415	-3.8%	-53,410	-14.6%
Gross Scope 3 relevant emissions[2]	1,941,370[3]	2,419,694[4]	N/A[6]	-478,324[7]	-19.8%	N/A	N/A
Total reported GHG emissions location-based	**2,260,664**	**2,756,986**	**365,389**	**-496,322**	**-18.0%**	**N/A**	**N/A**
Total reported GHG emissions market-based	**2,253,349**	**2,744,088**	**365,389[5]**	**-490,739**	**-17.9%**	**N/A**	**N/A**

[1] Scope 1 and 2 since 2022, Scope 3 since 2023.
[2] Data not subject to review by Deloitte & Touche LLP.
[3] Data represents 8 of the 13 material Scope 3 categories. See page 22 for additional information.
[4] Only Category 1 was calculated and disclosed in the 2023 Sustainability Report.
[5] Location-based is used as a proxy for market-based emissions for the base year.
[6] Not Applicable. Certain Scope 3 data have been collected and calculated since 2023 (Category 1).
[7] The spend-based emission factors used in 2024 vary significantly from those used in 2023.
[8] Comparative figures for 2022 and 2023 have been adjusted to account for the impact of the Canadian Business acquired in 2023 (Uni-Select) and to account for corrections in calculation methodologies and identified data errors.

Greenhouse Gas (GHG) Emissions Disclosure (continued)

Table 2. GHG Emissions Details

GHG Emissions (mt CO_2e)	2024	2023[1]	2022[1] (Base Year)	Absolute Change 2024 / 2023	% Change 2024 / 2023	Absolute Change 2024 / 2022	% Change 2024 / 2022
Scope 1 GHG Emissions							
Gross Scope 1 emissions	258,692	264,891	289,656	-6,199	-2.3%	-30,964	-10.7%
% of Scope 1 emissions from regulated emissions trading schemes	-	-	-	-	-	-	-
Scope 2 GHG Emissions							
Gross Scope 2 location-based	60,602	72,401	75,733	-11,799	-16.3%	-15,131	-20.0%
Gross Scope 2 market-based	53,287	59,503	75,733[4]	-6,216	-10.4%	-22,446	-29.6%
Scope 3 Relevant GHG Emissions[1]							
Cat 1	1,579,174	2,419,694	N/A[5]	-840,520[6]	-34.7%[6]	N/A	N/A
Cat 2	5,462	N/A[3]	N/A[5]	N/A	N/A	N/A	N/A
Cat 3	59,989	N/A[3]	N/A[5]	N/A	N/A	N/A	N/A
Cat 4	171,608	N/A[3]	N/A[5]	N/A	N/A	N/A	N/A
Cat 5	N/A[2]	N/A[3]	N/A[5]	N/A	N/A	N/A	N/A
Cat 6	666	N/A[3]	N/A[5]	N/A	N/A	N/A	N/A
Cat 7	41,375	N/A[3]	N/A[5]	N/A	N/A	N/A	N/A
Cat 8	77,699	N/A[3]	N/A[5]	N/A	N/A	N/A	N/A
Cat 9	N/A[2]	N/A[3]	N/A[5]	N/A	N/A	N/A	N/A
Cat 10	N/A[2]	N/A[3]	N/A[5]	N/A	N/A	N/A	N/A
Cat 11	N/A[2]	N/A[3]	N/A[5]	N/A	N/A	N/A	N/A
Cat 12	N/A[2]	N/A[3]	N/A[5]	N/A	N/A	N/A	N/A
Cat 15	5,397	N/A[3]	N/A[5]	N/A	N/A	N/A	N/A
Total reported GHG emissions location-based	**2,260,664**	**2,756,986**	**365,389**	**-496,322**	**-18.0%**	**N/A**	**N/A**
Total reported GHG emissions market-based	**2,253,349**	**2,744,088**	**365,389[4]**	**-490,739**	**-17.9%**	**N/A**	**N/A**

[1] Data not subject to review by Deloitte & Touche LLP.
[2] LKQ is currently developing a methodology to report this category in the future.
[3] Only Category 1 was calculated and disclosed in the 2023 Sustainability Report.
[4] Location-based is used as a proxy for market-based emissions for the base year.
[5] Not Applicable. Certain Scope 3 data have been collected and calculated since 2023 (Category 1).
[6] The spend-based emission factors used in 2024 vary significantly from those used in 2023.

Greenhouse Gas (GHG) Emissions Disclosure (continued)

Calculation Methodologies

When calculating Scope 1 and 2 GHG emissions, activity data is collected from multiple business owners and systems via internal processes. Scope 1 activity data includes fuel (predominantly fleet fuel and recovered fuel from our salvage operations), and natural gas. Scope 2 activity data include predominantly electricity and district heating (minimal). The carbon dioxide equivalent emissions associated with the activities described above were determined on the basis of measured or estimated activities, multiplied by relevant carbon emission factors. In instances where activity data is unavailable for the reporting period, emissions are calculated using estimations based on internally developed methodologies. For the 2024 reporting year, relevant estimations include: fuel recovered from our salvage dismantling operations (calculated as annual vehicles processed multiplied by the estimated average liters of fuel recovered per vehicle), and electricity and natural gas consumption estimated through spend-based and/or location size benchmarking methodologies for locations where activity data was not available. Published emission factors were used to calculate emissions from operations. Renewable electricity use is supported through energy attribute certificates and supplier contracts. The following sources have been employed for selecting emission factors: Scope 1, EPA 2025 GHG Emission Factors Hub, UK Government GHG Conversion Factors for Company Reporting 2024; Scope 2 (U.S.) IEA Emission Factors 2024, Green-e® Residual Mix; Scope 2 (others), IEA Emission Factors 2024, UK Government GHG Conversion Factors for Company Reporting 2024. Residual mix emission factors were not used for some sites in Europe and Canada; instead, national average emission factors (e.g., IEA) were applied. Using IEA factors prevents data gaps where residual mix factors are not available, provides a more practical and consistent approach for calculating emissions across the company's European facilities, and does not significantly affect the company's Scope 2 GHG emissions.

For tracking against its goals to reduce GHG emissions, LKQ utilizes the market-based methodology for Scope 2 accounting.

GHG emission calculations for those Scope 3 categories disclosed (8 out of 13) are collected and accounted for according to the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. LKQ relies on internal records such as procurement and finance data as a basis for Scope 3 emission calculations.

Base Year

LKQ measures its progress for Scope 1 and Scope 2 emissions toward its current reduction goals by its base year, 2022. The base year has been updated from 2021 to 2022 as 2022 better represents business-as-usual at LKQ globally following the significant disruption experienced in 2020 and 2021 due to Covid-19.

LKQ does not currently have a base year or reduction goal for Scope 3.

If changes occur in the structure of LKQ or if significant emissions changes are found that make a material impact on its global footprint, the base year will be recalculated to include the effects of the new structure. LKQ's internally recognized threshold for significant changes is 5% of the base year's global total GHG emissions. These changes include, but are not limited to, acquisitions and divestitures, improvement of calculation methodologies or the accuracy of emission factors, and/or discovery of significant errors, single or collectively.

Table 3. Scope 3 Relevant GHG Emissions - Additional details

Total Gross indirect Scope 3 GHG emissions (mt CO_2e)	2024[1]	Included / Excluded	Rationale	% Primary Data
Cat 1	1,579,174	Included	Relevant to LKQ	- %
Cat 2	5,462	Included	Relevant to LKQ	- %
Cat 3	59,989	Included	Relevant to LKQ	93%
Cat 4	171,608	Included	Relevant to LKQ	- %
Cat 5	Not disclosed	Excluded	To be calculated[2]	N/A
Cat 6	666	Included	Relevant to LKQ	- %
Cat 7	41,375	Included	Relevant to LKQ	- %
Cat 8	77,699	Included	Relevant to LKQ	- %
Cat 9	Not disclosed	Excluded	To be calculated[2]	N/A
Cat 10	Not disclosed	Excluded	To be calculated[2]	N/A
Cat 11	Not disclosed	Excluded	To be calculated[2]	N/A
Cat 12	Not disclosed	Excluded	To be calculated[2]	N/A
Cat 15	5,397	Included	Relevant to LKQ	100%

Table 4. GHG Intensity per net revenue

GHG Intensity per net revenue (mt CO_2e/$m)	2024	2023[1]	2022[1] (Base Year)	% 2024 / 2023	% 2024 / 2022
Total GHG emissions location-based per net revenue	22.2	23.0	25.9	-3.5%	-14.3%
Total GHG emissions market-based per net revenue	21.7	22.1	25.9[3]	-1.8%	-16.2%

[1] Data not subject to review by Deloitte & Touche LLP.
[2] The category has been assessed as relevant but not calculated and disclosed in 2024 Sustainability Report. LKQ is currently developing a methodology to report this category in the future.
[3] Location-based is used as a proxy for market-based emissions for the base year.

Greenhouse Gas (GHG) Emissions Disclosure (continued)

Global Warming Potential (GWP)

For Scope 1 and 2 emissions, in accordance with the GHG Protocol, LKQ uses CH_4 and N_2O emission factors sourced from official government publications, such as the EPA GHG Emission Factors Hub, UK Government Conversion Factors, and IPCC. A GWP of 28 for CH_4 and 265 for N_2O[3] were applied to calculate CH_4 and N_2O emissions.

Table 5. Scope 1 and 2 Emissions by GHG[4]

GHG Emissions (mt)	2024 (mt)	2024 (mt CO_2e)	2023[5] (mt CO_2e)
CO_2	309,934	309,934	322,292
CH_4	22	622	710
N_2O	5	1,423	1,391

Table 6. Energy Consumption and Mix

Energy Consumption and Mix (kWh)	2024	2023[1]
(1) Fuel consumption from coal and coal products	-	N/A
(2) Fuel consumption from crude oil and petroleum products	818,270,916	N/A
(3) Fuel consumption from natural gas	236,920,730	N/A
(4) Fuel consumption from other fossil sources	48,422,944	N/A
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	129,455,110	N/A
(6) Total fossil energy consumption (Sum 1 to 5)	**1,233,069,700**	**N/A**
Share of fossil sources in total energy consumption %	**94.0%**	**N/A**
(7) Total Consumption from nuclear sources	**25,873,402**	**N/A**
Share of nuclear sources in total energy consumption %	**2.0%**	**N/A**
(8) Fuel consumption for renewable sources, including biomass[2]	8,768,212	N/A
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	43,070,733	N/A
(10) Consumption of self-generated non-fuel renewable energy	1,562,946	N/A
(11) Total renewable energy consumption (Sum 8 to 10)	**53,401,891**	**N/A**
Share of renewable sources in total energy consumption %	**4.1%**	**N/A**
Total energy consumption (Sum 6, 7, 11)	**1,312,344,993**	**N/A**

[1] Comparative data not available since 2024 is the first year of disclosure.
[2] Also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.
[3] In accordance with 100-year Global Warming Potential (GWP) values from the IPCC Fifth Assessment Report (AR5, 2013).
[4] GHG emission values in this table are market-based.
[5] Data not subject to review by Deloitte & Touche LLP.

Deloitte.

Deloitte & Touche LLP
111 S. Wacker Dr
Chicago, IL 60606 USA
Tel: +1 312 486 1000
www.deloitte.com

Independent Accountant's Report

Management of LKQ Corporation:

We have reviewed management of LKQ Corporation's ("LKQ" or the "Company") assertion that the accompanying Statement of Greenhouse Gas (GHG) Emissions, including Scope 1 and Scope 2 GHG Emissions, for the year ended December 31, 2024 included within the accompanying LKQ's 2024 Sustainability Report (the "2024 Statement of GHG Emissions") is presented in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Resources Institute/World Business Council for Sustainable Development (the "criteria" or "GHG Protocol"). The Company's management is responsible for its assertion. Our responsibility is to express a conclusion on management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C Section 105, Concepts Common to All Attestation Engagements, and AT-C Section 210, Review Engagements. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order for it to be fairly stated. The procedures performed in a review vary in nature and timing from and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with the Code of Professional Conduct issued by the AICPA. We applied the Statements on Quality Control Standards established by the AICPA and, accordingly, maintain a comprehensive system of quality control.

The procedures we performed were based on our professional judgment. In performing our review, we performed analytical procedures, inquiries, and other procedures as we considered necessary in the circumstances. For a selection of the GHG emissions disclosed in the 2024 Statement of GHG Emissions, we performed tests of mathematical accuracy of computations, compared amounts to underlying records, or reviewed supporting documentation.

The preparation of the 2024 Statement of GHG Emissions requires management to interpret the criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. Measurement of certain amounts may include estimates and assumptions that are subject to substantial inherent measurement uncertainty, including, for example, the accuracy and precision of conversion factors or estimation methodologies used by management. Obtaining sufficient appropriate review evidence to support our conclusion does not reduce the inherent uncertainty in the amounts. The selection by management of a different but acceptable measurement method, input data, or model assumptions may have resulted in materially different amounts being reported.

Information outside of the 2024 Statement of GHG Emissions included in LKQ's 2024 Sustainability Report was not subject to our review and, accordingly, we do not express a conclusion or any form of assurance on such information. Further, any information relating to periods prior to the year ended December 31, 2024, or information relating to forward-looking statements, targets, goals, progress against goals, and linked information was not subject to our review and, accordingly, we do not express a conclusion or any form of assurance on such information.

Based on our review, we are not aware of any material modifications that should be made to the 2024 Statement of GHG Emissions in order for it to be presented in accordance with the GHG Protocol.

Deloitte & Touche LLP

May 28, 2025

Glossary of Acronyms

AICPA	American Institute of Certified Public Accountants
BEV	Battery Electric Vehicle
BP	Basis for preparation
CDC	Central Distribution Center
CMIP	Coupled Model Intercomparison Project
CNG	Compressed Natural Gas
CO_2	Carbon Dioxide
CO_2e	Carbon Dioxide Equivalent
CSRD	Corporate Sustainability Reporting Directive
DART	Days Away, Restricted, and Transferred
DMA	Double Materiality Assessment
EFRAG	European Financial Reporting Advisory Group
ELV	End-of-Life Vehicles
EMS	Environmental Management System
ESRS	European Sustainability Reporting Standards
EV	Electric Vehicle
FAAS	Forum on Automotive Aftermarket Sustainability
GHG	Greenhouse Gas
HGV	Heavy Goods Vehicle
HVO	Hydro-treated Vegetable Oil
IAAF	Independent Automotive Aftermarket Federation
IATF	International Automotive Task Force
ICE	Internal Combustion Engine
IEA	International Energy Agency
IEC	International Electrotechnical Commission
IPCC	Intergovernmental Panel on Climate Change
IRO	Impact, Risk and Opportunity
ISO	International Organization for Standardization
kg	Kilograms
lb	Pound
LED	Light Emitting Diode
LPG	Liquefied Petroleum Gas
mt	Metric Ton (equal to 1,000 kilograms (kg))
NFRD	Non-Financial Reporting Directive
NGSF	Network for Greening the Financial System
NiMH	Nickel-Metal Hydride Battery
NZE2050	Net Zero Emissions by 2050
OECD	Organization for Economic Co-operation and Development
OEM	Original Equipment Manufacturer
OSHA	Occupational Safety and Health Administration
PAC	Political Action Committee
PV	[Solar] Photovoltaic
QA	Quality Assurance
R&D	Research and Development
RCP	Representative Concentration Pathways
REC	Renewable Energy Certificate
REM	Rare Earth Mineral
SASB	Sustainability Accounting Standards Board
SBM	Strategy & Business Model
SDG	Sustainable Development Goals
SEC	Securities and Exchange Commission
SEMA	Specialty Equipment Market Association
SI	International System of Units
SKU	Stock Keeping Unit
SPCC	Spill Prevention Control and Countermeasures
SSP	Shared Socioeconomic Pathways
STEPS	Stated Policies Scenario
SWPPP	Stormwater Pollution Prevention Plans
TCFD	Taskforce on Climate-related Financial Disclosures
tn	U.S. ton (equal to 2,000 pounds (lb))
TRIR	Total Recordable Incident Rate
UNI/PdR	Ente Nazionale Italiano di Unificazione/Prassi di Riferimento (Italian Standards Body/Reference Practice)
USO	United Service Organizations
VIO	Vehicles in Operation
WIN	Women's Industry Network
3TGs	Tin, Tantalum, Tungsten, and Gold

Glossary of Terms

Basis for Preparation (BP)	In the European Sustainability Reporting Standards (ESRS), refers to the methodologies, assumptions, and principles that companies must follow when preparing their Sustainability disclosures.
Car Parc	Also known as vehicle population, refers to the total number of registered vehicles in a specific geographic area, such as a country, region, or market at a given point in time.
Carbon dioxide (CO_2) equivalent (e)	The universal unit of measurement to indicate the global warming potential (GWP) of each greenhouse gas, expressed in terms of the GWP of one unit of carbon dioxide. It is used to evaluate releasing (or avoiding releasing) different greenhouse gases on a common basis.
Circular economy	An economic system in which the value of products, materials and other resources in the economy is maintained for as long as possible, enhancing their efficient use in production and consumption, thereby reducing the environmental impact of their use, minimizing waste and the release of hazardous substances at all stages of their life cycle, including through the application of the waste hierarchy.
Climate-related physical risk	Physical risks resulting from climate change that can be event-driven (acute) or from longer-term shifts (chronic) in climate patterns. Acute physical risks arise from particular hazards, especially weather-related events such as storms, floods, fires, or heatwaves. Chronic physical risks arise from longer-term changes in the climate, such as temperature changes.
Climate-related transition risk	Risks that arise from the transition to a low-carbon and climate-resilient economy. They typically include risks relating to policy, legal, technology, market, and reputation.
Due diligence	In the context of responsible business conduct is understood as the process through which companies identify, prevent, and mitigate actual and potential adverse human rights and environmental impacts, as well as monitor and report on how they address these impacts.
European Sustainability Reporting Standards (ESRS)	A set of reporting standards developed by the European Financial Reporting Advisory Group (EFRAG) to support compliance with the EU Corporate Sustainability Reporting Directive (CSRD).
Impact, Risk and Opportunity (IRO)	A framework used in Sustainability Reporting, particularly within the European Sustainability Reporting Standards (ESRS), to assess and disclose how an organization's activities and business model: impact the environment, society, and the economy (inside-out perspective), face risks due to external Sustainability-related factors (outside-in perspective), encounter opportunities arising from Sustainability challenges and transitions.
Involuntary turnover	The number of entity-initiated separations (for example, dismissal, downsizing, redundancy or non-renewal of contract) during the reporting period, divided by the average number of workers employed during the reporting period.
Raw Material	Primary or secondary material that is used to produce a product.
Reconditioned Battery	Battery Reconditioning is a process that determines a battery's capacity and remaining useful life by performing a full discharge and recharge cycle. The process involves impedance, capacity and resistance checks to ensure battery cells/modules shall fully function in the vehicle and operate similar to the original equipment battery.
Recover	Any operation the principal result of which is waste serving a useful purpose by replacing other materials which would otherwise have been used to fulfill a particular function, or waste being prepared to fulfill that function, in the plant or in the wider economy.
Recycle	Recover materials from waste to be reprocessed into new products, materials or substances whether for the original or other purposes.
Refurbish	Restore an old product and bring it up to date (to specified quality level).
Remanufacture	Use parts of a discarded product in a new product with the same function (and as-new-condition).
Repair	Repair and maintenance of defective product so it can be used with its original function.
Reuse	Any operation by which products and components that are not waste are used again for the same purpose for which they were conceived. This may involve cleaning or small adjustments so it is ready for the next use without significant modification.
Salvage	Dismantling of collision vehicles to recover usable parts and properly dispose of hazardous liquids and materials (for example, fuel, oil or batteries).
Scope 1 GHG emissions	Direct GHG emissions from sources that are owned or controlled by the company.
Scope 2 GHG emissions	Indirect emissions from the generation of purchased or acquired electricity, steam, heat or cooling consumed by the company.
Scope 3 GHG emissions	All indirect GHG emissions (not included in scope 2 GHG emissions) that occur in the value chain of the company, including both upstream and downstream emissions.
Strategy & Business Model (SBM)	In the European Sustainability Reporting Standards (ESRS), refers to the disclosure requirements that explain how a company's strategy, business model, and value creation process interact with Sustainability-related IROs.
Value Chain	The full range of activities, resources and relationships related to a company's business model and the external environment in which it operates. A value chain encompasses the activities, resources and relationships the company uses and relies on to create its products or services from conception to delivery, consumption and end-of life. Value chain includes actors upstream and downstream from the company.
Voluntary turnover	The number of employee-initiated voluntary separations (for example, resignations or retirement) during the reporting period, divided by the average number of workers employed during the reporting period.

LKQ

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This report was developed in collaboration with Corbin Advisors.