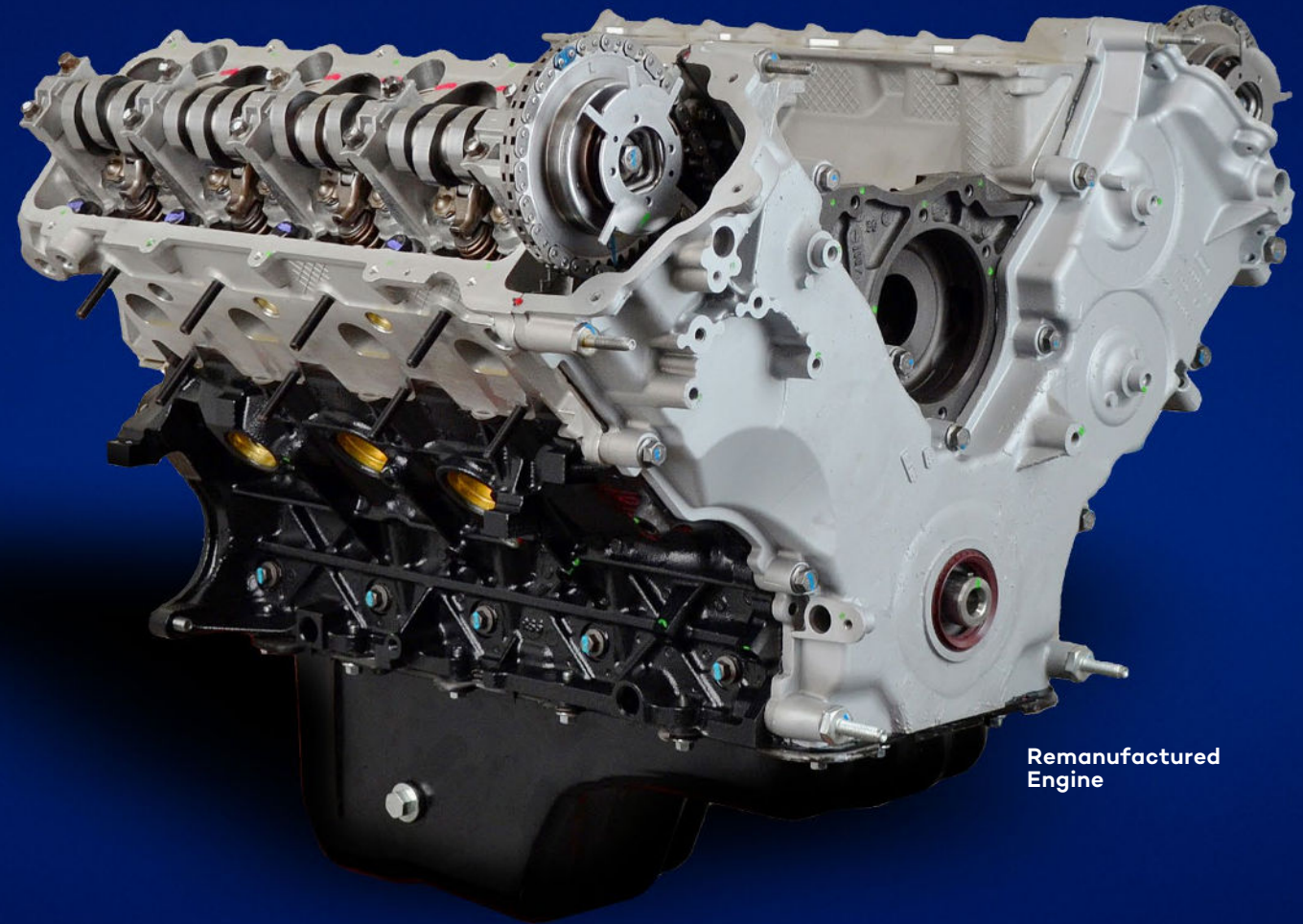


2025 Sustainability Report

Doing our part for a
more sustainable world

LKQ

Keeping you moving



Remanufactured
Engine

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, 2025, 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 sixth Sustainability Report, the most recent of which was published in 2025. 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, 2025. Information outside of the 2025 Scope 1 and Scope 2 greenhouse gas disclosures included in the Statement of Greenhouse Gas (GHG) Emissions, 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 56. 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. Unless otherwise explicitly stated, all reported GHG emissions and related year-on-year changes are calculated and presented using the market-based method. In case of any questions or comments, please contact sustainability@lkqcorp.com.



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Sustainability at the Core of Who We Are

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Salvaged Accelerator Pedal

A driver-operated control that translates pedal input into engine response, regulating acceleration and enabling smooth, predictable vehicle speed control.

Navigating Forward: Growth, Resilience, and Strategic Focus

A Message from our President and CEO

At LKQ, sustainability starts with how we run the business. It is embedded in our history and strategy, reflected in our operating discipline, and reinforced by a clear focus on long-term value creation. By reducing inefficiencies and making thoughtful investments in our people, technology, and operations, we strengthen our performance today and build resilience for the future.

Over the past year, our teams across North America and Europe delivered strong execution amid economic pressure, shifting demand patterns, and increased complexity. I am proud of how our people have shown resilience, adaptability, and focus, strengthening the business for the long-term. That consistency is central to our Charting Our Future strategy and to how we think about profitable and responsible growth.

A key advantage for LKQ is our ability to operate better together. Aligned leadership, shared learning, and cross-regional collaboration are creating a more connected and capable organization. We bring together the strengths of our North America and Europe businesses, applying best practices across operations, supply chains, and technology. This integrated approach supports strong execution today and positions us to unlock additional value over time.



In Europe, we strengthened our leadership and implemented greater alignment in how our European businesses operate, and continued integration efforts are creating a more unified platform. These actions are laying the groundwork for stronger performance and long-term opportunity, including expanded vehicle circularity and recycling solutions.

Our focus on reducing waste extends beyond materials. It includes eliminating unnecessary steps, streamlining decision-making, and removing complexity that slows execution. Simplifying our operating model allows teams to work more effectively, improves safety, advances our sustainability goals, and enhances financial performance. This mindset of continuous improvement applies across every part of the business.

People and culture remain foundational to our success. We continue to invest in leadership development, employee engagement, and programs that strengthen collaboration across regions. Strong participation in our engagement surveys reflects a culture where employees feel comfortable sharing feedback and contributing to continuous improvement. At LKQ, safety remains a core priority, supported by investment in tools, technology, and practices that protect our people and reinforce operational excellence.

We also see opportunity in the thoughtful use of technology. Advanced analytics and emerging AI tools are helping teams make better decisions, improve efficiency, and reinforce disciplined execution, with a focus on practical, value-driven applications.

Our sustainability strategy provides a consistent framework for how we operate, invest in our people, and uphold the standards that support responsible growth and long-term value creation. Progress comes from consistent execution, integrated thinking, and shared accountability. By staying focused on these principles, we will continue to strengthen LKQ and build a more sustainable future, together.

Justin L. Jude
President and Chief Executive Officer

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.



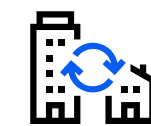
Profitably delivering sustainable solutions

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



Circularity - Central to Our Business Model

Company Profile

What We Do

LKQ is a global distributor of vehicle parts used in the repair and maintenance of vehicles. Our portfolio includes aftermarket, recycled, refurbished, vehicle diagnostics, and remanufactured parts that support collision and repair, including hard parts, paint, and refinishing solutions. Through our distribution networks across North America and Europe, we serve professional repair customers by offering broad product availability, access to cost-effective repair solutions, and provide reliable fulfillment.

How We Are Circular

Our business model is inherently circular. By recovering, processing, and redistributing vehicle components, including hard parts and refinishing materials, LKQ enables part repurpose and remanufacturing at scale, helping extend vehicle life and reduce material waste. This approach supports lower-impact vehicle repair and improved affordability for customers, while reinforcing operational efficiency, disciplined execution, and responsible growth. By sourcing and redistributing recovered components at scale, LKQ's circular model also contributes to supply resilience and more consistent fulfillment, particularly during periods of market or production volatility.

Market Leader in Each of Our Operating Segments

North America

- In the U.S. and Canada, we primarily sell aftermarket, salvage and reconditioned collision parts; aftermarket and salvage hard parts; and salvage and reconditioned major mechanical parts through our businesses, including Keystone and Bumper (f/k/a Canadian Automotive Group), among others. In Mexico, we remanufacture engines and transmissions for sale in the U.S.
- Hybrid battery reconditioning and installation services through Green Bean Battery
- On-site, mobile, and remote diagnostics via Elitek Vehicle Services

Europe

- Our Europe segment operates in approximately 20 countries throughout continental Europe and the U.K.
- We primarily sell aftermarket hard parts through our various businesses such as LKQ Euro Car Parts, LKQ Rhiag Group, and LKQ Stahlgruber, among others
- In certain countries, we also sell, to a lesser extent, aftermarket and salvaged collision products, salvaged and reconditioned hard parts, and provide certain repair services

Specialty

- Our Specialty segment distributes and markets specialty vehicle aftermarket products and accessories in the U.S. and Canada
- We primarily sell aftermarket parts and accessories under seven key product categories: recreational vehicle; truck and off-road; towing; speed and performance; wheels and tires; marine; and miscellaneous accessories

LKQ at-a-glance

Revenue:

\$13.7B

Employees:

~44,000

Global facilities:

1,400*

*As reported in the 2025 Form 10-K.

Our Mission

To be the leading global value-added and sustainable distributor of vehicle parts and accessories by offering our customers the most comprehensive, available, and cost-effective selection of parts and service solutions while building strong partnerships with our employees and the communities in which we operate.

21% of Our Revenue is Directly Tied to the Circular Economy¹

The percentage of revenue that is generated through circular economy activities, including recycled, refurbished, and remanufactured products that help keep vehicles on the road longer.

¹ More information can be accessed in "EU Taxonomy Regulation - Our Progress" on page 47.

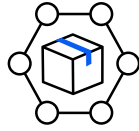


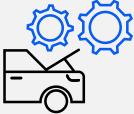


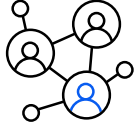

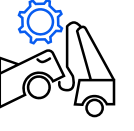
Portfolio Update

In 2025, LKQ completed the sale of its Self Service segment, historically operating under "LKQ Pick Your Part," as part of its ongoing portfolio simplification strategy. While the portfolio evolves, LKQ's approach to disciplined execution and responsible operations remains consistent.

How LKQ Powers the Vehicle Lifecycle

In 2025, we strengthened our sustainability strategy by deepening our value chain mapping across our upstream, core operations, and downstream activities. This work is informed by emerging mandatory reporting requirements, including the EU Corporate Sustainability Reporting Directive’s (CSRD) double materiality expectation, and supports the information needs of our investors and stakeholders. It helps us understand where LKQ can reduce negative impacts, enhance positive contributions, and further strengthen long-term resilience.

Our Value Chain

Upstream			Core Operations			Downstream		
 Supplier Manufacturing	 Tier 1 Products	 3rd Party Logistics	 Parts Recovery & Remanufacturing	 Inventory Management	 Order Fulfillment	 Sales & Service Channels	 Product Use	 End of Life Management
<p>Our upstream value chain includes all activities involved in the sourcing, manufacturing, and inbound logistics required to procure industrial components, aftermarket and original equipment manufacturer (OEM) parts, remanufactured products, as well as procure salvage vehicles that support our operations.</p>			<p>Our core operations include all activities involved in managing inventory, warehousing, and fulfilling customer orders through our branches, websites, and delivery networks. For our salvage and remanufacturing operations, it includes the recovery, testing, remanufacturing, and preparation of parts for distribution and sale.</p>			<p>Our downstream value chain includes how our products reach customers through retail, wholesale, and online channels, how they are used in vehicle repair and maintenance, and how end-of-life vehicles and parts are recovered, recycled, or responsibly managed.</p>		

Our Core Operations Play a Pivotal Role Across The Vehicle Lifecycle

Keeping vehicles on the road longer is one of the most effective ways to advance sustainability in the automotive industry. Through high-quality, cost-effective replacement parts, we enable repairs that extend vehicle life and provide customers with affordable, sustainable mobility solutions.

Vehicle Use		Vehicle Recovery	
Collision Repair	Extending Product Lifespan	Salvage	Recycling, Remanufacturing, and Repair
<p>We support cost-effective, sustainable repairs with replacement parts and refinishing solutions. By offering high-quality paint and coatings, we help restore vehicles to their pre-accident condition, reducing waste and extending their functional product life.</p>	<p>Our core business revolves around recovering, refurbishing, and reusing automotive parts. By providing a robust market for aftermarket used and recycled parts, the lifespan of vehicles gets significantly extended. This reduces the need for new vehicle production, conserving resources and minimizing environmental impact.</p>	<p>We perform advanced dismantling, salvage, and core recovery operations, reclaiming reusable parts and cores for reuse or remanufacturing and diverting significant volumes of waste from landfills while extending the lifecycle of automotive components.</p>	<p>We lead 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.</p>

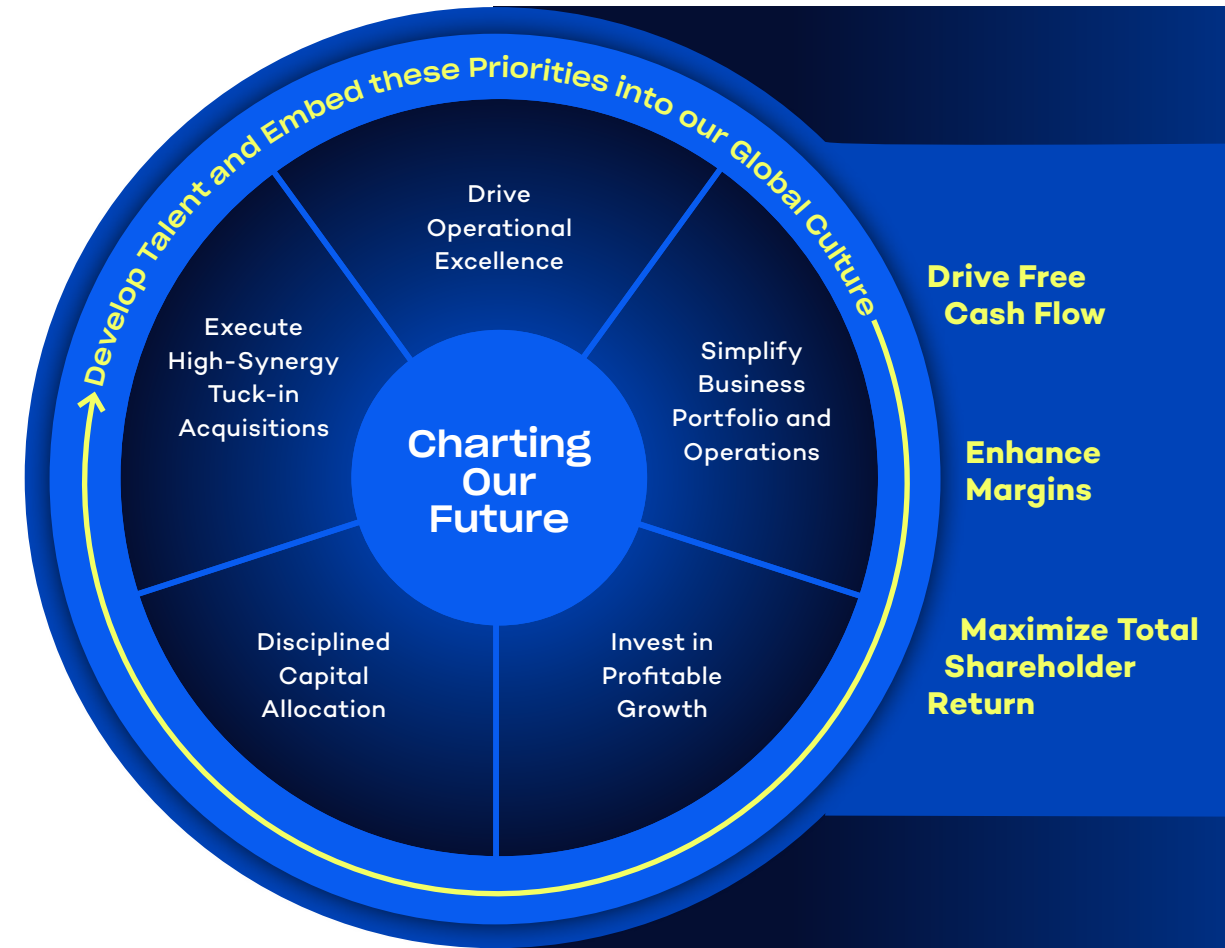
Our Blueprint for Sustainable Growth



A Disciplined, Self-Reinforcing Strategy

We are focused on maximizing return on invested capital through an efficient capital allocation strategy. We apply strict criteria, targeting accretive tuck-in acquisitions with high synergies that align with our core businesses and strategy. We proactively divest businesses that no longer align with our strategic vision, financial metrics or have limited long-term value potential.

Our strategy is executed through operational discipline, efficient use of capital, and a strong performance-driven culture. As these priorities are implemented, they also reinforce practices such as efficiency, circularity, and accountability, which support LKQ's sustainability objectives and long-term value creation for customers, employees, and shareholders.



Delivering Our Strategy Through LKQ: D.E.L.I.V.E.R.S.

Our D.E.L.I.V.E.R.S. principles guide us on how we execute our strategy and inform our decision-making each day, bringing "Charting Our Future" to life.¹



Development



Excellence



Leadership



Integrity & Trust



Value-Added



Embracing Change



Resourceful



Sustainability

¹ Click each of the D.E.L.I.V.E.R.S. links to learn more.

Driving Regional Performance, Together

Across North America and Europe, we are strengthening performance through disciplined execution, network and portfolio optimization. By improving how we price, place inventory, route product, and standardize operations, we are enhancing service reliability, reducing complexity, and creating a more efficient operating model that supports profitable growth across diverse markets.

North America

Market leadership in a dynamic environment: LKQ's North America segment ("North America") continues to lead the markets where it operates, adjusting product and service offerings to the repair needs of the evolving car parc.

Disciplined execution with a profitability focus: North America prioritizes disciplined execution in a complex operating environment, balancing near-term with long-term revenue and profitability growth. Amid industry-wide pressures affecting repairable claims, our team is taking an intentional, data-driven approach to pricing while maintaining trust and service reliability.

Improving availability and network performance: One of our core priorities is product availability, which is supported by a strong distribution network. Our business slogan of 'right part, right place, right time' emphasizes our customer service sentiment. North America is working to enhance its already robust supply chain and improve fill rates (defined as the ability to fulfill customer orders immediately from available inventory) by optimizing inventory placement, improving routing efficiency, and strengthening cross-shop availability. Together, these actions directly support our network optimization goals by enabling faster delivery, reducing miles driven per order, and strengthening overall customer service. At the same time, they advance our sustainability objectives by lowering fuel consumption and emissions through more efficient routing.

Advancing efficiency through footprint optimization: We are also simplifying and strengthening our operating footprint by consolidating salvage facilities into larger, more efficient mega yards. This approach allows us to achieve greater efficiencies, enhance operational leadership, and improve quality control.

Expanding capabilities for changing repair needs: At the same time, North America continues to expand into hard parts, enabling us to further scale the Bumper-to-Bumper business model. This expansion provides a broader range of parts across more repair needs and making LKQ a true 'one-stop shop' in the vehicle product distribution space.

Why it matters: Collectively, these actions reflect a disciplined operating model focused on revenue growth, free cash flow generation, margin improvement, and consistent execution, reinforcing North America's role as a resilient, high-performing segment within LKQ's global business.

Europe

Building a more connected pan-European model: LKQ Europe is advancing toward its Target Operating Model by strengthening operations and driving efficiencies across our diverse European footprint. These efforts are improving profitability, sharpening our competitive positioning, and creating greater consistency and integration across markets as we build a more connected, pan European operating model.

Standardizing the operating model: A key enabler of this transformation is the rollout of our Enterprise Operating System (EOS). Through EOS, we are standardizing processes, performance management, and ways of working across Europe through a single platform. Collectively, these steps reduce complexity, enhance efficiency, and support our long-term growth as we move closer to our Target Operating Model.

Positioning inventory closer to customers: By reducing fragmentation between markets, we can position the right parts closer to our customers, improving availability and enabling more efficient network operations.

Scaling circularity through salvage: We are also expanding our salvage capabilities through our joint venture with SYNETIQ, developing a UK-based vehicle salvage and dismantling business that strengthens our recycled and remanufactured parts offering. This enables LKQ to recover usable components from end-of-life vehicles at scale.

Advancing electrification solutions: Market dynamics are also shaping our priorities, particularly the rising cost and complexity of maintaining electric and hybrid vehicles. To meet this shift, we launched LKQ Electriq, a joint venture delivering repair first solutions for EV and hybrid batteries and high voltage components. LKQ Electriq enables independent garages to service EVs without significant capital investment by extending battery life through expert diagnostics, repair, remanufacturing, and responsible recycling.

Why it matters: Together, these initiatives expand access to cost effective repair solutions for customers, insurers, and fleet partners, while reinforcing our circular capabilities across Europe. LKQ continues to invest across salvage, collision, and paint operations, reinforcing a business model that is more efficient, more integrated, and better positioned for long-term performance.



Goals, Progress, and Achievements

Progress Towards Our Sustainability Goals

Profitably Delivering Sustainable Solutions ¹	Progress
By 2025 , establish a published roadmap to achieve the 2030 30% reduction of Scope 1 and 2 emissions.	Goal achieved. In 2024, we established a company-wide GHG emissions reduction plan, which we are tracking towards. Refer to page 14 for more details.
By 2030 , reduce global Scope 1 and 2 emissions relative to revenue by 30% compared to the 2022 base year.	Our Scope 1 and 2 emissions in 2025 were 21.4 mt CO ₂ e/\$m, -1.4% vs. 2024 (2024: 21.7 mt CO ₂ e/\$m) and -18.6% vs. 2022 (2022: 26.3 ² mt CO ₂ e/\$m). This reflects continued progress toward our 2030 goal.
By 2050 , achieve net zero emissions across our operations.	We aim to achieve net zero emissions (Scope 1 and 2) by 2050.

People-Led Performance	Progress
By 2025 and 2030 , achieve 73% and 78% participation in employee engagement surveys, and engagement scores of 76 and 78, respectively.	In 2025, we achieved an 86% participation rate (2024: 85%) and an overall engagement score of 72 (2024: 72) ³ .
By 2025 , increase the global female representation in our workforce to 20%.	Goal achieved in 2024 and 2025.

Strong Governance and Ethical Practices	Progress
Annually contribute \$4 million through LKQ's Community Foundation.	Goal achieved in 2023, 2024, and 2025.
98% of salaried, office, and sales-related team members complete Code of Ethics attestation annually .	100% achieved in 2023, 2024, and 2025.

United Nations Sustainable Development Goals



Our alignment of business practices and focus on stakeholder welfare supports the United Nations Sustainable Development Goals (SDGs) and certain United Nations Global Compact principles for responsible business, including human rights, labor, environment, and anti-corruption. For additional details, please refer to our 2023 and 2024 Sustainability Reports.

Rater and Ranker Achievements



Maintained AAA rating, four years running. This score reinforces LKQ's ongoing efforts and a reflection of strong performance across governance, labor management, and sustainability risk management.



In 2025, LKQ continued to improve our Sustainalytics risk score, demonstrating continued focus in our sustainability performance.



In 2025, LKQ completed our second CDP Climate Change submission. LKQ remains committed to growing our sustainability strategy and continuing the robustness and consistency of climate-related disclosures across the organization.



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 [31](#). You can learn more about EcoVadis medals and badges [here](#).



LKQ was recognized as one of Barron's 100 Most Sustainable U.S. Companies for 2025, reflecting strong performance across sustainability factors.

¹ For tracking against its goals to reduce GHG emissions, LKQ utilizes the market-based methodology for Scope 2 accounting.
² Recalculated from the 2024 reported value (2022: 25.9) following corrections to the emission factors used for European diesel and petrol.
³ While the engagement score did not meet our 2025 target, we continue to be committed to our 2030 targets.

Driving Accountability Through Stakeholder Engagement

Open and consistent engagement with stakeholders is a core part of how we operate, make decisions, and drive accountability across the organization. By maintaining regular dialogue with employees, customers, investors, suppliers, industry partners, governments, and communities, we strengthen transparency and ensure stakeholder perspectives continue to inform our strategy and day-to-day execution.

Methods of Engagement	
Employees	<ul style="list-style-type: none"> Employee engagement surveys Annual performance reviews Leadership conferences, town halls Speak Up Program Training programs Focus groups
Customers	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> SEC filings Equity and credit conferences, investor days, and non-deal roadshows Investor relations website Annual stockholders meeting
Suppliers	<ul style="list-style-type: none"> Global Supplier Code of Conduct Direct engagement by the procurement department Terms and conditions on purchases Supplier surveys Site visits
Industry and Sustainability Associations	<ul style="list-style-type: none"> Membership and affiliations to associations, federations, and networks Conferences, and other live and online events Interacting with raters and rankers
Public Affairs	<ul style="list-style-type: none"> Policy and regulation analysis Adherence to all region-specific registrations Interaction with decision makers Participation with industry specific associations
Community	<ul style="list-style-type: none"> Worldwide support through the LKQ Foundation Partnerships with educational institutions Scholarships Student internships Volunteering



Profitably Delivering Sustainable Solutions

In this section:

- 12** Circularity in Action
- 13** LKQ's Climate Transition and Resilience Plan
- 15** Our Progress on Scope 1 and 2 Emissions
- 17** Strengthening Our Understanding of Value Chain Emissions
- 18** Driving Change Through Collaboration



Salvaged Front Lamp

A lighting component that illuminates the roadway, enabling clear forward visibility, supporting safe vehicle operation in low-light conditions. Front Lamps can be inclusive of turn signals, indicator lamps or marker lamps depending on different vehicle designs.

Circularity in Action

At LKQ, circularity is core to how we operate, supporting efficiency and sustainability across our global footprint. Through large-scale salvage, dismantling, and remanufacturing, we recover high-quality parts and materials for reuse, helping reduce waste, conserve resources, and support affordable vehicle repair. This operating model enables us to deliver value for customers while creating long-term value for stakeholders. By embedding regional dynamics into our model, we enable circularity actions that reflect local needs and opportunities.

In North America, LKQ operates extensive salvage and dismantling facilities, enabling the recovery and resale of millions of parts. In Europe, our focus has traditionally been on maintenance and replacement parts, but salvage has been expanding through existing operations such as LKQ Atracco, Rhenoy, and new joint ventures such as LKQ SYNETIQ, which are reinforcing our leadership in the circular economy across the vehicle lifecycle.

Through scalable operations and advancement of circular solutions, we enable circular resource flows, improve resource efficiency, and create lasting value for customers, partners, and shareholders.

In 2025¹, we processed approximately **284,000 vehicles** and reused, refurbished, or remanufactured **over 4.9 million parts**, enabling the recovery of a wide range of quality parts for reuse. This scale of operations reduces material waste while ensuring a stable and responsive supply to meet growing customer needs.

LKQ SYNETIQ: Advancing Circularity in Europe

In 2025, LKQ Europe and SYNETIQ formed LKQ SYNETIQ, a strategic joint venture with SYNETIQ Limited (an IAA company), designed to accelerate sustainable automotive solutions across the UK and Europe. By combining LKQ's distribution network and data-driven logistics with SYNETIQ's expertise in dismantling, reuse, and remanufacturing the partnership strengthens LKQ's salvage channel, enabling more innovative remanufacturing and recycling solutions that respond to an aging vehicle parc that leads to more frequent and complex repairs, and rising sustainability demands.

LKQ SYNETIQ will integrate new aftermarket parts, certified remanufactured components, and quality-assured recycled parts into a single catalogue, offering workshops and body shops affordable, sustainable options for increasingly complex repairs, including hybrid and EV models. This collaboration not only reduces the carbon footprint of automotive repair but also reinforces LKQ's commitment to circularity and its leadership in delivering sustainable mobility solutions across Europe.



Salvage Achievements^{1, 2, 3}

Recovering usable parts and materials from end-of-life vehicles for reuse, refurbishment, or recycling.

	Units of Measure	2025	2024
Vehicles processed	Unit	284,427	287,557
Individual parts sold	Unit	4,963,842	4,948,590
Anti-freeze / water fluid	Liter	437,624	450,035
Batteries	Unit	272,453	278,978
Catalytic Converters	Unit	522,129	526,637
Fuel	Liter	8,982,291	7,015,680
Scrap	Metric ton	329,059	326,994
Tires	Unit	1,108,135	1,013,179
Waste Oil	Liter	3,348,109	3,428,721

We See Value Where Others Don't

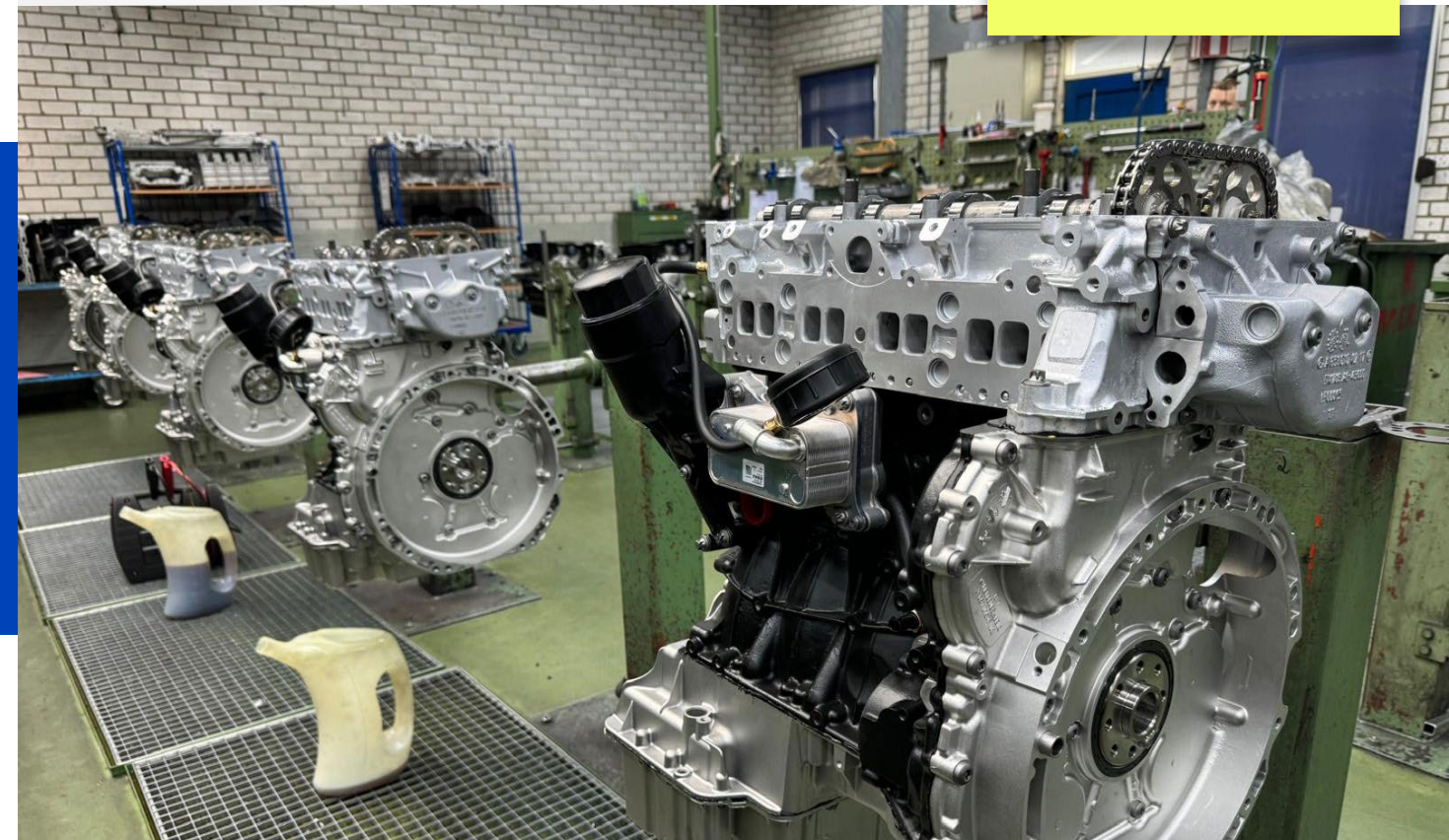
Example from our cover page: 2010 Ford F-150 Remanufactured Engine⁴

New Original Equipment Manufacturer (OEM): **\$6,665**

LKQ Remanufactured: **\$3,667**

Recycled OEM: **\$2,306**

Average Savings vs OEM: **55%**



¹ Figures do not include Self Service; this segment was divested on September 30, 2025.

² 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.

³ Figures are measured or estimated when no on-site measurement process is available, depending on the LKQ business.

⁴ Prices are subject to change and were estimated as of March 2026.

LKQ's Climate Transition and Resilience Plan

LKQ's Climate Transition and Resilience Plan (CTRP) aims to cover all relevant impacts, risks and opportunities and strives to translate our sustainability strategy into defined actions and targets, supported by defined governance and oversight processes. Our approach to Scope 1 and Scope 2 emissions, the corresponding targets and reduction goals, form the basis for this transition and resilience plan. Our approach to Scope 3 emissions, which is important for LKQ's future long-term GHG emissions goals, is currently in development.

The CTRP builds on our inherent strengths as a circular business and outlines how we will manage climate-related risks, strengthen operational resilience, and track progress toward our GHG emissions reduction goals in line with evolving regulatory expectations. Sustainability governance is a critical enabler of LKQ's CTRP. Additional details are on pages [27](#), [28](#), and [40](#).

The CTRP translates the alignment between our sustainability strategy and our business strategy into near- and long-term climate actions that leverage LKQ's circular operating model, responsible growth, and long-term value creation.

Analytical Foundation for Climate Strategy and Action

Effective implementation of LKQ's climate actions requires a clear understanding of both the scale and sources of our greenhouse gas (GHG) emissions and the ways in which climate-related developments may affect our operations, financial performance, and long-term strategy.

Our GHG emissions inventory provides this foundation, informing operational decision making and enabling transparent tracking of progress against our targets. Refer to pages [53](#), [54](#), and [55](#) for further details on how we measure and manage our GHG emissions.

In parallel, our business operates in a rapidly evolving landscape where climate-related risks and opportunities are increasingly shaping the economic environment. To better understand these dynamics, in 2024 we conducted a climate-related scenario analysis which assesses potential impacts on our operations, financial performance, and strategic resilience. The results of this analysis are presented on page [42](#).

Climate Resiliency

Building operational and supply chain resiliency is essential given our complex logistics and broad geographic footprint.

LKQ's climate risk analysis highlights various vulnerabilities such as concentrated supplier dependencies, exposure to severe weather events, and regulatory shifts tied to the climate transition.

To address these challenges, we are implementing some targeted solutions:

- Scenario planning and contingency preparedness to aim to protect our company from physical climate-related risks and to explore additional resiliency practices aligned with our business needs
- Reducing operational risks by assessing exposure of key supplier sites and enhancing supply chain continuity

In addition, we are monitoring transition-related risks by evaluating technology shifts across the automotive value chain, and we are advancing decarbonization efforts across energy use, fleet operations, and facilities to support long-term climate resilience.

Financing the Transition

Achieving LKQ's sustainability and GHG emission reduction goals requires targeted financial investment. We are committed to support our GHG emissions reduction activities.

These investments are prioritized based on emissions reduction potential, return on investment, and alignment with LKQ's broader strategy. Various initiatives are being implemented first, while longer-term investments will be phased in through 2030.



LKQ's Climate Transition and Resilience Plan (continued)

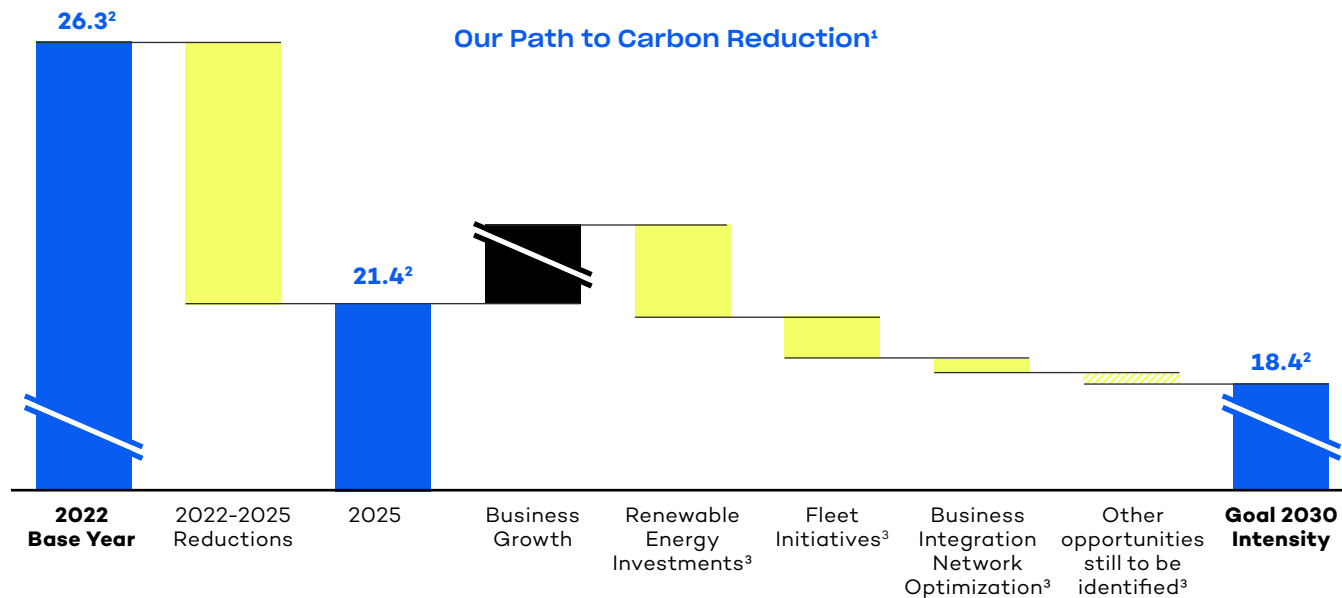
GHG Emission Targets and Key Actions to Achieve Them

Guiding our transition, we have set measurable targets related to GHG emissions. We have set a goal to reduce global Scope 1 and Scope 2 emissions relative to revenue by 30% by 2030 compared to the 2022 base year. By 2050, we aim to achieve net zero GHG emissions across our operations.

While we have not yet established Scope 3 emissions targets, we recognize the importance of quantifying and reducing our value chain emissions, as Scope 3 is our most significant source of emissions. Additional information on our progress in addressing Scope 3 emissions is provided on pages 17 and 53.

Our GHG emissions reduction targets are grounded in science. We will continue to assess the relevance and achievability of science-based targets aligned with Science Based Targets initiative (SBTi) guidance.

To advance our climate-related sustainability objectives, we have identified initiatives that will drive near-term progress toward our 2030 GHG emissions targets, as well as two critical long-term activities that are essential to achieving our 2050 net-zero target. These initiatives are designed to deliver an absolute reduction in emissions, while considering business growth dynamics and the associated impact on our emissions intensity target.



¹ This chart does not reflect the impact of the divestiture of our former Self Service reporting segment. Base year and prior years will be recalculated in 2026 and disclosed in the 2026 Sustainability Report. The 2030 intensity goal will be adjusted accordingly.

² Unit of measure is mt CO₂e/\$m.

³ Represents the impact of this initiative as part of the expected absolute reduction from 2025 to 2030.

Near term Initiatives (Toward 2030 – Scope 1 & 2)

Initiative	Purpose	Key actions
Renewable energy investment	Reduce emissions from electricity use and mitigate grid related transition risk	<ul style="list-style-type: none"> Expand renewable electricity via Renewable Energy Certificates (RECs) and Power Purchase Agreements (PPAs) in all our Segments Continue to evaluate on-site solar at selected location
Fleet fuel transition	Lower fleet emissions while improving logistics efficiency	<ul style="list-style-type: none"> Continue route optimization, fleet right sizing, and telemetry (fleet efficiency initiatives) Transition from ICE to electric vehicles and retrofitting our vehicles to lower emission fuels (LPG, CNG, HVO) subject to infrastructure and availability
Property upgrades	Improve energy efficiency and exposure to future carbon pricing while reducing operating costs	<ul style="list-style-type: none"> Secure investments in LED lighting, insulation, and smart metering Improve network optimization through operational consolidation

Longer term Initiatives to Respond to Transition Risks and Opportunities

Initiative	Strategic relevance	Key focus areas
Advancing the circular economy model	Core business advantage that avoids emissions by extending product lifecycles	<ul style="list-style-type: none"> Build expertise in hybrid and EV batteries while monitoring market trends Expand salvage and remanufacturing capabilities in Europe Enhance impact measurement, including life cycle assessments Prepare for evolving recycling regulations
Understanding the shift in vehicles in operation	Enable adaptation to long-term transition from ICE to lower emissions vehicles	<ul style="list-style-type: none"> Monitor vehicle in operation data Evolve inventory, supplier relationships, and technical capabilities Develop remanufacturing and salvage capabilities in line with market demand Manage regional adoption differences

Maintaining our Climate Position

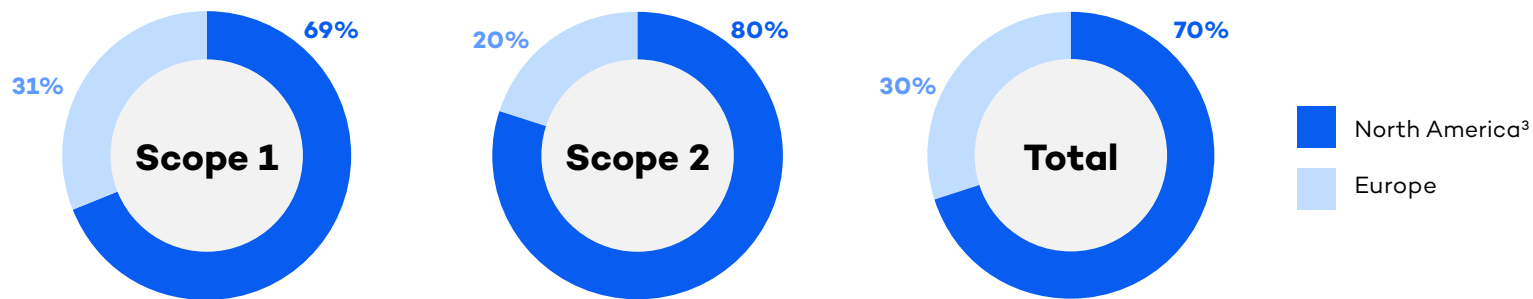
We have developed a systematic approach to monitor our sustainability position by regularly reassessing risks and opportunities and evaluating progress on emissions management, including progress on reductions targets and key near-term and longer-term activities to achieve GHG emission reduction and net zero goals.

Our Progress on Scope 1 and 2 Emissions

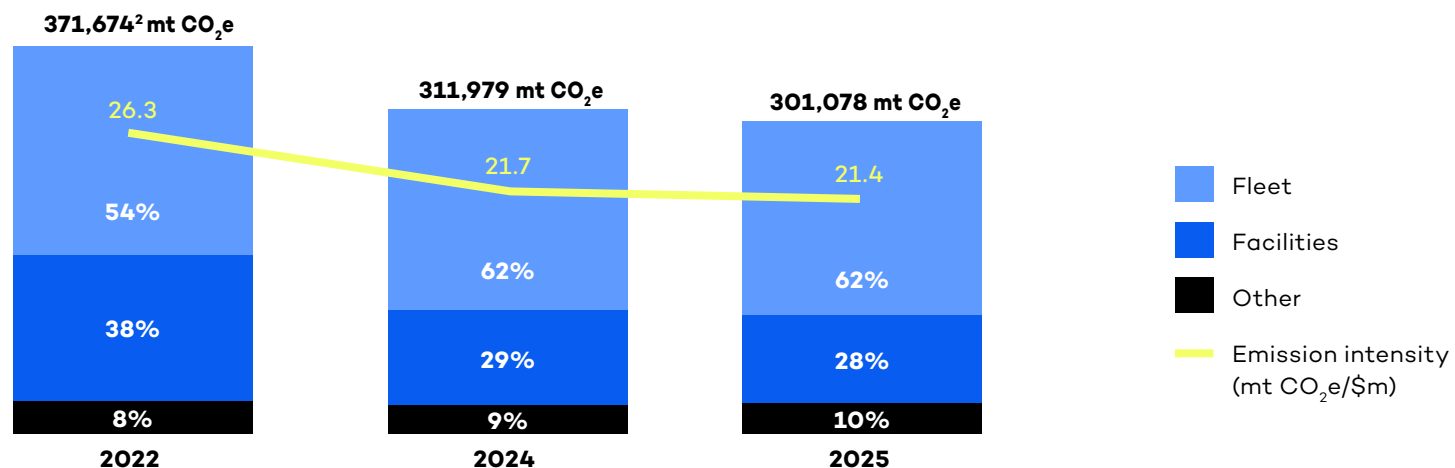
In 2025, we achieved a 3.5% absolute reduction in Scope 1 and 2 emissions¹ compared with the prior year (2024: 311,979 mt CO₂e), and a 19.0% absolute decrease against our base year (2022: 371,674² mt CO₂e), reflecting the tangible impact of our targeted investments and operational improvements. Additional details on data sources, emission factors, and results are provided in the Statement of Greenhouse Gas (GHG) Emissions appendix.

Looking ahead to 2026, we will continue refining our emissions strategy, identifying additional opportunities for renewable energy procurement, and advancing fleet transition initiatives to support our long-term ambition to deliver more circular and lower carbon solutions.

Total Scope 1 and Scope 2 GHG Inventory by Segment (mt CO₂e)



Total Scope 1 and Scope 2 GHG Inventory by Activities⁴



¹ For tracking against its goals to reduce GHG emissions, LKQ utilizes the market-based methodology for Scope 2 accounting.
² Recalculated from the 2024 reported value (2022: 365,389 mt CO₂e) following corrections to the emission factors used for European diesel and petrol.
³ North America includes Self Service data for January 1-September 30, 2025, and full-year Specialty data.
⁴ In 2025 we harmonized activities to three categories which align with our carbon reduction initiatives.

"In North America, we continued advancing our decarbonization efforts by further integrating Renewable Energy Certificates into our electricity sourcing. This progress reflects our commitment to expanding the use of renewable energy over time, while actively evaluating Power Purchase Agreement opportunities to support our long-term sustainability goals and meet stakeholder expectations."
 — John Meyne, SVP and President of North America



Sulzbach-Rosenberg logistics hub in Germany

Our Progress on Scope 1 and 2 Emissions (continued)

Our sustainability strategy guides how we measure, reduce, and disclose emissions across our operations. Throughout our dismantling sites, distribution centers, and logistics network, we continue to invest in renewable-energy procurement, solar installations, and energy and fuel efficiency upgrades to reduce our carbon footprint.



Fleet

We are advancing our fleet strategy across both Europe and North America through a combination of initiatives. These include piloting electric vehicles, expanding the use of lower emission fuels such as Liquefied Petroleum Gas (LPG), Hydrotreated Vegetable Oil (HVO), and Compressed Natural Gas (CNG), optimizing network and routing, and upgrading fleet equipment to more efficient, lower emission models. We are seeing meaningful progress in North America through the deployment of approximately 150 propane fueled vehicles by 2026. Supported by a feasibility assessment, this initiative represents a key step toward reducing Scope 1 emissions in the region, which account for the largest share of our direct emissions.

Facilities

In 2025, we continued to expand the use of renewable energy through a combination of renewable-energy certificates (RECs) in Europe and North America, on-site solar installations and long-term Power Purchase Agreements (PPAs). A key milestone was the signing of a 20-year PPA for our Sulzbach-Rosenberg logistics hub in Germany, where we installed a large-scale rooftop solar system, covering more than 12,000 m² with over 6,000 photovoltaic modules, which is expected to generate up to 50% of the site's energy needs. This project strengthens our long-term emissions-reduction strategy and serves as a scalable model for future renewable-energy deployment across our network.

In parallel, we continue to drive measurable improvements through facility-level energy management and efficiency upgrades. In North America, over 30% of our square-foot portfolio has been converted to LED lighting, with additional projects underway and expected to be completed by the end of 2026. In Europe, building on results achieved in prior years, 2025 marked a significant step forward in real estate portfolio management with the introduction of the LKQ Transaction Toolkit, designed to further integrate sustainability principles, including a Green Lease Framework.

Network Optimization

In 2025, we advanced our global network optimization strategies in North America and Europe focusing on enhancing service levels, increasing delivery efficiency, and working toward reaching our sustainability goals through smarter network configuration and data driven decision making. Through collaboration and shared goals, each region implements actions tailored to its specific market dynamics.

Our North America network optimization efforts focused on geospatial analysis and last mile delivery process refinements that contributed to enhanced routing efficiency, optimized product balancing, updated territory coverage, and overall increased customer satisfaction. These improvements resulted in reductions in operational mileage, elimination of overlapping routes, lower emissions, and improved delivery times for customers.

In Europe, we continued to execute our multi-year Network optimization plan by reconfiguring our footprint to consolidate overlapping location geographies. Simultaneously, we are strategically opening new branches to increase market coverage and improve customer service. We have seen that the consolidation of distribution centers (DCs) enables more of our product range, to benefit from the scale, reach, and service capabilities of our strategically located core DCs.

Green Lease Framework

In 2025, LKQ Europe developed a Green Lease Framework to integrate sustainability considerations into all real estate processes and future lease transactions. Green leases are agreements that embed sustainability-related clauses such as energy efficiency, biodiversity, well-being measures, and mechanisms like data sharing and fair cost allocation to support improved environmental performance and clearly define landlord tenant responsibilities. This framework helps manage sustainability-related risks and opportunities across LKQ's European portfolio and forms a robust approach that embeds environmental responsibility into commercial real estate decisions.

Strengthening Our Understanding of Value Chain Emissions



Scope 3 Emissions Overview

Scope 3 emissions, those generated across LKQ’s value chain, represent the largest share of our overall greenhouse gas footprint. In 2025, LKQ advanced its efforts to strengthen the accuracy, coverage, and transparency of its Scope 3 reporting. The work completed this year builds on the progress made in 2024 and advances our strategic and forward-looking approach toward a comprehensive Scope 3 roadmap.

Insights from Value Chain Mapping

LKQ’s Value Chain Mapping initiative played a pivotal role in advancing our understanding of emission sources throughout upstream and downstream operations. Guided by the GHG Protocol’s relevance and materiality principles, the process enabled us to reassess and refine the Scope 3 categories most significant to our business. By applying both quantitative criteria and qualitative factors we ensured that our analysis focused on the areas where our value chain impacts are most material.

As a result of this approach, LKQ now identifies five relevant Scope 3 categories. This approach reflects an improvement in methodological precision ensuring that our disclosures more accurately represent where our most meaningful impacts and opportunities for emissions reduction occur.

Methodological Developments

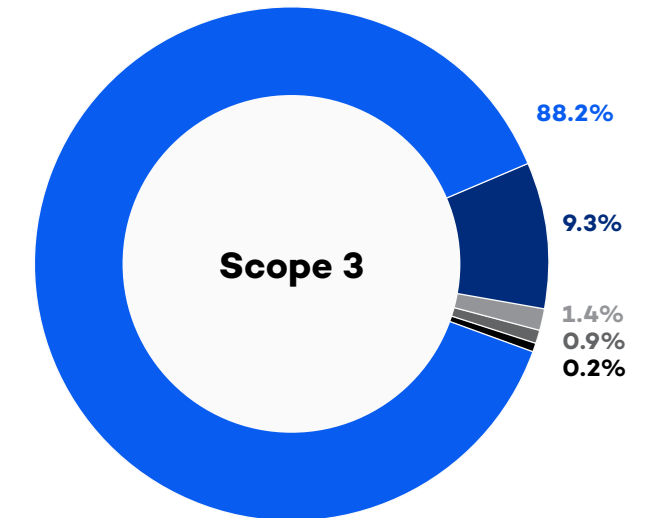
Our Scope 3 calculation approach combines spend-based data, primary data where accessible, and industry average emission data. In 2025, we revised our calculation to include the following categories that we believe are material to our value chain emissions: waste generated in operations (Cat. 5), use of sold products (Cat. 11), and end of life treatment of sold products (Cat. 12). In 2025 the emissions for those categories resulted in 16,409,883 mt CO₂e. Additional details on data sources, assumptions, and category specific calculation methods are provided in the GHG Emissions Disclosure appendix.

Strengthening Our Path Toward Scope 3 Impact Reduction

At LKQ we are prioritizing the development of a high-quality base year for Scope 3 emissions. Throughout 2026, LKQ is strengthening data accuracy and completeness by refining methodologies and deepening engagement with priority suppliers. These efforts are designed to establish a strong foundation for informed decision-making and future Scope 3 reduction initiatives.

LKQ Reported Scope 3 Categories¹

Cat. 1	Purchased goods and services
Cat. 4	Upstream transportation and distribution
Cat. 5	Waste generated in operations
Cat. 11	Use of sold products
Cat. 12	End-of-life treatment of sold products



- Use of sold products
- Purchased goods and services
- Upstream transportation and distribution
- End-of-life treatment of sold products
- Waste generated in operations

¹ LKQ reports on five Scope 3 categories identified as relevant based on our value chain and business activities assessment.

Driving Change Through Collaboration

Circular Economy Leadership: Academic Research

LKQ was selected as a mature archetype in doctoral research conducted at the Exeter Centre for Circular Economy, exemplifying leadership in the circular business space. The study gathered insights from companies operating at scale within the automotive value chain and similar industrial sectors. As part of this independent academic research, LKQ's circular economy practices were examined through interviews with 16 senior LKQ executives across global operations, representing sustainability, operations, strategy, supply chain, and government relations.

The findings highlight that LKQ creates value through a triple value approach by combining economic value (profitable operations), environmental value (resource conservation), and social value (affordable vehicle maintenance). This model is self-reinforcing, where economic success drives sustainability benefits. Beyond operational excellence, LKQ demonstrates industry leadership through active participation in the Forum on Automotive Aftermarket Sustainability (FAAS), Fédération Internationale des Grossistes, Importateurs & Exportateurs en Fournitures Automobiles (FIGIEFA), and the Auto Care Association, coupled with multi-level government engagement. These efforts enable LKQ to influence sector-wide sustainability standards and shape favorable regulatory conditions.

"LKQ demonstrates how circularity can be a powerful driver of business success when aligned with economic incentives and customer needs: creating a self-reinforcing cycle of financial, environmental, and social value."

— Dr. Vinayak Sharma, PhD AFHEA, University of Exeter, United Kingdom

FAAS

LKQ is an active member of FAAS, collaborating with industry leaders to advance sustainable practices across the sector. Beyond membership, we contribute to working sessions and Sustainability Day events, participating in discussions on circularity, battery lifecycle solutions, and sustainable logistics. Through this engagement, we help shape a lower impact, resource efficient aftermarket.

Lead Innovator Program

Innovation is central to preparing our customers for the future. Launched in 2024 with 19 garages across Germany, the UK, Belgium, and the Netherlands, our Lead Innovator community pilots new business models and emerging services to address evolving aftermarket challenges.

In 2025, we broadened our pilots and are encouraged by strong results across several initiatives. Customer feedback and early business model validation highlight two areas with the greatest potential: digitalizing garage workflows and driver interactions, and expanding sustainable product solutions such as remanufactured and recycled parts. These insights will inform our strategic choices as we plan a wider rollout across LKQ.



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, and through the LKQ Academy, we equip them to meet these challenges. In 2025, we delivered thousands of training courses across Europe, 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. We also launched a free sustainability course in all 13 European countries LKQ Academy operates in, 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.

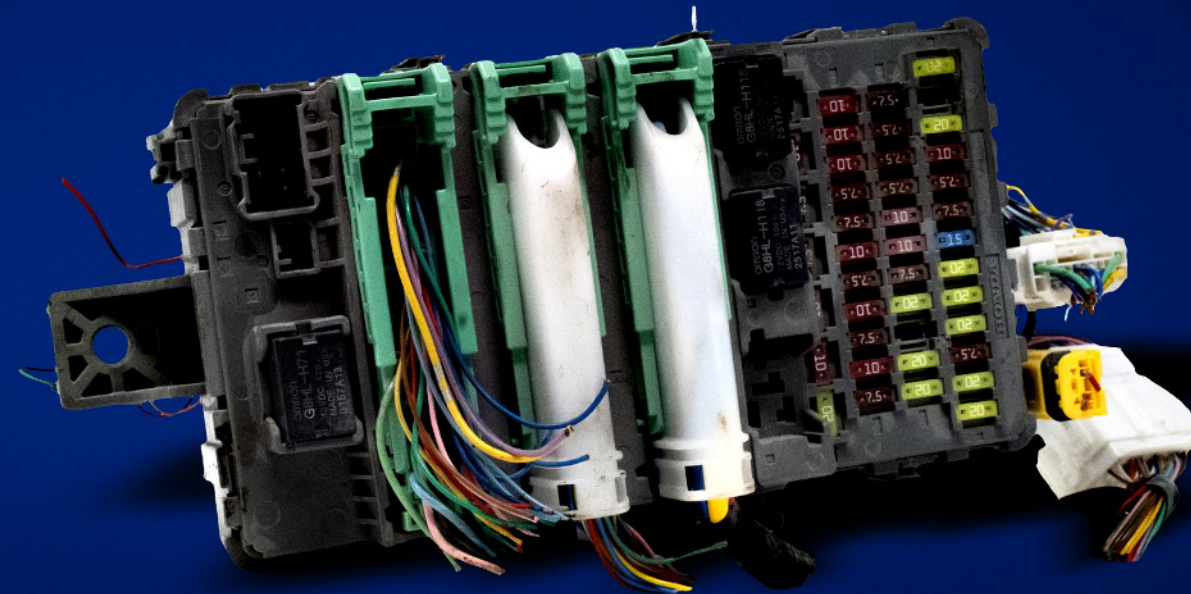
In 2026, we will open two more flagship centers and launch a new Learning Management System, designed to help us better manage training content and provide a more consistent learning experience across markets. LKQ is committed to upskilling 24,000 technicians to safely maintain and repair hybrid and electric vehicles across 13 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.

LKQ Academy	2025	2024
Registered users	63K	52K
Customer Satisfaction Index (1-5)	4.59	4.58
Lectures	170	170
Certifications released	90K	68K
Countries	13 (+Lux.)	12
Training contents	2,500	2,200
Languages	10	10
Training sites	330	330
WebApp for a flexible user experience	✓	✓

People-Led Performance

In this section:

- 20** Safety as a Shared Value
- 21** Building a Culture Where Everyone Thrives
- 22** Inspiring Leaders and Unlocking Potential
- 23** Growing and Recognizing Our People
- 24** Inclusion in Action
- 25** Voices Across LKQ



Salvaged Fuse Box

A centralized unit that manages electrical power distribution and protects vehicle circuits, preventing overloads and ensuring reliable system performance. These are often standalone units but can be part of a circuit with multiple fuse boxes in one vehicle.

Safety as a Shared Value

Safety is fundamental to how LKQ operates and is a responsibility shared across all roles, sites, and regions.

Whether working in salvage yards, warehouses, or behind the wheel, our people rely on clear expectations, practical tools, and a culture that prioritizes getting home safely every day. At LKQ, safety is embedded into daily decision-making and reinforced through accountability at all levels of the organization.

This commitment extends beyond our operations to the customers who rely on our products every day. Through rigorous quality assurance processes, clear product standards, and programs that support proper installation and calibration, we help ensure that recycled, remanufactured, and aftermarket parts perform as intended and support safe vehicle operation on the road.

2025 Total Recordable Incident Rate (TRIR)¹ 3.0 2025: Global²

Our overall approach reflects the scale and complexity of our operations. We focus on preventing incidents before they occur while ensuring that when incidents do happen, employees are supported and issues are addressed consistently and transparently. This balance between prevention, accountability, and responsiveness is central to strengthening our culture of safety over time.

¹ TRIR 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.

² In 2025, we captured TRIR in Europe and are now reporting a global TRIR number.

Accountability Through Leadership and Engagement

Safety accountability begins with leadership and extends throughout the company. Regional and site leaders regularly review safety performance and trends, reinforcing shared responsibility across management teams. Supervisors are responsible for ensuring training completion, proper equipment use, and adherence to established procedures, while employees are empowered to look out for one another.

In North America, the LKQ Safety Pit Stop Program supports this approach by enabling employees at all levels to pause perceived unsafe activities, raise their concerns, and encourage safer behaviors in real time. Designed as a coaching and awareness tool, the program strengthens peer-to-peer engagement and drives continuous improvement.

Data-Driven Risk Reduction

Technology plays an important role in supporting our safety efforts, particularly within fleet operations. In North America, the rollout of our video and fleet safety solution has improved visibility into driving behaviors and strengthened our ability to coach drivers effectively. Paired with defined internal coaching standards and timely follow-up, the system supports sustained behavioral change.

As a result, LKQ has achieved a reduction in on-road collisions, demonstrating the impact of combining technology, driver coaching, and employee engagement to reduce risk.

Strengthening Global Alignment

During the past year, LKQ strengthened collaboration between its North America and Europe operations to improve consistency in safety practices and reporting. Beginning in 2025, we expanded the use of our Risk Management Information System from North America into Europe, for recordable incident reporting and safety data management. This alignment improves data reliability, enhances visibility across regions, and supports more consistent application of safety standards enterprise-wide. In 2024, LKQ also formalized its commitment to employee health and safety through a global Occupational Health and Safety Policy. The policy codifies long-standing expectations and reinforces a shared understanding of safety responsibilities across the organization.

"Safety at LKQ is part of our culture. It guides how we operate, how we lead, and how we hold ourselves accountable every day across the organization. It remains a core focus on how we invest in our people and operate the business as it continues to evolve."

— Rick Galloway, SVP and CFO



Building a Culture Where Everyone Thrives

We are proud of the culture we have built at LKQ, which is one that supports performance, accountability, and long-term growth.

Across our global workforce, we focus on creating a connected experience where people understand their roles, see the impact of their work, and have opportunities to further develop and take on new challenges. Our people strategy is grounded in clarity, connection, and consistency. This ensures employees have the information, resources, and support they need to do their best work while feeling recognized, supported, and valued throughout their careers.

In 2025, we continued to encourage employees to pursue professional learning and development (L&D) across key areas such as Health and Safety, Legal and Compliance, Human Resources, and Operations. Building on the momentum of our digital learning platform, employees completed approximately 476,000 online courses during the year, reflecting continued engagement and growth in our learning culture.

Listening, Learning, and Acting

Employee feedback and clear communication play a central role in shaping our people strategy. Insights from the Your Voice Matters engagement survey inform priorities across engagement, well-being, inclusion, and development.

2025 marked a renewed focus on strengthening how we communicate - simplifying messages, improving alignment across teams, and making it easier for frontline employees to understand priorities and expectations. We recognize that clarity, consistency, and access to information are essential enablers of engagement and performance, and that meaningful change requires more than a single touchpoint.

Rather than treating feedback as a one-time exercise, we used our Your Voice Matters survey insights to guide action planning, reinforce key messages, and improve how information and resources flow throughout the business. This approach helps ensure employee input is reflected in real, day-to-day decisions, supporting clear accountability, practical improvements, and consistent execution across the business.

Together, these efforts support a culture where people practices are closely connected to business performance and where clear communication and global alignment make it easier for employees to navigate expectations and opportunities at LKQ. This alignment supports stronger business performance by helping employees understand priorities, make consistent decisions, and focus their efforts where they have the greatest impact.

Attracting and Supporting Diverse Talent

We continue to strengthen our approach to talent acquisition and inclusion through partnerships and external relationships that help attract and develop diverse talent across regions. These collaborations reinforce a culture of care and opportunity while supporting the long-term needs of our workforce.

“We are proud of the culture we have built at LKQ, one that reflects our values and supports performance, accountability, and long-term development. It is a culture grounded in connection, care and a shared commitment to doing the right thing for one another, our customers, and the communities we serve.”

— Genevieve Dombrowski, SVP, Human Resources



2025 Employee Engagement Survey Results Snapshot

86% Response Rate (2024: 85%) **72** Engagement Score (2024: 72)

Talent Acquisition Partnerships



Inclusion, Diversity, and Belonging Partnerships



Inspiring Leaders and Unlocking Potential

LKQ develops leaders by strengthening capabilities, expanding access to development resources, and creating clear pathways for growth. As a global business, we focus on providing consistent expectations and development experiences that help employees build skills, broaden their impact, and prepare for greater responsibility over time.

Establishing a Clear Foundation

In 2025, we launched a Global Talent Function and introduced six global core competencies that define how we work, lead, and develop together. Rooted in LKQ’s values, the competencies establish shared expectations for leadership behaviors and performance across regions, helping employees better understand what success looks like and how they can grow at LKQ.

Developing Capabilities

We support leadership development across roles, functions, and geographies through a combination of global programs and regionally relevant training. This includes leadership development programs, frontline leadership training, mentoring opportunities, and stretch assignments designed to enable employees to broaden their skills and take on new challenges.

In 2025, we launched the Global Learning Loop, delivering targeted sessions aligned to key leadership development themes for our middle management population. As part of our continued commitment to Customer First initiatives, 25 European team members participated in the pilot of the LKQ Winning Together Commercial Excellence program. We have plans to continue expanding these in the future.

Enabling Growth

We strengthened the global talent cycle through structured goal setting, enhanced feedback mechanisms, and focused development planning. At the same time, the Global Learning Management System, LKQ You, continued to evolve and deliver greater value. Enhancements included the expansion of course offerings and learning libraries, updated global scorecards featuring control charts to highlight areas requiring additional focus and support for L&D journeys, and the broader rollout of our Learning Experience Platform to more employees. This expansion further enabled mentoring opportunities, career exploration, and development pathways, all within our integrated learning ecosystem.

LKQ prioritizes internal mobility as a core part of how we grow our business. Our approach to professional development and opportunities for hands-on experience help employees expand their skills and build meaningful, long-term careers throughout the company. By investing in our people over time, we reinforce a culture where growth is visible, achievable, and supported.

By investing in leadership development at every level, we improve the effectiveness of our people, support internal mobility, and build a deeper pipeline of future leaders.

LKQ’s Core Competencies

These competencies serve as a common foundation for performance conversations, leadership development, and career planning.

- Inspires Others
- Communicates Effectively
- Action Oriented
- Embraces Teamwork
- Subject Matter Expertise
- Values Development

Our Global Leadership Development Program, Front Line Leadership Program, Sales Leader Development Program and MasterClass Accelerator program reached **700+ leaders globally** throughout 2025.

Mentoring at LKQ

In 2025 we launched our Global Mentoring program tracked via our Global Learning Management System. We have 300 active mentors and mentees in the mentoring marketplace with over 140 active pairs in 2025. We plan to continue the success of this global program by cascading the approach deeper into the organization connecting our people across continents and functions. After a successful pilot in Europe over the last three years, mentoring is becoming part of our culture and the development journey of the people at LKQ.



Growing and Recognizing Our People

Creating a culture where everyone thrives means recognizing contributions, supporting growth, and caring for the whole person.

In 2025, insights from our team members reinforced the importance of appreciation, development, and access to meaningful support - insights that helped shape how LKQ recognizes and invests in its people.



Celebrating a Culture of Recognition

Two years ago, we launched LKQ Inspires, a global recognition platform designed to celebrate individual and team contributions across regions, functions, and roles. Our platform enables employees to recognize everyday moments that reflect LKQ's values, whether through celebrating milestones, teamwork, service, or acts that go above and beyond.

Since launch, LKQ Inspires has become a powerful tool for reinforcing gratitude and connection across our global workforce. Together, these moments of recognition help create a workplace where contributions are acknowledged, values are lived, and people feel appreciated for the role they play in LKQ's success.



Investing in the Whole Person

LKQ's commitment to helping employees thrive extends beyond recognition to support well-being, learning, and personal growth. Inspired to Thrive serves as LKQ's global framework for connecting employees to resources that support Holistic Well-being, Financial Empowerment, Inclusive Culture, Professional Development, and Community Engagement.

In 2025, Inspired to Thrive continued to evolve through focused enhancements that expanded access to support and learning. Thrive Talks provided third-party webinars on topics such as mental well-being, stress management, and financial literacy, while LKQ's Compassion Program continued to support employees during times of loss, reinforcing a culture rooted in care and empathy.

Employee Spotlight: **Chloe Thomson**

Head of United Kingdom and Ireland Regional Branch Operations Development



Chloe's nearly decade-long journey at LKQ reflects what is possible when curiosity, support, and opportunity intersect. Since joining LKQ, she has taken on roles across sales, operations, and branch leadership, building her skills through hands-on experience and a willingness to step into new challenges. Along the way, managers and peers encouraged her development, helping her build the confidence to continue advancing her career.

Safety has been a meaningful part of Chloe's experience and leadership approach. Over time, she has seen safety become embedded into how teams operate, from safety moments built into every meeting to an environment where people feel confident speaking up and holding one another accountable. For Chloe, this focus on safety helps create trust across teams and shapes how she leads, reinforcing shared responsibility regardless of role or seniority.

Mentorship has also played an important role in Chloe's development. Through LKQ's Women's Network, she connected with a mentor who provided guidance and perspective as she prepared to step into senior leadership roles, strengthening her confidence and helping her navigate new opportunities.

Today, Chloe brings a customer-centric mindset shaped by years on the front lines of the business, viewing LKQ not simply as a parts supplier, but as a partner to customers. The global scale of LKQ continues to open new possibilities, creating space for people like Chloe to grow, take on new challenges, and help shape how the business evolves.

"I've been able to grow by raising my hand, learning on the job, and knowing I have people around me who support that growth. That support has given me the confidence to take on new roles, say yes to new challenges, and see what's possible as I continue building my career."

Inclusion in Action

Our Global Inclusion Networks are employee-led and open to all LKQ team members. An inclusive culture leads directly to benefits ranging from retention to leadership to recruitment.

"At LKQ, inclusion means creating an environment where people feel seen, heard, and respected, where they can bring their full selves to work and contribute with confidence. When people understand how they belong and how their work matters, it strengthens trust, collaboration, and performance across the organization."
 — Cecilia Mendoza, Director, Internal Communications & Inclusion

Veterans Network

Deepened support for Veterans and military families through partnerships and community outreach.

- Expanded partnerships with Folds of Honor and other leading Veteran Service Organizations
- Shipped care packages to deployed troops through the United Services Organization's (USO) holiday gift-wrapping program
- Supported transition resources, recognition, and community leadership through Brother's Keeper Veteran Foundation
- Returned to the No Greater Sacrifice Scholar Boot Camp, where children of fallen and wounded service members receive access to higher education scholarships
- Strengthened connection and belonging for Veterans and allies through shared experiences, recognition, and community



Women's Network

Reached 1,000+ members globally in 2025 and expanded development and community impact.

- Launched the Women's Network Mentorship Program, providing structured guidance, cross-functional connection, and professional growth opportunities for both women and men across LKQ
- Participated in the American Cancer Society's Making Strides Against Breast Cancer Walks, reinforcing our commitment to community engagement and well-being
- Received global recognition from the Women Automotive Network, with North America earning the Leadership in Workplace Transformation Award and Europe shortlisted for the Culture & Belonging Award
- Supported LKQ RHIAG in earning the GiPA Committee's "Company and its Ecosystem: Gender Equality and Inclusiveness" certification
- Advanced women's development through personal and professional learning opportunities



LatinX & Hispanic Network

Grew to nearly 900 members and expanded global connection and development.

- Celebrated LatinX and Hispanic heritage through cultural storytelling and initiatives that highlighted the diversity of our teams across LKQ
- Strengthened global footprint by expanding connection and broadening the Global Leadership Team to better support members across regions
- Established a Global Business Ambassador Team to drive local engagement, elevate voices, and extend the Network's impact
- Advanced career development through programming focused on cultural enrichment and professional growth
- Deepened inclusion and belonging by creating spaces for dialogue, learning, and shared pride across LKQ



Voices Across LKQ

Three leaders reflecting on our culture of ownership, collaboration, and growth.

Paul Shaw

VP Operations, West Division¹

Paul started his career over thirty years ago at an auto recycling consolidator in Kansas, gaining experience in every aspect of facility operations. As he grew in his career, Paul understood that leadership at LKQ is shaped by a deep sense of ownership and belief that the organization is something bigger than any one role or individual. He often says that people at LKQ “bleed blue,” reflecting a culture where teams work hard, hold one another accountable, and take responsibility for shared outcomes.

Paul believes success comes from collaboration across regions and roles, learning from others, and approaching challenges with an open mind. Having experienced points in his career when opportunity was uncertain, he values how LKQ opens doors today by investing in internal talent, planning for succession, and developing people for what comes next. For Paul, leadership means building from within, setting clear expectations, having direct conversations, and creating teams that take ownership not just of performance, but of how the work gets done, safely and together.



"People feel a real sense of ownership at LKQ, we bleed blue here. This isn't just a job, it's a responsibility to each other. For me, it starts with safety. If my team cannot do the job safely, then nothing else matters."

Magnus Tagesson

CEO LKQ Atracco and Managing Director, European Salvage Channel

Magnus's experience at LKQ has been defined by a leadership approach grounded in collaboration, trust, and long-term thinking. In 2025, Magnus took on the role to integrate, grow, and develop the LKQ salvage business across Europe.

Magnus brings a background shaped by different industries and leadership environments and fresh ideas that have helped challenge assumptions and strengthen how teams work together. His work has centered on strengthening collaboration across the European salvage business while guiding teams through periods of growth and change in the independent automotive aftermarket. For Magnus, leadership means creating space for different viewpoints, building strong teams, and helping people develop the confidence to contribute ideas and take on new responsibilities. Success is measured not only by business progress, but by seeing others grow and the organization become stronger when people come together.



"I've learned that the best results come when people feel trusted to share different perspectives and challenge how things have always been done. When teams are open to learning from one another and growing together, that's when real progress happens."

Donna Winn

Plant Manager, North Texas

Donna's journey at LKQ reflects what long-term commitment, integrity, and people-first leadership can build over time. Donna has grown alongside the business, taking on increasingly complex roles across North Texas. Along the way, she has earned trust by leading from the front, solving problems hands-on, and showing up consistently for her teams. From the outset of her career journey, Donna has been supported by leaders who valued her experience, trusted her judgment, and gave her the opportunity to prove herself.

As Plant Manager, Donna focuses on ensuring teams have what they need to succeed by removing barriers, staying visible in the field, and reinforcing clear expectations. Safety is vital to how she leads. Donna believes leadership means modeling the behaviors you expect from others, from wearing required protective equipment to making decisions that never put people or equipment at risk. Donna credits LKQ's culture for opening doors and supporting her growth, and she takes pride in building strong, connected teams that work safely, support one another, and deliver results together.



"For me, leadership is about showing up every day, doing what you say you're going to do, and making sure your team has what they need to do their jobs safely and well. When people know you have their back, they take pride in their work."

¹ As of March 1, 2026, Paul Shaw is Senior Vice President of Operations in North America.

Strong Governance and Ethical Practices

In this section:

- 27** Board Oversight that Strengthens Governance
- 28** Governance that Drives Accountability
- 29** Advancing Our Ethical Framework
- 31** Driving Transparency Across Our Supply Chain
- 32** Strengthening Communities Through the LKQ Foundation
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Salvaged Electric Chassis Control Module

An electronic control unit that processes vehicle data and manages chassis-related systems, contributing to controlled handling, stability, and driving dynamics.

Board Oversight that Strengthens Governance

LKQ strengthened Board oversight and industry expertise with the appointment of Sue Gove and Michael Powell as independent directors in February 2025, and with the formation of a new Finance Committee to enhance capital allocation and portfolio oversight. This Committee includes Andrew Clarke (Chair), John Mendel, Xavier Urbain, Sue Gove, and Michael Powell.

LKQ's executive compensation plans include a high percentage of at-risk compensation and are designed to ensure a culture of pay-for-performance. Our long-term incentive programs that run from 2021 through 2026 include 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 May 2026 annual meeting:

8 Board Members

88% Independent

4 Years Average Tenure

25% Female Board Members

Board of Directors



Andrew Clarke
Director



Meg Ann Divitto
Director



Sue Gove
Director



Justin L. Jude
President and Chief Executive Officer



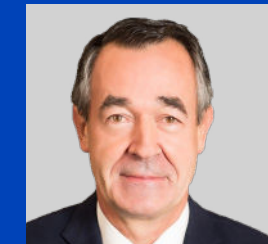
John William Mendel
Director and Chairman of the Board



James S. Metcalf
Director



Michael S. Powell
Director



Xavier Urbain
Director

Governance that Drives Accountability

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.

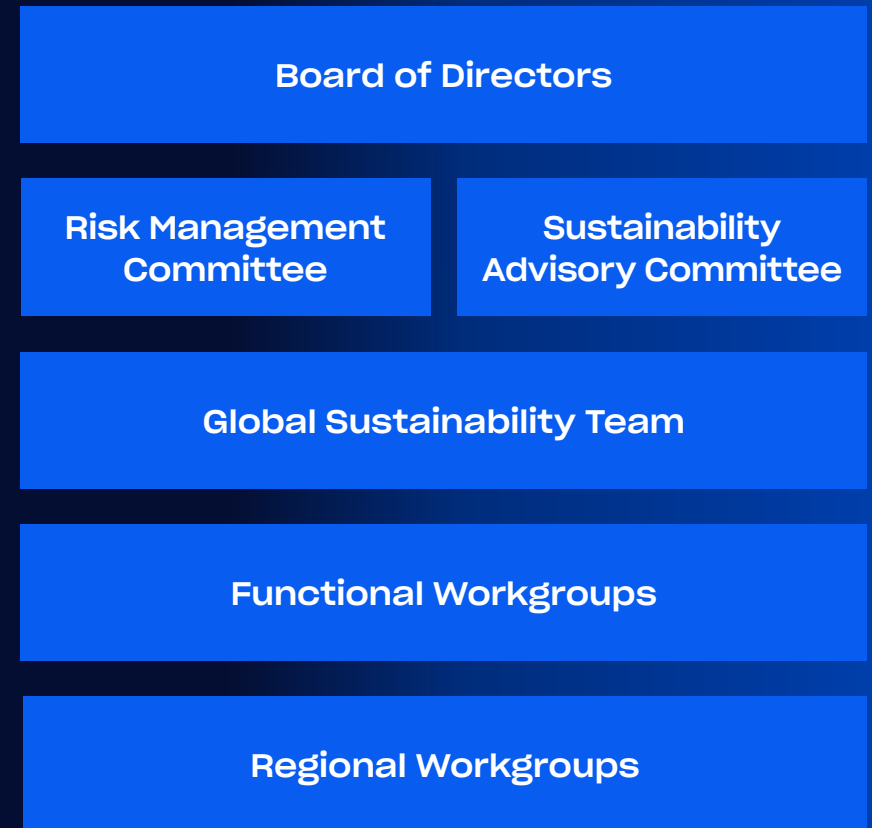
We operationalize sustainability throughout the organization with accountability and oversight at the board and management levels. This reporting structure ensures that sustainability not only has a seat but an influential voice at the table.

Our Board receives updates from our Global Sustainability Team, 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, belonging, workforce safety, 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. Recurring updates are given to the Risk Management Committee and to the Sustainability Advisory Committee, both made up of key LKQ senior leadership. Furthermore, Functional and Regional Workgroups are held on a regular basis across the Corporation. These workgroups bring together leaders and subject-matter experts to share best practices, align priorities, and address operational, compliance, and sustainability-related topics. Regular dialogue supports consistency across regions while allowing flexibility to address local needs.

This governance framework reflects our deep commitment to sustainability and accountability. To ensure transparency, accuracy, and consistency in sustainability disclosures, aligned with internal objectives and relevant external regulations and standards, we developed an internal Sustainability Reporting Policy. This policy provides clear guidance for LKQ's reporting process, outlining compliance requirements, stakeholder responsibilities, and approval procedures for external publication.

"The Board of Directors recognizes that sustainability is fundamental to LKQ's ability to create enduring value for our customers, employees, and shareholders. In 2025, the Board actively guided and supported management's efforts to embed sustainability across the organization, including within our strategy, culture, and operational decision-making. Through disciplined oversight and ongoing engagement, the Board is committed to ensuring that sustainability remains integral to LKQ's resilience, performance, and long-term success."
 — LKQ Corporation Board of Directors

LKQ's Sustainability Governance Structure



Advancing Our Ethical Framework

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.

Living Wage Statement

We respect the right of all workers to just and favorable remuneration that enables a decent standard of living for themselves and their families. We recognize that statutory minimum wages may not always meet this standard.

Accordingly, we seek to advance fair and adequate compensation by assessing wage levels against credible living wage benchmarks where available; identifying and prioritizing risks of low wages as part of our human rights statement and maintain grievance mechanisms that enable workers and other stakeholders to raise concerns related to compensation without fear of retaliation. We also engage with our business partners to encourage progress toward living wages and to address identified wage related risks within our supply chain.

¹ North America customers only.

Product and Process

At LKQ, we stand behind the integrity of our products with best in class [warranty programs](#)¹. Our Commitment to Quality allows us to also offer a [Promise of Protection](#), indemnifying our licensed repair shop and insurance customers against claims and liabilities as a result of product defects, as well as a [Promise of Calibration](#), which warrants that all of our recycled, reconditioned, and aftermarket products are suitable for calibration of appropriate ADAS components. 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 recognizes the critical importance of maintaining the trust and confidence of our customers, clients, business partners, and

employees. The Board 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 the Company's 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 and maintaining access to critical systems by identifying, preventing, and mitigating cybersecurity threats and effectively responding to cybersecurity incidents when they occur.

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.

LKQ has a dedicated Gifts and Entertainment policy which sets clear guidelines for accepting and providing gifts and entertainment in interactions with third parties. This policy aids in LKQ's dedication to upholding transparency, integrity, and fairness in all aspects of our business.



Advancing Our Ethical Framework (continued)

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

LKQ maintains a government affairs team that engages with Federal, State, and municipal officials related to policies affecting the automotive and corporate business structure. All lobbying activities and expenditures are reported 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 does not operate, nor does it fund, any 501 (c)(4) political committees. All state contributions filings are the responsibility of the candidates receiving those funds. LKQ supports legislators that support the ideology of the company and those that represent our facilities regardless of party affiliation.

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.

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 department conducts periodic environmental compliance calls with operations to review recent and upcoming regulatory changes, discuss lessons learned from inspections and audits, and share best management practices. They also maintain 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 Policy – LKQ Corp.](#)

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** – Various European and North American Operations
- **ISO 50001 Energy Management** – European operations at LKQ DACH
- **ISO 16247 Energy Audit** – European operations at EMOTIVE (Optimal Automotive GmbH)
- **ISO 45001 Occupational Health and Safety Management** – European operations at LKQ RHIAG (Inter Auto Parts Italia SRL)
- **ISO/IEC 17025 Laboratory Management Systems Certification** – North America operations at Assured Quality Testing Services (AQTs)



Driving Transparency Across Our Supply Chain

Supplier Code of Conduct and Supply Chain Sustainability Strategy

In 2022, LKQ adopted a Global Supplier Code of Conduct¹, 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.

More specifically, LKQ incorporates its Supplier Code of Conduct into its standard supplier contractual terms globally. These terms require suppliers to either comply with LKQ's Supplier Code of Conduct or confirm that they apply equivalent standards. This contractual approach provides a consistent framework for communicating LKQ's expectations to suppliers across regions and supplier relationships.

Supplier Risk and Sustainability Assessment

LKQ applies a risk-based approach to supply-chain risk and sustainability due diligence designed to enhance transparency and support informed supplier oversight. This approach reflects the principle that effective due diligence requires the proportionate allocation of resources based on risk, rather than applying identical levels of review to all suppliers.

The process is intended to address a broad range of potential risk areas, including ethical, social, and environmental considerations, as well as compliance, financial integrity, quality, privacy, and security. Consistent with widely accepted regulatory and compliance expectations, LKQ prioritizes its due diligence efforts based on supplier risk characteristics and relevance to the business.

LKQ uses common third-party risk and sustainability platforms globally that support supplier risk screening, categorization, and due diligence activities, enabling LKQ to focus enhanced review and engagement efforts where risks are more likely to arise.

As part of this approach, LKQ partners with EcoVadis, a leading global provider of supplier sustainability due diligence solutions. EcoVadis IQ Plus evaluates sustainability risk by considering factors such as industry sector, company size, geographic footprint, relevance to the purchasing category, and publicly available information, including sustainability disclosures, codes of conduct, human rights policies, and relevant certifications.

Sustainability risks are assessed across four core areas: Environment, Labor and Human Rights, Ethics, and Sustainable Procurement. Suppliers identified through LKQ's risk-based categorization process as presenting elevated risk or greater significance may be requested to participate in a more detailed sustainability assessment through the EcoVadis platform.

The EcoVadis assessment methodology covers 21 sustainability criteria across these four areas and is designed to support ongoing supplier due diligence, risk management, and continuous improvement. Through the global use of EcoVadis, together with other third-party risk-intelligence tools used to support supplier risk screening and due diligence, LKQ seeks to maintain a consistent, risk-based view of its supply chain and promote alignment with its Supplier Code of Conduct.

In parallel, LKQ uses Dun & Bradstreet (D&B) IndueD globally to support risk-based supplier due diligence by providing third-party risk-intelligence related to sanctions exposure, adverse media, and other integrity-related risk indicators, such as publicly reported legal or regulatory concerns. The use of D&B IndueD complements sustainability-focused assessments by providing additional visibility into non-financial counterparty risks and supporting informed supplier oversight consistent with LKQ's proportionate approach to risk management.

Supply Chain Due Diligence Program

We continue 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.

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 Position Statement – LKQ Corp](#) and our [SEC Filings](#).

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).

Strengthening Communities Through the LKQ Foundation

Founded in 2020, the LKQ Community Foundation (the “Foundation”) leads LKQ’s global charitable giving and strengthens connections with employees and communities across our global operations.

The Foundation supports nonprofit organizations worldwide, with a focus on the communities where we operate and the causes important to our employees. In 2025, it contributed \$4 million to organizations making a difference locally and globally.

The Foundation’s priority is taking care of our own by supporting LKQ employees and their families through the scholarship program, enabling continued education, and providing meaningful assistance when it is needed most, through our Employee Assistance Fund.

LKQ recognizes that challenges can arise unexpectedly. In 2025, the Foundation continued its mission to support our own by funding the LKQ Employee Assistance Fund to support employees facing financial hardship, including those impacted by environmental crises and unforeseen circumstances. The fund remains well positioned to assist employees in future times of need.

The Foundation’s contributions also included \$1 million for our annual Holiday Vote, which contributed funds to 20 different global organizations. Receiving 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.

Throughout 2025, the Foundation contributed to:

6 organizations dedicated to environmental work

22 organizations focused on health and wellness efforts

11 organizations advancing educational initiatives

8 organizations supporting U.S. veterans, active military members, and first responders worldwide

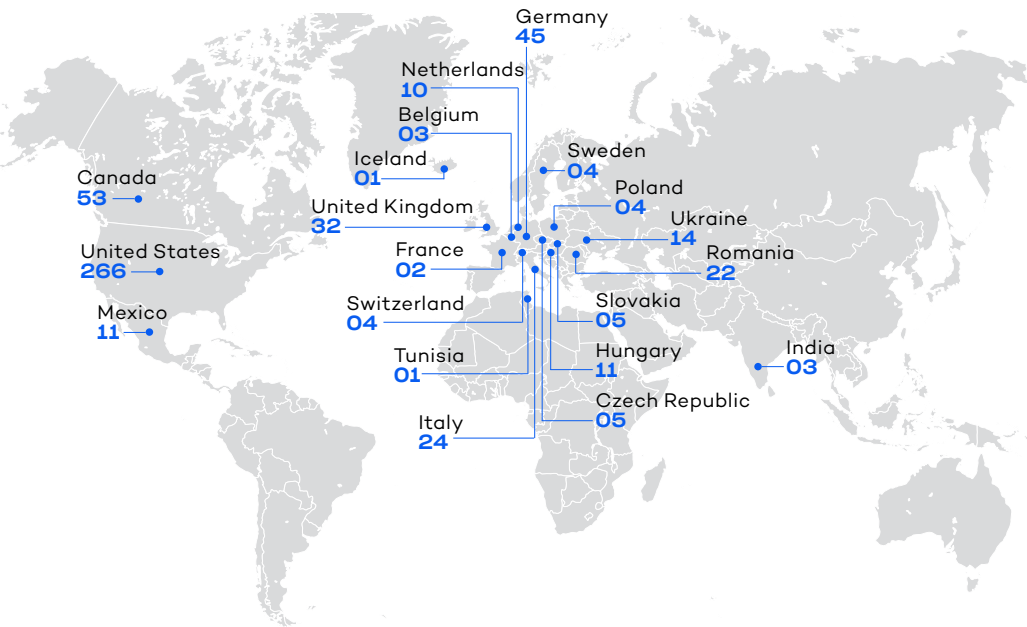


Empowering the Next Generation Through Education

The Joseph M. Holsten Scholarship Fund (the “Fund”), named in honor of our former President and long-standing Board member, reflects LKQ’s commitment to supporting not only our employees, but the families who stand behind them. The program helps ease the financial burden of higher education while opening doors to opportunity for the next generation.

Through the Fund, eligible dependents of LKQ employees may apply for support to attend universities, colleges, and technical or vocational schools. In 2025, LKQ awarded more than \$1.2 million in scholarships to 500 recipients worldwide, reinforcing our belief that investing in education strengthens families, communities, and our shared future.

500 Scholarships Awarded in 2025



Joseph M. Holsten Scholarship Student Testimonials

"I am truly honored and grateful to have received the scholarship. This support has made a real difference in easing my financial worries and has given me even more motivation to keep working hard toward my goals. I'm a third-year Computer Science student, currently spending a semester abroad. Thank you for believing in my potential and supporting my journey. This scholarship is more than financial help, it's a source of encouragement that inspires me to keep learning, growing, and one day give back in the same way."

– Maciej, Poland

"I want to express my sincere gratitude for making this scholarship possible. I'm truly honored to be selected as a recipient for 2025 and extremely grateful for your support. I'm entering my second year in the Electronics and Communications Engineering program. My passion lies in electronics, and after graduation, I hope to work in the semiconductor industry, particularly in AI chip design. Thank you again for your generous support in helping me pursue my dreams and continue my educational journey."

– Samhita, India

"Receiving the scholarship means a great deal to me. As I enter my final year of my Bachelor in Animation, this support gives me both confidence and momentum as I complete my program and prepare for the next steps in my career. Studying animation has shown me the power of visual storytelling, and this scholarship allows me to focus on creating my strongest graduation work. Knowing you believe in my potential makes this year even more meaningful. I'm truly grateful for your trust and support, and I'll make the most of this opportunity."

– Jesse, Netherlands

"I am very grateful for the scholarship I have been awarded. I am currently studying Industrial Design, a demanding major that requires significant time and financial investment in materials, printing, and projects. I'm currently participating in a design competition, which involves many expenses. With this support, I can now complete my projects more effectively and perform better in my studies. I am very proud of my progress and sincerely thank you from the bottom of my heart for allowing me to be part of this program."

– Ximena, Mexico

"Receiving the scholarship has brought me an incredible sense of relief and pride, knowing that my hard work and dedication are being recognized. This generous award has covered a significant portion of my school expenses, lifting a major financial burden from both my family and me. With this support, I can now focus more fully on my studies and training to become an Ophthalmic Technician, without the constant stress of financial worries."

– Ariana, United States

"I am incredibly grateful for the support I received through the scholarship. This assistance played a meaningful role in my academic journey, allowing me to pursue my studies with confidence and focus. Thanks to this opportunity, I was able to earn my Master's Degree in Pharmacy. What stands out most is LKQ's commitment to investing in the families of its employees. This scholarship is more than financial aid; it represents trust, encouragement, and a belief in the potential of the next generation. I am deeply appreciative of the difference it has made in my life."

– Noemi, Italy

Around the World, LKQ Gives Back

Across our global operations, our teams actively strengthened the communities where we live and work, demonstrating our shared commitment to health, education, empowerment, and social wellbeing. The following examples highlight how LKQ supports and engages with the communities where we operate.

North America

In North America, LKQ employees support their communities through volunteerism aligned with the Foundation’s pillars of health and wellness, education, the environment, and support for military and first responders. In Canada, the Foundation partnered, among others, with the Breakfast Club of Canada to help provide nutritious breakfasts to children nationwide, with employees serving meals at select locations. In 2025, across the U.S., employees and their families joined Making Strides Against Breast Cancer walks, raising donations and awareness. In Washington, DC, LKQ supported the No Greater Sacrifice “Bootcamp Orientation,” where employees assisted scholars with career development. Teams in Florida and Texas collaborated with the USO to assemble care packages for service members. In Nashville, employees participated in the American Heart Association’s “Heart Walk” to promote heart health and community engagement. In Mexico, employees sponsored and took part in several community-focused activities, including “TOC4TE A TIEMPO,” a race focused on breast cancer awareness and prevention.

Europe

Across Europe, LKQ colleagues continued to support local communities by partnering with schools, charities, and sports clubs, and by contributing to a wide range of initiatives, from improving parks to playgrounds. In the UK and Ireland, LKQ colleagues made a meaningful impact through the Branch Community Fund, which supported over 110 donations to local causes.

Across Benelux–France, colleagues also came together to support charitable causes. In 2025, multiple colleagues cycled 500 km from LKQ’s Belgian headquarters to the Dutch headquarters and back, raising funds for the Make-A-Wish Foundation. In addition, colleagues supported a donation of Christmas gifts for children and helped to raise awareness of the automotive industry’s skills gap inspiring the next generation to pursue careers in the sector. LKQ Italy strengthened its engagement with vocational schools and universities through a series of support meetings and student orientation activities, introducing students to the automotive aftermarket and highlighting the opportunities the sector can offer.

India

Across India, LKQ supported community development through initiatives aligned with the Foundation’s pillars, partnering with schools and nonprofits to strengthen learning environments and improve quality of life for students and families. At a local government primary school, we addressed critical shortages of desks, benches, storage, and essential supplies for 700 students, with similar support provided to another institution, where the Foundation helped in the obtaining of new equipment to create safer learning spaces.

To expand digital access, LKQ worked with Santhwana Trust to equip a local college with a modern digital learning platform and a solar off grid power system, ensuring reliable electricity and multilingual digital resources. In 2025, LKQ also supplied an inverter system, computer, and related equipment to Marthubhoomi Trust and provided key kitchen infrastructure to The Akshaya Patra Foundation to support nutritious meal programs.

Promoting women’s empowerment, LKQ supported Team Saranyu Racing, India’s all women Formula Student team. LKQ also backed a Blood Donation Camp benefiting pediatric cancer care at Kidwai Memorial Institute of Oncology.



Appendix

In this section:

- 36** SASB Disclosures
- 39** Sustainability Reporting in Focus
- 40** Climate-related Scenario Analysis
- 45** Advancing Our Journey to EU CSRD Compliance
- 48** EU CSRD Disclosures
- 53** Statement of Greenhouse Gas (GHG) Emissions
- 56** Independent Accountant's Report
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Salvaged Side View Mirror

A visibility component that reflects rearward and lateral surroundings, allowing the driver to monitor adjacent traffic and maneuver safely. These components may utilize modern technology such as actuators for power folding, heating elements for mirror defrosting, turn indicators to improve visibility to other drivers, and cameras for more detailed views for the driver to monitor.

SASB Disclosures

The disclosures in this section are informed by 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 now operates under the oversight of the International Sustainability Standards Board (ISSB), which maintains and advances the SASB Standards as part of the global IFRS sustainability disclosure framework.

SASB Sector: Consumer Goods Sector, Multiline and Specialty Retailers & Distributors CG-MR. **Reporting Period:** Annual Year 2025 (January 1 through December 31, 2025). Data is unaudited.

	Accounting Metric	Code	Disclosure
Energy Management in Retail & Distribution	1. Total Energy Consumed (Gigajoules – GJ)	CG-MR-130a.1	1. 4,903,042 (2024: 4,652,040)
	2. Percentage Grid Electricity (%)		2. 15.0% (2024: 15.1%)
	3. Percentage Renewable (%)		3. 7.4% (2024: 3.3%)
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 29)
	1. Number of data breaches	CG-MR-230a.2	1. LKQ did not experience any material security incidents in 2025
	2. Percentage involving personally identifiable information (PII)		2. (See above)
	3. Number of customers		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. \$22.93 ¹ (North America) / €13.93 ³ (Europe) (2024: \$21.67 / €13.80) 2. 2.88% ^{1,2} (North America) / 26% ^{2,3} (Europe) (2024: 1.7% / 4.6%)
	1. Voluntary and 2. involuntary turnover rate for in-store and distribution center employees	CG-MR-310a.2	1. Voluntary turnover: 18.0% (2024: 25.2%) 2. Involuntary turnover: 9.6% (2024: 13.2%)
	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 2025 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., and Canada.

² Disclosure metric states employees 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. The increase in the 2025 percentage is mainly due to the rise in the UK national living wage.

SASB Disclosures (continued)

	Accounting Metric	Code	Disclosure	2025	2024
Workforce Diversity Inclusion	Percentage of Gender Representation of Employees	CG-MR-330a.1		Male: 80.0% Female: 19.7% Other/Not Disclosed: 0.3%	80.0% 19.6% 0.4%
	Percentage of Gender Representation of Employees by employee category	CG-MR-330a.1	Executive Management	Male: 90.0% Female: 10.0%	89.0% 11.0%
			Non-Executive Management	Male: 83.0% Female: 17.0%	83.7% 16.3%
			All Other Employees	Male: 79.7% Female: 20.0% Other/Not Disclosed: 0.3%	79.7% 19.9% 0.5%
Total amount of monetary losses as a result of legal proceedings associated with labor law violations	CG-MR-330a.2	During each of the years 2025 through 2019, we incurred an immaterial amount of monetary losses as a result of legal proceedings associated with labor law violations.			
Activity Metric	Number of (a) retail locations and (b) distribution centers (excluding land)	CG-MR-000.A	Approximately 1,412 (2024: 1,450)		
	Total Area of (a) retail locations and (b) distribution centers (excluding land)	CG-MR-000.B	Approximately 4.0 million m ² (2024: 4.5 million m ²)		
Packaging Sourcing, Packaging & Marketing	Revenue from products third-party certified to environmental and/ or social sustainability standards	CG-MR-410a.1	It is one of our standard contract obligations to suppliers to operate in compliance to all of 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 antislavery and human trafficking legislation, anti-bribery and corruption laws and to agree upon our Global Supplier Code of Conduct, in addition to accompanying policies and procedures.		

SASB Disclosures (continued)

	Accounting Metric	Code	Disclosure
Packaging Sourcing, Packaging & Marketing (continued)	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-MR-410a.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. Most LKQ Europe suppliers providing LKQ branded products are ISO 9001 certified, performing their production activities in line with international standards.
	Discussion of strategies to reduce the environmental impact of packaging	CG-MR-410a.3	<p>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.</p> <p>For North America, our QA Team has set vendor packaging standards to ensure product packaging withstands the high humidity climates in which many of our suppliers operate, as well as the extreme heat and humidity that products encounter while in ocean containers. In alignment with customer expectations and our commitment to continuous operational improvement across North America, we have updated both our Platinum Plus and Minimum Packaging Standards to further strengthen consistency, performance, and sustainability in our packaging practices. LKQ continues to partner closely with suppliers and plans to run joint pilot initiatives focused on packaging enhancement. Our Supplier Integration Team, in collaboration with our Logistics Team, will identify opportunities to incorporate more sustainable materials and work directly with suppliers to jointly implement improved packaging solutions.</p> <p>Our LKQ Europe operations team continued to engage 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. Next steps in this program include the implementation of the reduction of secondary packaging by the supplier by using totes in our closed loop system.</p> <p>In Europe, LKQ introduces little to no additional packaging to the products during logistics operations from the point of goods arrival at our warehouses to the point of delivery to our customers. The requirement to use additional packaging could arise from customer’s request, kitting preparation, or sales transportation and delivery requirements. Apart from these exceptions, in most cases we use 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, that process is now used extensively in all Regions across Europe. 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. Moreover, all our operations are able to source materials from our main European distribution centers and deliver to regional warehouses and branches using reusable plastic totes or reusable pallets.</p> <p>Our private label operations in Europe launched a comprehensive transition toward sustainable packaging. Composite materials have been fully replaced with easily recyclable mono-materials. Paper and corrugated cardboard packaging now contain up to 90% recycled content, while the plastic bags contain up to 50% recycled material. The redesigned packaging design also reduces print colors used by 86% and eliminates the use of varnishes entirely. For lubricants, we have introduced a bag-in-box solution that is 100% recyclable. This approach is complemented by careful selection and limitation of raw materials to an appropriate level, as well as the implementation of a minimum packaging fill rate of 80% across all items, generating efficiency gains throughout the supply chain. Wherever feasible, plastic is entirely avoided. Through these measures, we aim to significantly reduce environmental impact while promoting responsible resource use.</p>

Sustainability Reporting in Focus

As a global company, we are committed to meeting the requirements of evolving sustainability-related regulations and reporting standards where applicable for LKQ, based on our size and market presence. Our goal is to provide disclosures that are accurate, transparent, and meaningful for our stakeholders. We actively monitor regulatory developments and prioritize interoperability across frameworks wherever possible to ensure consistency and efficiency.

Corporate Sustainability Reporting Directive

Overview: In January 2023, the CSRD entered into force, requiring subject companies to disclose a broad range of sustainability-related data points. The directive mandated companies falling within its scope to adopt the European Sustainability Reporting Standards (ESRS) when reporting on sustainability-related information.

Status: In February 2025, the European Commission published a set of proposals known as the Omnibus I Package, aimed at simplifying sustainability reporting requirements under existing regulations and directives, including the CSRD, EU Taxonomy Regulation. One key measure already in force is the “Stop the Clock” Directive (Directive (EU) 2025/794), which delayed the CSRD reporting deadline for many companies, including LKQ, by two years. Our mandatory disclosure will now begin in 2028, covering 2027 data. EFRAG also provided technical advice to the European Commission in December 2025 to simplify the ESRS, and the Commission is expected to review and approve the updated version in 2026.

Our Preparedness: This will impact LKQ because of our significant operations in the European Union. We have preliminarily identified material topics under Financial Materiality and Impact Materiality, which are together referred to as “Double Materiality.” The three pillars of our strategy will allow us to meaningfully integrate material topics and showcase how we are managing risks and capitalizing on opportunities. In 2024, we started publishing preliminary ESRS disclosures in our Sustainability Report Appendix. We are tracking legislative developments closely and we will adjust our approach accordingly.

EU Taxonomy for Sustainable Activities

Overview: Functioning as a classification mechanism, the EU's Taxonomy's primary aim is to offer clarity to corporations, financial markets, and policymakers regarding which economic activities qualify as sustainable. In its role as a screening instrument, it aims to channel investment streams towards these sustainable activities.

Status: In line with the Omnibus I proposals, in July 2025, the EU Commission adopted a new proposed Delegated Act that simplifies the Taxonomy. After a review period by the Parliament and Council, was published in the EU Official Journal and became applicable in January 2026.

Our Preparedness: The key aim of the EU Taxonomy is to enhance transparency on sustainable performance. In 2024, we preliminarily disclosed some of our eligible activities based on the Regulation (EU) 2020/852 requirements for the classification system for sustainable economic activities that contribute to the European Union's six environmental objectives. In 2025, we continued to work on our compliance readiness for mandatory reporting aligned with our CSRD reporting timeline, adjusting our approach based on the latest legislative developments.

California Climate Regulations

Overview: In October 2023, California passed the Climate Corporate Data Accountability Act (Senate Bill 253) and the Greenhouse Gases: Climate-Related Financial Risk Act (Senate Bill 261). These laws require disclosure of GHG emissions and climate-related financial risk, including physical risks and transition risks from climate change. In addition to these two Acts, SB 219 emerged as an effort to expand and refine climate-related obligations.

Status: In November 2025, the Ninth Circuit granted an injunction pending appeal for California SB 261, thereby pausing the first filing requirement, which was set for January 1, 2026. SB 253 (GHG emissions reporting) remains in effect. CARB has proposed August 10, 2026, as the due date for the first SB 253 reports.

Our Preparedness: This report generally, and our alignment with the TCFD framework specifically, allow us to effectively describe climate-related risks, measures taken to reduce and adapt to such risks, and related sustainability metrics, including GHG emissions. We will keep on this path to comply with our obligations under these two laws.

International Sustainability Standards Board (ISSB)

Overview: The ISSB was established by the IFRS Foundation to develop a global baseline of sustainability disclosure standards for capital markets. In June 2023, ISSB issued its first two standards:

- IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2: Climate-related Disclosures

These standards require companies to disclose material sustainability-related risks and opportunities that could affect enterprise value, focusing on financial materiality.

ISSB standards are designed to align with TCFD recommendations and complement jurisdictional requirements like CSRD, enabling interoperability.

Status: ISSB standards became effective January 1, 2024, with voluntary adoption encouraged globally. Several jurisdictions where LKQ operates, including Canada, UK, Mexico, have announced plans to incorporate ISSB standards into their regulatory frameworks. The EU has confirmed interoperability between ESRS and ISSB standards.

Our Preparedness: Although ISSB adoption is not yet mandatory in all jurisdictions where LKQ operates, it is highly relevant for global comparability and investor expectations. As ISSB adoption accelerates worldwide, we will continue monitoring regulatory developments. In Mexico, ISSB-aligned disclosures will be mandatory starting in 2026, reporting on fiscal year 2025 data. We are actively meeting compliance requirements and strengthening our reporting processes to ensure our alignment with global standards.

Climate-related Scenario Analysis

Introduction

Climate scenario analysis assesses the potential impacts to business of climate-related risks and opportunities 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)¹ require companies to disclose how climate-related scenario analysis is incorporated into their risk management program. LKQ climate-related scenario analysis was informed by these requirements and guidelines and was completed in 2024 in line with TCFD. LKQ intends to update this assessment every two years.

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. Through 2025, LKQ’s sustainability leader reports to an executive officer at the company and regularly updates the Risk Management Committee and the Sustainability Advisory Committee.

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

Our footprint differs from manufacturers, but we face material physical and transition risks through facilities, logistics, suppliers, and regulation; 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 and opportunities 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 ESRS define 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’ business¹.

The analysis below 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.

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	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	Medium	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	High	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	<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>
2. Carbon pricing	<p>An analysis of LKQ’s Scope 1 emissions projections through to 2050 was conducted under two primary scenarios:</p> <ol style="list-style-type: none"> 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. <p>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:</p> <ol style="list-style-type: none"> 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. <p>Carbon price impacts were calculated by multiplying emissions projections by carbon price forecasts, broken down geographically (U.S., EU, and Non-EU regions).</p>	<p>Carbon prices could increase significantly, particularly in a low-carbon economy, with prices rising over 250% by 2050 according to the sources cited.</p> <p>Under LKQ’s Decarbonization pathway, the financial impact of carbon pricing on operating costs is expected to decline as emissions are reduced.</p> <p>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.</p>
3. Shift of vehicles in operation	<p>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:</p> <ol style="list-style-type: none"> 1. Low Carbon Scenario: Represented by IEA’s Net Zero Emissions pathway. 2. High Carbon Scenario: Represented by IEA’s Stated Policies (STEPS) pathway. <p>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.</p>	<p>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.</p>
4. Vehicle/product regulations	<p>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.</p> <p>Key regulatory drivers include:</p> <ol style="list-style-type: none"> 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. <p>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.</p>	<p>A low carbon scenario indicates a quicker adoption pace for new regulations.</p> <p>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.</p> <p>The financial impact of these regulations is not deemed significant for LKQ globally.</p>
5. Circular economy	<p>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.</p> <p>Key factors analyzed include:</p> <ol style="list-style-type: none"> 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. <p>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.</p>	<p>In a low carbon economy, regulatory momentum and market interest is likely to accelerate, creating opportunities across all timeframes.</p> <p>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.</p> <p>It is believed that the circular economy market size could be significant, offering space for many players as market growth continues.</p> <p>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.</p>

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 2025, we recorded 301,078 mt CO₂e resulting in a 3.5% absolute decrease compared with the prior year (2024: 311,979 mt CO₂e) and a 19.0% absolute decrease compared with 2022 (2022: 371,674 mt CO₂e¹).

Scope 3 emissions, those generated across the value chain, often constitute the largest component of carbon footprints. The LKQ's Value Chain Mapping initiative completed in 2025 played a central role in deepening our understanding of where emissions occur across our value chain. The process helped refine our prioritization of relevant categories through a combination of quantitative and qualitative criteria. As a result of this reassessment, LKQ now identifies five relevant Scope 3 categories, compared with the 13 categories reported in 2024, reflecting a more accurate representation of where our value-chain impacts are most material. For 2025, for these categories, our emissions amount to 16,409,883 mt CO₂e.

LKQ set a goal to reduce global Scope 1 and Scope 2 emissions relative to revenue by 30% by 2030 compared to the 2022 base year. By 2050, LKQ aims to achieve net zero GHG emissions across its own operations and, to facilitate this aim, in 2025, developed a Climate Transition Plan that outlines our pathway to achieving this goal.

¹ Recalculated from the 2024 reported value following corrections to the emission factors used for European diesel and petrol.



Advancing Our Journey to EU CSRD Compliance

The European Union's 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.

To maintain the highest compliance standards, pursue the Company's global sustainability strategy, and take 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 aims 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. Please refer to page [39](#) of the Report for more information on these legislative developments.

Double Materiality Assessment

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

LKQ conducted its first Double Materiality Assessment (DMA) in 2023 to identify material impacts, risks, and opportunities (IROs) informed by ESRS 1 and 2 and the 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 magnitude 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. Since our initial DMA, we refreshed the assessment annually to reflect updated priorities and insights, confirming our material IROs and noting no changes to our material topics and sub-topics. In 2026, we will update and refresh our DMA, aligning it with the revised European Sustainability Reporting Standards (ESRS), which are expected to be finalized and issued through a delegated act by the European Commission in 2026.



Advancing 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 ESRS¹:

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

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

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).

Advancing 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 CSRD. Companies required to report under the CSRD, such as LKQ¹, 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. In line with the Omnibus I proposals, in July 2025, the EU Commission adopted a new proposed Delegated Act that simplifies the Taxonomy. Given the regulation’s technical complexity, our approach is guided by strict adherence to regulatory guidelines, ensuring that only activities covered by the Delegated Acts² are considered. As part of its 2025 Sustainability Reporting, LKQ has reviewed its eligibility assessment, identifying activities outlined in the EU Taxonomy Delegated Acts that correspond to the Company’s operations. An 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 2025.

To qualify as Taxonomy-aligned, per the Taxonomy Regulation, an economic activity must substantially contribute³ 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 safeguards⁵. As part of its simplification efforts, the European Commission is conducting a broader review of the Technical Screening Criteria to reach Taxonomy alignment. In particular, it is revising the DNSH criteria to make them simpler, more practical, and more aligned with other EU legislation. We are closely tracking legislative developments, and we will adjust our approach accordingly, as necessary⁶.

¹ Refer to Advancing Our Journey to EU CSRD Compliance section on page 45 for further information.

² Commission Delegated Regulation (EU) 2021/2139; Commission Delegated Regulation (EU) 2022/1214; Commission Delegated Regulation (EU) 2023/2485; Commission Delegated Regulation (EU) 2026/73.

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.

⁶ Refer to Sustainability Reporting in Focus on page 39 for further information.

⁷ 2025 data include Self Service operations until the date of divestiture (September 30, 2025) for both numerator and denominator.

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 2025 LKQ’s revenue (turnover) that relates to eligible activities CE 2.6 and CE 5.4⁷.

CE 2.6 Depollution and dismantling of end-of-life products	15%
CE 5.4 Sale of second-hand goods	6%
Eligible	21%
Non-eligible / Potentially eligible	79%
Total revenue	100%



EU CSRD Disclosures

In 2025, we continued our efforts to prepare for full compliance with the EU CSRD requirements. Below are the ESRS¹ 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 2025. As the proposed Omnibus I amendments enter into force, including the release of the updated ESRS, the scope of our mandatory reporting according to CSRD may change. We are tracking legislative developments closely and we will adjust our approach accordingly².

ESRS	Disclosure Requirement	Disclosure
General Disclosures	BP-2	Refer to time horizon definition in our “Climate-related scenario analysis” section on page 41 .
	SBM-1	For the current year, the revenues reflected on page 5 of this report reconciles with page 36 of LKQ Corporation’s 2025 10-K.
	SBM-2	Refer to “Driving Accountability Through Stakeholder Engagement” on page 10 .
	SBM-3	Refer to our “Double Materiality Assessment” on page 45 .
	IRO-1	Refer to our “Double Materiality Assessment” on page 45 .
	IRO-2	Refer to our “Double Materiality Assessment” on page 45 .
	GOV-5	<p>Risk Management Practices and Internal Control Over Sustainability Reporting</p> <p>Sustainability-related risks have been integrated into the LKQ Risk Management process. The Global Sustainability Team reports on the status of those risks and the mitigation actions in place every quarter. The result of this process is presented to the LKQ Global Risk Committee and to Senior Management. In addition to this process, LKQ has implemented a robust risk management and internal control framework covering all processes related to sustainability reporting. The system is designed to ensure the accuracy, completeness, and integrity of data disclosed in the Sustainability Report, including estimation results as applicable. These processes are established in accordance with the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission), encompassing control environment, risk assessment, control activities, information and communication, and monitoring.</p> <p>Key risks identified in the sustainability reporting process include, for example, untimely reporting, non-compliance with applicable regulations, unapproved goal setting and lack of achievement, as well as data inaccuracies and omissions. If not appropriately mitigated, these risks may result in reputational and financial harm to LKQ.</p> <p>The established Internal Control over Sustainability Reporting (ICSR) plays a key role by providing a structured approach to managing and mitigating these risks. LKQ adopted this framework in 2024 and conducts annual updates to ensure comprehensive coverage of both new and existing risks through effective controls. Each control is assigned to designated control preparers and owners, who receive regular training on control procedures with particular focus on best practices for documentation, including verification of data accuracy and completeness within the control process. Annually, the Global Sustainability Team performs a Metric Risk Assessment as a fundamental step in the process with the aim of assigning a level of risk associated with the quantitative and qualitative data points disclosed in the Sustainability Report. Each metric is scored against defined criteria, and those exceeding the threshold are subject to internal controls with documented accuracy and completeness, in line with LKQ practices and recorded in the internal control tool.</p> <p>Since 2025, the ICSR framework has also been integrated into the annual LKQ Fraud Risk Assessment process, which functions as a reporting tool for monitoring fraud risks and communicating results to Senior Management.</p>

¹ Disclosure requirements refer to the ESRS currently in force.

² More information can be accessed on page [39](#).

EU CSRD Disclosures (continued)

ESRS	Disclosure Requirement	Disclosure
E1 – Climate Change	E1-SBM-3	Refer to our “Climate-related scenario analysis” section on pages 40-44 .
	E1-IRO-1	Refer to our “Climate-related scenario analysis” section on pages 40-44 .
	E1-3	Refer to our “LKQ’s Climate Transition and Resilience Plan” on pages 13-14 , “Our Progress on Scope 1 and 2 Emissions” on pages 15-16 , and “Statement of Greenhouse Gas (GHG) Emissions” section on pages 53-55 .
	E1-4	Refer to “Goals, Progress, and Achievements” on page 9 , “LKQ’s Climate Transition and Resilience Plan” on pages 13-14 , “Our Progress on Scope 1 and 2 Emissions” on pages 15-16 , and “Statement of Greenhouse Gas (GHG) Emissions” section on pages 53-55 .
	E1-5	Refer to “Statement of Greenhouse Gas (GHG) Emissions” section on pages 53-55 .
	E1-6	Refer to “Our Progress on Scope 1 and 2 Emissions” on pages 15-16 , “Strengthening Our Understanding of Value Chain Emissions” on page 17 , and “Statement of Greenhouse Gas (GHG) Emissions” section on pages 53-55 .
S1 – Own Workforce	S1-3	Refer to our ESRS G1-1 disclosure on whistleblowing system and procedure on page 52 .
	S1-5	Refer to “Goals, Progress, and Achievements” on page 9 .
	S1-6	All disclosed head count information is disclosed at the end of the reporting period, December 31, 2025.

The tables below represent the total number of employees by head count, the breakdown by gender and by country for countries in which LKQ has 50 or more employees, included in the ten largest countries.

Headcount breakdown by gender		Headcount breakdown by country			Employees by contract type, broken down by gender				
Male	35,020	United States	13,239	30%	Female	Male	Other	Not disc.	Total
Female	8,602	United Kingdom	8,504	20%	Employees	8,602	35,020	1	135
Other ¹	1	Germany	4,829	11%	Permanent employees	8,305	33,974	1	135
Not reported	135	Other	17,186	39%	Temporary employees	290	1,017	-	-
Total employees	43,758	Total	43,758	100%	Non-guaranteed hours employees	7	29	-	36

Employee turnover

Total number of employees who have left the undertaking during the reporting period	13,126
Rate of employee turnover in the reporting period	28%

The table above represents the number of employees who have left LKQ during the reporting year and the turnover rate in the reporting period².

For the current year, the head count figures reflected above and on page [5](#) of this report reconciles with the total head count disclosed on page 10 of LKQ Corporation’s 2025 10-K.

¹ Other refers to individuals who have legally registered as a third, often neutral, gender in countries where this option is available.

² Turnover includes any leaver who left the company in the period January 1 – December 31, 2025. The turnover ratio is calculated by dividing the number of leavers by the total head count as of December 31, 2025

EU CSRD Disclosures (continued)

ESRS	Disclosure Requirement	Disclosure																											
S1 – Own Workforce (continued)	S1-8	<p>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) in which LKQ has significant employment and non-EEA country.</p> <table border="1"> <thead> <tr> <th rowspan="2">Coverage Rate</th> <th colspan="2">Collective Bargaining Coverage</th> <th>Social Dialogue</th> </tr> <tr> <th>Employees - EEA countries only¹</th> <th>Employees - Non-EEA countries only</th> <th>Workplace representation EEA countries only¹</th> </tr> </thead> <tbody> <tr> <td>0-19%</td> <td>Netherlands</td> <td></td> <td></td> </tr> <tr> <td>20-39%</td> <td></td> <td></td> <td></td> </tr> <tr> <td>40-59%</td> <td></td> <td></td> <td></td> </tr> <tr> <td>60-79%</td> <td></td> <td>Mexico</td> <td></td> </tr> <tr> <td>80-100%</td> <td>Germany, Italy</td> <td>Tunisia</td> <td>Belgium</td> </tr> </tbody> </table>	Coverage Rate	Collective Bargaining Coverage		Social Dialogue	Employees - EEA countries only ¹	Employees - Non-EEA countries only	Workplace representation EEA countries only ¹	0-19%	Netherlands			20-39%				40-59%				60-79%		Mexico		80-100%	Germany, Italy	Tunisia	Belgium
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S1-9		<p>The table below represents the gender distribution at top management level. LKQ has defined top management as global level C-levels at and Senior Officers.</p> <table border="1"> <tbody> <tr> <td>Male</td> <td>9</td> <td>90%</td> </tr> <tr> <td>Female</td> <td>1</td> <td>10%</td> </tr> <tr> <td>Total</td> <td>10</td> <td>100%</td> </tr> </tbody> </table> <p>Top management level represents 0.02% of total employees</p>	Male	9	90%	Female	1	10%	Total	10	100%																		
Male	9	90%																											
Female	1	10%																											
Total	10	100%																											
S1-14		Refer to page 20 for data related to the number of recordable work-related accidents for own workforce and rate of recordable work-related accidents for own workforce.																											
S1-16		Refer to LKQ’s 2025 Proxy Statement for information related to the annual total remuneration ratio.																											

¹ For countries with > 50 employees included in the ten largest countries in EEA.

EU CSRD Disclosures (continued)

ESRS	Disclosure Requirement	Disclosure
G1 Business Conduct	G1-GOV-1	<p>Governance Related to Business Conduct</p> <p>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.</p> <p>The Audit Committee consists of at least three directors, all of whom satisfy the applicable independence and experience requirements of the Sarbanes-Oxley Act of 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.</p> <p>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.</p> <p>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 19 years of experience that includes privacy law, compliance, internal investigations, employment law, acquisition integrations, and program management.</p> <p>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.</p> <p>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.</p>
G1-1	Policies on Business Conduct	<p>LKQ has set up several policies with respect to business conduct matters, please refer to our “Advancing Our Ethical Framework” section on page 29 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.</p>

EU CSRD Disclosures (continued)

ESRS	Disclosure Requirement	Disclosure
G1 Business Conduct (continued)	G1-1 (continued)	<p>Whistleblowing Systems and Procedures</p> <p>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:</p> <ul style="list-style-type: none"> • Reporting: <ul style="list-style-type: none"> ◦ 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.
	G1-3	<p>Prevention and Protection of Corruption and Bribery</p> <p>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.</p> <p>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 pages 29-30 of this report.</p> <p>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 2025 10-K (LKQ Corporation - Financials - SEC Filings).</p>
	G1-4	<p>Incidents of Corruption or Bribery</p> <p>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.</p>

Statement of Greenhouse Gas (GHG) Emissions

Reporting Scope for Greenhouse Gas Emissions

Scope 1, 2, and 3 GHG emissions are calculated and disclosed in accordance with the Greenhouse Gas Protocol (GHG Protocol): A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Resources Institute/World Business Council for Sustainable Development. GHG emissions covered by this inventory are for the year ended December 31, 2025. LKQ reports GHG emissions under the operational control approach criteria.

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 customers, recovered fuel from our salvage operations, and heating in premises where combustion takes place on-site.

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

Scope 3 includes LKQ's emissions from indirect sources throughout upstream and downstream operations. LKQ's Value Chain Mapping initiative led to a refreshed Scope 3 assessment to enhance the prioritization of relevant categories using a combination of quantitative and qualitative criteria. Guided by the GHG Protocol's relevance and materiality principles, the process enabled us to reassess and refine the Scope 3 categories most significant to our business, including benchmarking against peers in comparable industries. Based on this review, five categories were identified as relevant for the calculation of Scope 3 emissions, compared to thirteen previously reported. The complete list of Scope 3 categories is presented in Table 1.1.

GHG emissions data have been calculated since 2022¹ with the support of NetO, an independent third-party service provider.

Table 1.1 Total GHG Emissions Disaggregated by Scopes 1 and 2 and Relevant Scope 3

GHG Emissions (mt CO ₂ e)	2025 ^{2,10}	2024 ¹⁰	2022 ^{3,5} (Base Year)	2025 / 2024	% 2025 / 2024	2025 / 2022	% 2025 / 2022
Scope 1 GHG Emissions							
Gross Scope 1 emissions	264,779	258,692	295,941	6,087	2.4%	-31,162	-10.5%
% of Scope 1 emissions regulated emissions trading schemes	-	-	-	-	-	-	-
Scope 2 GHG Emissions							
Gross Scope 2 location-based	61,599	60,602	75,733	997	1.6%	-14,134	-18.7%
Gross Scope 2 market-based	36,299	53,287	75,733 ⁴	-16,988	-31.9%	-39,434	-52.1%
Total Scope 1 and 2 location-based	326,378	319,294	371,674	7,084	2.2%	-45,296	-12.2%
Total Scope 1 and 2 market-based	301,078	311,979	371,674	-10,901	-3.5%	-70,596	-19.0%
Scope 3 relevant GHG emissions^{3,8}							
Cat. 1	1,539,701	1,579,174	N/A ⁶	-39,473	-2.5%	N/A	N/A
Cat. 4	225,978	171,608	N/A ⁶	54,370	31.7%	N/A	N/A
Cat. 5	37,082	N/A ⁶	N/A ⁶	N/A	N/A	N/A	N/A
Cat. 11	14,465,833	N/A ⁶	N/A ⁶	N/A	N/A	N/A	N/A
Cat. 12	141,289	N/A ⁶	N/A ⁶	N/A	N/A	N/A	N/A
Total Scope 3 relevant GHG emissions	16,409,883	1,750,782	N/A⁶	14,659,101	>100%	N/A	N/A
Total GHG emissions location-based	16,736,261	2,070,076⁹	371,674	14,666,185	>100%	N/A	N/A
Total GHG emissions market-based	16,710,961	2,062,761⁹	371,674	14,648,200	>100%	N/A	N/A

Table 1.2 Biogenic GHG Emissions

Biogenic GHG Emissions (mt CO ₂) ^{3,7}	2025
Scope 1 biogenic emissions	4,992
Scope 2 location-based biogenic emissions	-
Scope 2 market-based biogenic emissions	-
Scope 3 biogenic emissions	-

¹ Scope 1 and 2 since 2022, Scope 3 since 2023.

² 2025 data include Self Service data prior to the divestiture (Jan 1 – Sept 30, 2025).

³ Data not subject to review by Deloitte & Touche LLP.

⁴ Location-based is used as a proxy for market-based emissions for the base year.

⁵ Recalculated from 2024 reported value due to corrected emission factors for Europe diesel and petrol.

⁶ Not Applicable. Certain Scope 3 data have been collected and calculated since 2023 and 2025.

⁷ Reported for the first time in 2025.

⁸ Categories not included in this table were excluded from the Scope 3 inventory based on the updated relevancy assessment conducted in 2025.

⁹ Based on the updated relevancy assessment conducted in 2025 on Scope 3, the applicable 2024 total GHG emissions have been recalculated.

¹⁰ The 2025 Scope 1 and Scope 2 GHG emissions information were subject to Deloitte & Touche LLP's review. See the Independent Accountant's Report on page 56. Deloitte & Touche LLP previously performed a review engagement over the 2024 Scope 1 and Scope 2 GHG emissions information. See the Independent Accountant's Report in the LKQ 2024 Sustainability Report.

Statement of Greenhouse Gas (GHG) Emissions (continued)

Reporting Policy

When calculating 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 includes purchased electricity and district heating (minimal). Renewable electricity use is supported through energy attribute certificates (bundled and unbundled) and supplier contracts.

In instances where activity data is unavailable for the reporting period, emissions are calculated using estimations based on internally developed methodologies. 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.

For the 2025 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 location size benchmarking methodologies and/or spend-based for locations where activity data was not available and/or LKQ does not own the electricity contract but controls the electricity use.

GHG emission calculations for Scope 3 relevant categories disclosed are collected and accounted for with reference to the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Additional details for each reported category are provided on the next page.

Table 2. GHG Intensity per Net Revenue

GHG Intensity per Net Revenue (mt CO ₂ e/\$m)	2025	2024	2022 (Base Year)	% 2025 / 2024	% 2025 / 2022
Gross Scope 1 per net revenue	18.9	18.0	21.0 ¹	5.0%	-10.0%
Gross Scope 2 location-based per net revenue	4.4	4.2	5.4	4.8%	-18.5%
Gross Scope 2 market-based per net revenue	2.6	3.7	5.4	-29.7%	-51.9%
Total GHG emissions location-based per net revenue	23.2	22.2	26.3	4.5%	-11.8%
Total GHG emissions market-based per net revenue	21.4	21.7	26.3 ²	-1.4%	-18.6%

Table 3. Energy Consumption and Mix

Energy consumption and mix (kWh)	2025	2024
(1) Fuel consumption from coal and coal products	-	-
(2) Fuel consumption from crude oil and petroleum products	835,150,787	818,270,916
(3) Fuel consumption from natural gas	269,581,238	236,920,730
(4) Fuel consumption from other fossil sources	26,618,622	48,422,944
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	81,054,843	129,455,110
(6) Total fossil energy consumption (Sum 1 to 5)	1,212,405,490	1,233,069,700
Share of fossil sources in total energy consumption %	89.0%	94.0%
(7) Total Consumption from nuclear sources	27,020,624	25,873,402
Share of nuclear sources in total energy consumption %	2.0%	2.0%
(8) Fuel consumption for renewable sources, including biomass ³	21,737,188	8,768,212
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	93,844,734	43,070,733
(10) Consumption of self-generated non-fuel renewable energy	6,947,950	1,562,946
(11) Total renewable energy consumption (Sum 8 to 10)	122,529,872	53,401,891
Share of renewable sources in total energy consumption %	9.0%	4.1%
Total energy consumption (Sum 6, 7, 11)	1,361,955,986	1,312,344,993

¹ Recalculated from 2024 reported value due to corrected emission factors for Europe diesel and petrol.

² Location-based is used as a proxy for market-based emissions for the base year.

³ Also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.

Statement of Greenhouse Gas (GHG) Emissions (continued)

Reporting Policy (continued)

Category 1, 4: GHG emissions were calculated based on total expenditure using a spend-based methodology.

Category 5: GHG emissions from waste generated in own operations were estimated using waste fraction weight data available for selected entities, extrapolated to cover the entire organization.

Category 11: GHG emissions from the use of sold products were estimated based on a categorization of use and net sales.

Category 12: GHG emissions from the end-of-life treatment of sold products were estimated based on a categorization of material and net sales.

Published emission factors were used to calculate Scope 1, 2 and 3 emissions from operations. The following sources have been employed for selecting emission factors:

- Scope 1, EPA 2025 GHG Emission Factors Hub, DEFRA 2025
- Scope 2, IEA Emission Factors 2025, Green-e® Residual Mix, AIB Residual Emission Factors 2024, DEFRA 2025, eGRID, SEMARNAT FESEN 2024
- Scope 3, DEFRA 2025, EPA warm v16 2023, IEA Emission Factors 2025, EPA USEEIO

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

Current global emissions in CO₂e

The emissions accounting includes three of the seven GHG emissions covered by the UNFCCC/Kyoto Protocol: carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O). LKQ does not believe that it has material emissions of the remaining four sources namely perfluorocarbons (PFCs), hydrofluorocarbons (HFCs) (including refrigerants and fire suppressants), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃) and therefore omitted.

GHG emissions are reported in metric tons of carbon dioxide equivalent (CO₂e).

Base year and prior years'

LKQ measures its progress for Scope 1 and Scope 2 emissions toward its current reduction goals by its base year, 2022, which 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, but considerations are ongoing.

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 (and prior years') will be recalculated to include the effects of the new structure as applicable. LKQ's internally recognized threshold for significant changes is 5% of the respective global total. 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. Changes may be made to improve the accuracy of reported data even when impacts fall below the restatement threshold. Accordingly, the 2022 base year has been recalculated following corrections to the emission factors applied to European diesel and petrol. No additional changes have been made to prior years' data.

Global Warming Potential (GWP)

For GHG emissions, in accordance with the GHG Protocol, LKQ uses CH₄ and N₂O emission factors sourced from official government publications, such as the EPA GHG Emission Factors Hub, UK Government Conversion Factors, and IPCC. 100-year GWP values from the IPCC Fifth and Sixth Assessment Reports (AR5, 2013 and AR6, 2021) were applied to CH₄ and N₂O emissions in accordance with the basis of the underlying emission factors.

Table 4. Emissions by GHG¹

GHG Emissions (mt)	2025 (mt)	2025 (mt CO ₂ e)	2024 (mt CO ₂ e)
Scope 1 and 2 GHG emissions			
CO ₂	299,525	299,525	309,934
CH ₄	13	356	622
N ₂ O	5	1,197	1,423
Scope 3 GHG emissions²			
CO ₂	16,350,589	16,350,589	N/A ³
CH ₄	708	19,814	N/A ³
N ₂ O	149	39,480	N/A ³

¹ GHG emission values in this table are market-based. For additional details on our calculation approach, refer to paragraph "Current global emissions in CO₂e".

² Scope 3 GHG disaggregation is estimated using proxy assumptions due to the application of emission factors that provide CO₂ data only. Data not subject to review by Deloitte & Touche LLP.

³ Reported for the first time in 2025.



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, 2025 included within the accompanying LKQ's 2025 Sustainability Report (the "2025 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 2025 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 2025 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 2025 Statement of GHG Emissions included in LKQ's 2025 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, 2025, 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 2025 Statement of GHG Emissions in order for it to be presented in accordance with the GHG Protocol.

May 27, 2026

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Glossary of Acronyms

AICPA	American Institute of Certified Public Accountants
AFHEA	Associate Fellow of the Higher Education Academy
ARS	Fifth Assessment Report (from the IPCC)
BP	Basis for preparation
CARB	California Air Resources Board
CBAM	Carbon Border Adjustment Mechanism
CDP	Carbon Disclosure Project
CH₄	Methane
CNG	Compressed Natural Gas
CO₂	Carbon Dioxide
CO₂e	Carbon Dioxide Equivalent
CSDDD	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
CTRP	Climate Transition and Resilience Plan
DC	Distribution Center
DEFRA	Department for Environment, Food & Rural Affairs (UK)
DMA	Double Materiality Assessment
EFRAG	European Financial Reporting Advisory Group
eGRID	Emissions & Generation Resource Integrated Database
ELV	End-of-Life Vehicles
EMS	Environmental Management System
EOS	Enterprise Operating System
EPA	Environmental Protection Agency (U.S.)
ESRS	European Sustainability Reporting Standards
EV	Electric Vehicle
FAAS	Forum on Automotive Aftermarket Sustainability
GHG	Greenhouse Gas

GWP	Global Warming Potential
HFCs	Hydrofluorocarbons
HVO	Hydro-treated Vegetable Oil
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
ISSB	International Sustainability Standards Board
kg	Kilograms
lb	Pound
LED	Light Emitting Diode
LPG	Liquefied Petroleum Gas
mt	Metric Ton (equal to 1,000 kilograms (kg))
NF₃	Nitrogen Trifluoride
NFRD	Non-Financial Reporting Directive
NGFS	Network for Greening the Financial System
N₂O	Nitrous Oxide
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
PFCs	Perfluorocarbons
PPA	Power Purchase Agreement

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
SBTi	Science Based Targets initiative
SDG	Sustainable Development Goals
SEC	Securities and Exchange Commission
SF₆	Sulfur Hexafluoride
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))
TOM	Target Operating Model
TRIR	Total Recordable Incident Rate
UNFCCC	United Nations Framework Convention on Climate Change
USEEIO	U.S. Environmentally-Extended Input-Output model
USO	United Service Organizations
VIO	Vehicles in Operation
3TGs	Tin, Tantalum, Tungsten, and Gold

Glossary of Terms

3rd party logistics	External providers that support the transportation, storage, and distribution of products within LKQ's value chain.	Downstream operations	Activities and relationships that occur after LKQ's operations, including the sale, distribution, use, and end-of-life management of products and services provided to customers.
Aftermarket parts	Vehicle parts that are produced by manufacturers other than the original equipment manufacturer (OEM) and are used for repair, replacement, or maintenance of vehicles.	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.
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.	Emissions intensity (mt CO₂e / \$m)	A metric that measures greenhouse gas emissions relative to economic output, expressed as metric tons of carbon dioxide equivalent (CO ₂ e) per million dollars of revenue, used to assess emissions efficiency over time.
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.	End of life management	The processes by which products and vehicles are recovered, recycled, remanufactured, or responsibly disposed of at the end of their useful life.
Carbon dioxide (CO₂) 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.	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).
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.	Fill rate	The percentage of customer orders that can be fulfilled immediately from available inventory, reflecting the effectiveness of inventory availability and distribution efficiency.
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.	Hard parts	Mechanical and structural components of a vehicle, such as engines, transmissions, and metal parts, as opposed to consumables or cosmetic items like paint or fluids.
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.	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.
Core operations	Activities directly managed by LKQ related to the handling, processing, and distribution of products, including inventory management, warehousing, parts recovery and remanufacturing, and order fulfillment.	Inventory management	The processes used to track, store, and manage products and components across LKQ's network to ensure availability and efficient distribution.

Glossary of Terms (continued)

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.	Salvage	Dismantling of collision vehicles to recover usable parts and properly dispose of hazardous liquids and materials (for example, fuel, oil or batteries).
Order fulfillment	The end-to-end process of receiving, processing, and delivering customer orders through LKQ's distribution channels.	Scope 1 GHG emissions	Direct GHG emissions from sources that are owned or controlled by the company.
Product use	The phase in which LKQ's products are installed, maintained, and utilized by customers, including their role in vehicle repair and performance.	Scope 2 GHG emissions	Indirect emissions from the generation of purchased or acquired electricity, steam, heat or cooling consumed by the company.
Raw material	Primary or secondary material that is used to produce a product.	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.
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.	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.
Recycle	Recover materials from waste to be reprocessed into new products, materials or substances whether for the original or other purposes.	Supplier manufacturing	The production of parts, components, and materials by LKQ's suppliers, including original equipment manufacturers (OEMs) and aftermarket producers.
Refinish	The process of restoring a vehicle's surface appearance following damage or wear, typically involving paint, coatings, and related materials to return the vehicle to its original condition.	Tier 1 products	Products and components sourced directly from LKQ's primary suppliers for resale or distribution to customers.
Refurbish	Restore an old product and bring it up to date (to specified quality level).	Upstream operations	Activities and relationships that occur prior to LKQ's own operations, including the sourcing, manufacturing, and transportation of products, components, and materials from suppliers and third-party partners.
Remanufacture	Use parts of a discarded product in a new product with the same function (and as-new-condition).	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.
Repair	Repair and maintenance of defective product so it can be used with its original function.	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.
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.		
Sales & Service Channels	The platforms and networks through which LKQ sells products and provides services to customers, including retail, wholesale, and online channels.		

**Boldly.
Sustainably.
Together.**

LKQ

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This report was developed in collaboration with [Corbin Advisors](#).

