



**LKQ**  
**CODE of**  
**ETHICS**

REVISED JANUARY 15, 2020



I am proud to introduce our updated Code of Ethics (the “Code”). LKQ is a leader in our industry because we have earned the trust of our customers, suppliers and business partners by putting Integrity first in our business practices. Our Code is our global guide to keeping that trust by doing the right thing and always acting with a high level of Integrity.

Our Code will help you find and understand the principles, standards and LKQ policies that apply in your work with LKQ. Please take time to learn the Code and to understand your personal responsibilities.

Finally, in addition to acting ethically yourself, if you see or hear something that does not seem right to you, please [\*Speak Up\*](#). This helps us to investigate and take action before something more serious happens.

Thank you for supporting our commitment to doing business the right way.

**Dominick P. Zarcone**  
*President and Chief Executive Officer*





## **I. The Code**

|                             |          |
|-----------------------------|----------|
| Mission Statement .....     | <b>4</b> |
| The LKQ Code of Ethics..... | <b>4</b> |

## **II. Living Our Code**

|                             |          |
|-----------------------------|----------|
| About Our Code .....        | <b>5</b> |
| Your Responsibilities ..... | <b>5</b> |
| Making Good Decisions ..... | <b>7</b> |
| Avoiding Bad Decisions..... | <b>8</b> |
| Speaking Up.....            | <b>9</b> |

## **III. Our Core Policies**

|   |           |
|---|-----------|
| We Care about Others .....  | <b>11</b> |
| Health and Safety   Positive Work Environment   Privacy and Data Protection   Social Responsibility |           |
| We Do the Right Thing.....  | <b>17</b> |
| Fair Dealing   Gifts and Entertainment   Bribery and Corruption   Conflicts of Interest             |           |
| We Protect Our Company .....  | <b>25</b> |
| Controllership   Trade Compliance   Protecting LKQ Property   Speaking on Behalf of LKQ             |           |



## About Our Code

We are a global company with operations in many different countries where different laws, cultures, values and traditions apply. We believe that a commitment to honesty, ethical conduct and integrity is a valuable asset that builds trust with our customers, suppliers, employees, shareholders and the communities in which we operate.

**Living the Code.** Our Code is an expression of our shared values and the way we do business worldwide. It applies to everyone in our company, at every level, including employees, supervisors, board members, and subsidiaries we control.

**Winning with Integrity.** At LKQ, we are committed to Winning with Integrity, which means making decisions that are consistent with both our Code and the law. Our Code is your guide to Winning with Integrity and provides a summary of our core policies. Employees can visit the [LKQ Compliance Site](#) for detailed policy information and resources.

**The Code and the Law.** As a global company, there may be times where local law differs from our Code. If local laws are less restrictive than our Code, you should follow our Code, even if your conduct would be legal under applicable laws or an accepted local practice. On the other hand, if a local law is more restrictive than our Code, you should comply with the applicable laws. If at any time you feel our Code conflicts with local law, please contact our Legal Department for guidance.

## Mission Statement

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

## The LKQ Code of Ethics



We are honest, fair and trustworthy in all of our LKQ activities and relationships



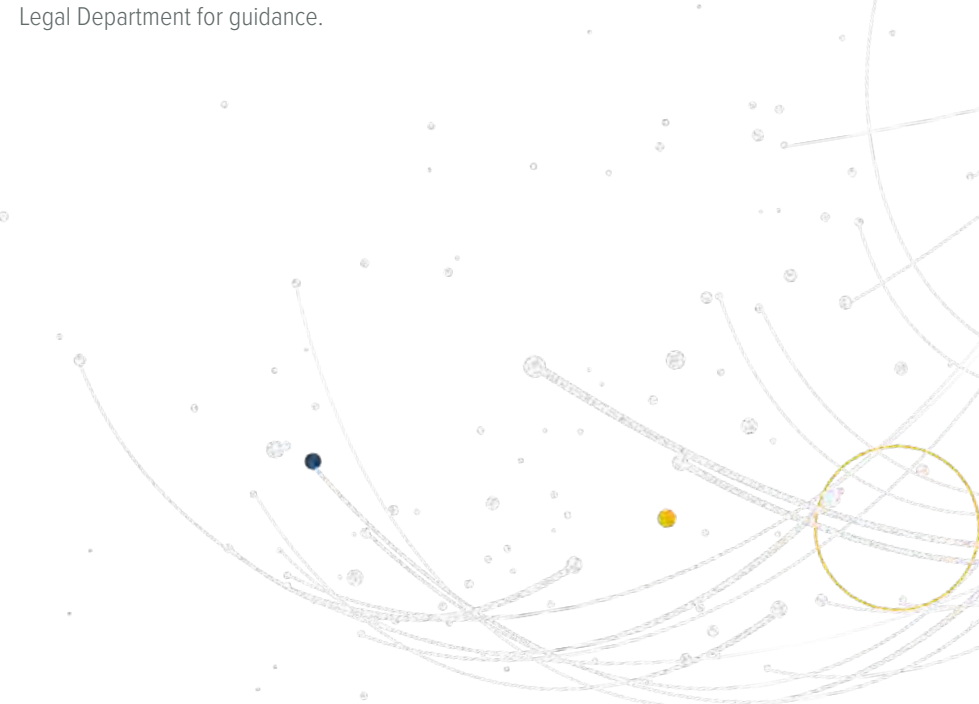
We obey the laws and regulations governing our business



We treat everyone with respect and dignity



We promptly report any concerns we have about compliance with the law, LKQ policies or this Code





## Your Responsibilities

### Be Knowledgeable

- Know the Code.
- Learn the details of any policy that is relevant to your job responsibilities.
- Understand your business and regional policies and procedures and how they apply to your job.

### Be Aware

- Stay attuned to developments in your area or industry that might impact our compliance with laws, regulations or reputation.
- **Speak Up.** If you see something, say something. Promptly raise any concerns about potential violation of law, our Code or policies.

### Be Accountable

- Live the Code by always doing the right thing. Failure to comply with the Code may result in discipline up to and including termination of employment.
- Cooperate fully and honestly in LKQ investigations related to violations of the law, our Code or our policies and procedures.

### Helping You Win with Integrity

Sometimes you may be in a position where you aren't sure of the best course of action. Our Code provides information on a range of topics and the [LKQ Compliance Site](#) provides guidance through policies, procedures and training resources. If, after reviewing this information, you're still unsure what to do, reach out to your manager, HR, Legal, Corporate Audit or Speak Up. It's always better to ask for help, then to say nothing at all.

## Making Good Decisions

Often, we face ethical dilemmas or need to make decisions at work when there is no specific rule or clear guidance. In these situations, we still need to make the right decision.

Although our Code cannot offer an answer for every situation, it will help you navigate them. Refer to it often in your work, use good judgment, and always ask for guidance if you need it.



**Does it feel right?**

**Is it legal and consistent with our Code?**

**Is it good for LKQ, its employees and customers?**

**Am I being truthful and honest?**

**If it were made public, would I still feel okay about it?**

| Answer | Action   |
|--------|--|
| Yes    | If you answered "yes" to all of these questions, then the decision to move forward is probably okay.   |
| No     | If you answered "No" to any of these questions, the action could have serious consequences. Reach out to your manager, Human Resources Department or the LKQ Legal department. |
| Maybe  | Seek guidance. Reach out to your manager, Human Resources department or the LKQ Legal Department.  |

### ⚠ Warning Signs

If you hear any of these comments, reconsider your "Yes" answers.

*"The policy doesn't say we can't, so it's okay."*

*"Our competition does it, so it must be okay."*

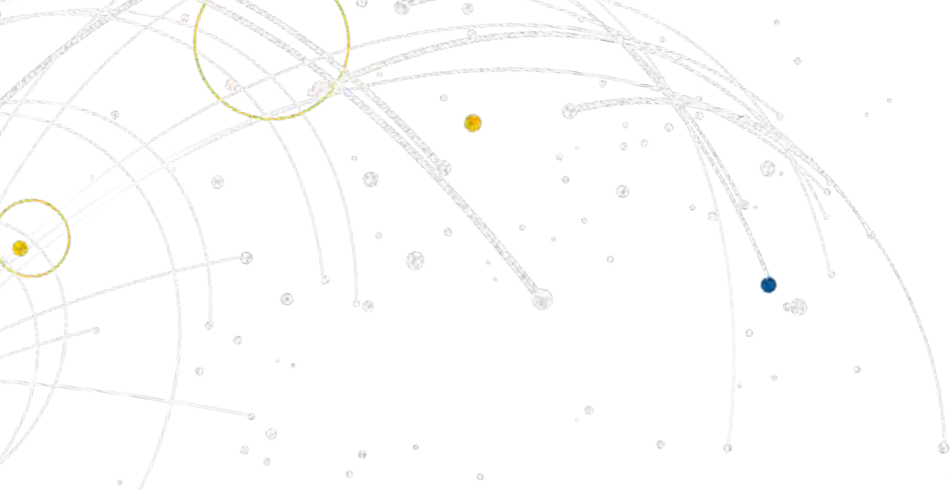
*"The law doesn't say we can't do it, so it's okay."*

*"We need to do whatever it takes."*

*"That's how they do business here."*

*"Don't worry about it. Who's going to know?"*

*"We've always done it this way and no one has been disciplined."*



## Avoiding Bad Decisions

Avoid these common pitfalls that lead to bad decisions:

**Lack of Awareness.** We should know the policies and procedures that apply to our specific job, but it's not possible to be an expert in everything. Know when and who to ask for help. When in doubt, start with your Compliance site.

**Work Pressure.** Even if we feel we are under performance or time pressures, it is never 'business at any cost'. If you feel under pressure to do something that you think is not right, Speak Up.

**Group Think.** We often want to feel that we belong and don't want to go against the group. It can take courage to take a different view. You will be supported when you raise concerns and Speak Up.

**Balancing the Scales.** We sometimes try to justify unethical behavior because of a perceived injustice or unfair treatment. We convince ourselves that a bad decision is okay because it gives us something we think we deserve. Two wrongs never make a right. There is no justification for acting unethically.

**No One Will Know.** Some people think that doing the wrong thing is okay, as long as you don't get caught. At LKQ, we do the right thing... even if no one is looking.

### Warning Signs

*"We have no choice."*

*"No one will ever know."*

*"Everybody does it."*

*"It's for a good cause."*

*"I don't want to know."*

*"We can hide it."*

## Speak Up

**If you see something, say something.** If you see a work related situation that is a potential violation of this Code or the law, it is your responsibility to report the possible wrongdoing to LKQ.

Confidentiality is respected and your identity and information will only be shared to the extent necessary to investigate and address the concern you raise.

Where permitted by country law, you may even choose to remain anonymous. However, if you identify yourself, we are able to follow up with you and provide feedback.



### How to Raise an Integrity Concern

LKQ offers several channels for raising concerns. You can choose to speak to someone about a potential integrity issue or put it in writing. Generally, your supervisor or manager will be in the best position to resolve an integrity concern, but other resources include LKQ's:

- Human Resources Department
- Legal Department
- Corporate Audit Department
- Next level of management
- Speak Up

### How LKQ Handles Integrity Concerns

LKQ fairly examines every integrity concern. During the investigation process LKQ:

- Forms an objective investigation team.
- Determines the facts through interviews and/or the review of documents.
- Recommends corrective action, if necessary.
- Provides the person who raised the original concern (if that person is known) with feedback on the outcome.



**LKQ has zero tolerance for retaliation against those who in good faith report alleged wrongdoing and/or participate in an investigation of wrongdoing.**

Click [here](#) to learn how to raise a concern in your country.



# We Care About Others



Health  
and Safety



Positive Work  
Environment



Privacy and  
Data Protection



Social  
Responsibility



## Health and Safety

### The Policy

We are committed to providing all of our employees with a safe and secure work environment where no one is subject to unnecessary risk.

All LKQ Employees are required to maintain a safe workplace by following all health and safety policies, completing required safety training, and reporting accidents/injuries or illnesses.

### Your Role

- Understand and comply with all health and safety policies that apply to you and engage in safety training/awareness.
- Be mindful of your own personal safety, don't take shortcuts around safe practices for the sake of productivity.
- Following procedures to timely report accidents/injuries.

### What You Should Know

#### ! **Red Flags for potential Health and Safety Risks include:**

- Deviations from known safety procedures are visible
- Inadequate security or emergency preparedness
- Poorly maintained tools or equipment
- Poor general facility housekeeping
- Failure to provide standard safety equipment
- Improper handling of waste or hazardous materials
- Encouragement to take shortcuts that cause unneeded risk

**Q:** *I brought up a serious safety concern to my supervisor, which has been ignored. What should I do?*

**A:** Safety must be everyone's priority. Raise a concern by Speaking Up. You can also contact Human Resources or the VP of Risk Management at the LKQ North American Headquarters in the USA.



## Positive Work Environment

### The Policy

**Diversity and Inclusion.** We value and promote diversity in our workplace. Our people are our most valuable asset. We recognize that a diverse mix of backgrounds, skills and experiences drives new ideas, products and services. We recruit, hire, promote and retain based on merit and demonstrated skills.

**Non-Discrimination.** We strictly prohibit discrimination based on race, color, ethnicity, national origin, ancestry, citizenship status, religion, sex (including breast feeding and related medical conditions), gender identity and expression, age, disability, protected medical condition, marital status, veteran or military status, sexual orientation, pregnancy, genetic information or any other characteristic protected by applicable law.

**Preventing Harassment.** We do not allow behavior that creates an offensive, hostile or intimidating work environment.

**Human Rights.** We respect the rights and dignity of people and stand strongly against human trafficking, as well as any form of forced or child labor. We do not do business with any contractors or suppliers who use forced or child labor.

**No Retaliation.** LKQ has zero tolerance for retaliation against anyone who reports this type of conduct in good faith.

### Your Role

Treat everyone with respect and dignity.

### What You Should Know



**Q:** *As a manager, you discover that one of your top performers is not open to the ideas of her colleagues, if they are different from her own. What should you do?*

**A:** How we do things is just as important as what we do. The performance review for this individual should acknowledge the strong results but clearly balance this against her failure to meet the expected behavior of inclusiveness.





## Privacy and Data Protection

### The Policy

We respect and protect the personal information that we handle.

We need to collect and use Personally Identifiable Information (PII) to run our business. We commit to only collect and retain PII that is necessary for legitimate business purposes and in compliance with the law. We also ensure that this information is protected through appropriate security measures.

### Your Role

- Only use PII if you need it for your job.
- Keep PII secure.
- Only keep PII for as long as you need it to do your job.
- Never share PII with a person who does not have a business need, the authority, or, where required, the subject's consent.
- Never share passwords.
- Consult with your Privacy and Cybersecurity teams if you are designing or modifying processes that use PII.

### What You Should Know

Personally Identifiable Information (PII) is any information that identifies or can be used to identify an individual. It can relate to employees, customers, suppliers or other individuals.

Examples of PII include name, email address, location, date of birth and, in some instances, IP addresses. In the European Union, business contact information of an individual (e.g., jane.doe@lkqcorp.com) is considered PII.

**Q:** *LKQ is considering purchasing a Customer Relationship Management (CRM) tool from a well-known vendor. Given the vendor's strong reputation, do we really need approval from the Privacy and Cybersecurity teams?*

**A:** Yes. Although the CRM vendor may have a good reputation, we are still responsible for ensuring that the vendor's system has appropriate security to store and process PII. Additionally, most CRM tools provide considerable flexibility in what information is collected and how it is used. We are responsible for configuring the tool to minimize what PII is collected and ensuring that we are only using it for legitimate business purposes.



## Social Responsibility

### The Policy

We protect the environment and care about the wellbeing of our communities.

As we strive for future profitable growth and continued success, we are committed to contributing to sustainable development by assuming our social and environmental responsibilities.

**The Environment.** We have a duty to protect the limited resources that sustain our businesses and to operate in a manner that will preserve these resources to the greatest extent practical. At a minimum we will operate in accordance with applicable national, regional and local environmental laws and regulations.

**Corporate Investment.** We can make an important contribution to the social and economic development of our local communities as an employer and also by collaborating with and investing in these communities. LKQ encourages its businesses to undertake a community investment program, offering both time and funds to support the communities where we live and work.

### Your Role

LKQ encourages our employees to match in action what LKQ is willing to invest in capital. Please do your part by minimizing waste, recycling and reusing material wherever feasible. We encourage you to get involved in community non-profit and charitable activities during your free time and in your personal capacity.

### What You Should Know

**Communities:** Ensuring LKQ takes part in the growth of the communities that we operate. LKQ's most valuable asset are our employees and the communities that they live and work in are equally as important. LKQ is committed to the growth and well-being of these communities.

**Recycling:** Environmental protection is at the heart of LKQ, since its roots are in recycling of vehicles across North America. As we expand globally, we keep that same LKQ commitment to protecting the environment by extending those same values to our partners and colleagues around the World.

**Supply Chain:** LKQ relies on a complex global supply chain and is dedicated to working with our suppliers and customers to ensure labor standards are upheld and a conflict-free supply chain is supported.



# We Do the Right Thing



Fair Dealing



Gifts and Entertainment



Bribery and Corruption



Conflicts of Interest



## Fair Dealing

### The Policy

We deal fairly with LKQ's customers, suppliers and competitors and we do not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

On legal as well as ethical grounds, we refrain from all dealings with competitors for the purpose of setting or controlling prices, rates, trade practices, costs or any other activity prohibited by laws regulating competition.

### Your Role

- Do not communicate with competitors for the purpose of setting or controlling prices, rates, trade practices, costs or any other activities prohibited by laws regulating competition.
- If you find yourself in a situation with a competitor that could create the appearance of improper agreements or understandings, announce that you are leaving and why, then promptly inform your Legal team.

### What You Should Know

Care should be taken to ensure that, in meetings of trade associations and other industry groups, competitive practices, supply plans and prices are not discussed.

**Q:** *A former coworker left LKQ to work for a competitor. She recently approached me with a potentially anti-competitive proposal. I refused to engage in the discussion, but I don't want to get her in trouble.*

**A:** Your former coworker has exposed both her current employer and LKQ to unnecessary risk. You are obligated to report this incident to Legal.



## Gifts and Entertainment

### The Policy

We do not accept any gift or entertainment of more than nominal value from any competitors or person or company that already does or seeks to do business with LKQ. Examples of gifts and entertainment include loans or cash in any amount, excessive entertainment or travel, free or discounted services, or other substantial or unusual favors.

Similarly, LKQ employees may not provide gifts or entertainment above nominal value, or any gifts or entertainment that may create the appearance of impropriety.

### Your Role

- Do not offer or accept a payment, benefit or gift that is intended to improperly influence an outcome.

### What You Should Know

Certain gifts or entertainment may be accepted if they are unsolicited and if the personal benefit falls into one of the following categories:

- Normal business courtesies, such as a meal, golf game, or sporting event involving no more than ordinary amenities;
- Paid trips or guest accommodations that involve formal representation of LKQ (provided prior approval is obtained from the proper supervisory authority)
- Non-cash gifts with a nominal value, such as those received at holiday time; or
- Fees or other compensation received from an organization in which membership or an official position is held, as approved by LKQ.



## Bribery and Corruption

### The Policy

We are committed to complying with applicable money laundering, bribery, corruption and terrorist financing laws and regulations.

**Money Laundering** is the process of hiding the proceeds of crime or making the source appear legitimate.

**Bribery** means giving or receiving anything of value (financial or otherwise) in order to improperly influence or reward any person in the performance of their duties.

A **Facilitation Payment** is usually a small payment (or gift) made to public officials in order to speed up or “facilitate” actions they should already do as part of their routine job. It doesn’t include fees required to be paid by law.

**Corruption** means the abuse of a position of power or responsibility for profit.

We only do business with customers involved in legitimate business activities, with funds derived from legitimate sources.

### Your Role

- Follow the Know Your Customer procedures and rules applicable to your business on collecting and verifying information from our customers and related parties.
- Do not make facilitation payments (unless you are in fear for your personal safety or liberty).
- Do not offer or accept a payment, benefit or gift that is intended to improperly influence an outcome.
- Never contribute LKQ funds or other LKQ assets for political purposes without obtaining prior approval from the Government Affairs Department.

### What You Should Know

#### ! **Red flags for possible money laundering include:**

- Offers to pay in cash or overpayments followed by requests for refunds.
- Payments on behalf of a customer by an unknown person.
- Transactions that might have been structured to avoid recording or reporting requirements.
- Orders, purchases or payments that are unusual or inconsistent with a customer’s trade or business.
- Unusually complex deal structures.
- Unusual fund transfers to or from countries unrelated to the transaction.

#### ! **Red flags for potential bribery include:**

- A third party demands its commission payment prior to winning a deal/contract.
- Instructions to direct LKQ business through a specific representative or partner due to a “special relationship.”
- Requests to make a payment to a person who is not related to the transaction being discussed — or a request that payments be made in another country.
- Commissions that seem too large in relation to the services provided.



## Conflicts of Interest

### The Policy

A conflict of interest is any circumstance where an individual's personal interest interferes or even appears to interfere with the interests of LKQ. We act in the best interest of LKQ and our customers. We avoid conflicts of interest and never use our position or company assets for personal gain.

### Your Role

- Always base business decisions on what is best for LKQ, not what is best for you personally.
- Do not use LKQ resources, including equipment, facilities and time, for personal gain.
- Obtain prior approval before accepting officer or director positions with an outside business or not-for-profit organization. This excludes religious or school affiliations.
- Disclose financial interests you may have in a company where you could personally affect LKQ's business with that company.
- Do not accept personal discounts or other personal benefits from suppliers that are not available to your LKQ peers.
- If you believe you might have a conflict of interest, disclose it to HR or your supervisor.

### What You Should Know

Absent appropriate pre-approval, LKQ Employees are prohibited from:

- Taking for themselves opportunities that are discovered through the use of LKQ property, information or position
- Using LKQ property, information or position for personal gain
- Competing with LKQ

**Q:** *A position at your business opens and you believe your friend would be a great candidate. Can you put him forward?*

**A:** Many of our best hires come from employee referrals. You should mention your friend to local HR and disclose your relationship. You should ensure that you have no involvement in the recruitment process and that the position is not one you directly or indirectly supervise.





# We Protect Our Company



Controllership



Trade  
Compliance



Protecting LKQ  
Property



Speaking on  
Behalf of LKQ



## Controllership

### The Policy

We ensure that our company books, records and financial reporting reflect an accurate and honest picture of our business.

Financial data we can trust is required not only to comply with our policies, external accounting standards and all applicable laws and regulations, but also to allow us to make informed decisions to grow our business and maintain our reputation.

### Your Role

- Be honest and careful when submitting expense claims and, where appropriate, timesheets.
- Ensure that any contractual commitments you make on behalf of LKQ are within your authority level.
- If you are responsible for preparing public financial disclosures, make sure that the information we report is clear, complete and timely.
- Execute internal controls assigned to your position in a thorough manner.

### What You Should Know

As a public company, LKQ's filings with the U.S. Securities and Exchange Commission (the "SEC") and other federal and state regulatory agencies must be timely, complete and accurate.

Falsifying records or failing to record funds, assets or transactions could lead to criminal liability and will not be tolerated by LKQ.

**Q:** *On December 31, you receive an invoice that relates to the current year. How should you handle this invoice?*

**A:** Either submit the invoice to Accounts Payable on or before December 31 or alert your accounting team to accrue the expense in the current year. You should not hold the invoice until the following year to make your current year profitability look better.



## Trade Compliance

### The Policy

We comply with all import and export control laws, economic sanctions and customs laws that regulate the international transfer and sale of goods and technology.

### Your Role

- Follow all business procedures relating to the import and export of goods and technology.
- Follow applicable LKQ policies and procedures to ensure we do not do business with people or companies on government restricted party lists.
- Do not cooperate with any boycott or restrictive trade practice not authorized by the US government.
- Report accurate, complete and timely information on import declarations.

### What You Should Know

Some countries, including the US, impose restrictions on exports and other transactions with certain countries, companies and individuals. Non-compliance can lead to serious sanctions, such as large fines, revocations of permits to export and imprisonment of the relevant individuals.

**Q:** *My customer is located domestically (US, CANADA or EU). Do I need to worry about what he does with LKQ's product?*

**A:** Yes. LKQ Corporation is a US-based organization and US Export laws follow the product extra-territorially; if you know or have reason to believe that your customer will sell the item internationally, you must report the final ship to/sell to party through Trade Compliance for screening at [TradeCompliance@lkqcorp.com](mailto:TradeCompliance@lkqcorp.com) and/or any licensing requirements to the final destination country.



## Protecting LKQ Property

### The Policy

We protect LKQ property, including assets and Confidential Information, and do not use them for personal gain.

### Your Role

#### Do:

- Take steps to protect our IT and communication systems and assets against loss, damage or theft
- Promptly report any loss of IT equipment or security incidents
- Maintain the confidentiality of information entrusted to you

#### Don't:

- Disclose Confidential Information to a third party without the prior consent of senior management
- Use LKQ property for any inappropriate or illegal purpose, including accessing, downloading or disseminating material which is offensive, sexually explicit, defamatory, discriminatory, or racially or otherwise abusive
- Share your login details with others, including colleagues

### What You Should Know

LKQ assets include everything that our company owns or uses to conduct business. Physical and electronic assets such as furniture, equipment, tools, inventory, computer hardware and software are provided in order for you to do your job.

“Confidential Information” means information not publicly available that you either developed or gained knowledge of as a result of your employment or other association with LKQ. Examples of Confidential Information include historical, current or potential business, products, services, plans, strategies, suppliers, business relationships, employees, customers, cost or pricing information, internal deliberations, prospects and business or financial affairs of LKQ.

Where legally permitted, LKQ may review, audit, intercept, access and disclose information processed or stored on LKQ equipment and technology, or other devices with access to LKQ's network.



## Speaking on Behalf of LKQ

### The Policy

Everything we communicate about our company can have an impact on our reputation, coworkers, and brand. We make sure the information we communicate is reliable, consistent and accurate, which is why only certain people are authorized to speak on our company's behalf.

We use social media in a way that's consistent with our values and policies. We never tolerate the use of social media to intimidate, harass or discriminate against fellow employees.

### Your Role

- Do not speak on behalf of LKQ, unless you are authorized to do so.
- When communicating with colleagues, consider carefully which information can be disclosed to whom. Look at it from a need-to-know basis.
- Do not respond to rumors or speculation. If you are asked to comment, respond “No Comment” or “LKQ does not comment on market rumors as a matter of principle.”

### What You Should Know

Users are prohibited from using social media while on work time, which is the time they are engaged in work, unless it is being done for Company business and with the authorization of their supervisor.

You are responsible for what you publish on social media, so exercise good judgment. If you would not communicate it at work, then don't share it online and, more specifically, do not:

- Make comments about co-workers, customers, vendors, suppliers, and members of management that are obscene, physically threatening or intimidating, or constitutes a violation of the company's workplace policies
- Make an intentional public attack on the quality of the Company's products and/or services
- Disclose trade secret information or proprietary information





[www.LKQCorp.com](http://www.LKQCorp.com)

©2020 LKQ Corporation