



Gender Pay Gap Report 2022

LKQ 

| **LKQ**
Bodyshop

| **Arleigh Group**



We are pleased to share the findings of our 2022 Gender Pay Gap for our two UK businesses, Euro Car Parts Limited, which includes LKQ Euro Car Parts and LKQ Bodyshop (formerly known as LKQ Coatings), and Arleigh International Limited.

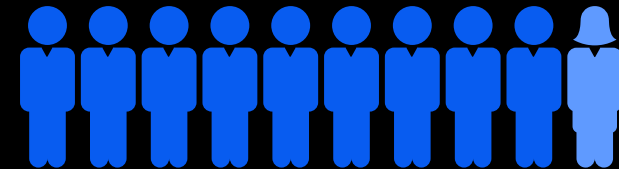
From 2023, we will report combined figures for the whole LKQ Euro Car Parts group in the UK.

This report covers four sets of figures as set out by the government, these are:

- Gender pay gap (mean and median averages)
- Gender bonus gap (mean and median averages)
- Proportion of men and women receiving bonuses
- Proportion of men and women employed within each quartile of our pay structure (upper, upper middle, lower middle, lower)

The gender pay gap is not the same as unequal pay, which is paying men and women differently for performing the same or similar work.

Instead, it is the difference between the average hourly wage of all men and all women across our organisation.





Andy Hamilton, CEO, LKQ Euro Car Parts Group

"I confirm that LKQ Euro Car Parts Group gender pay gap calculations are accurate and meet the requirements of The Equality Act 2010 (Gender Pay Gap Information).

We're really proud to have a Gender Pay Gap that is well below the national average. But we're not resting on our laurels and have made increasing the number of female colleagues in our organisation a strategic goal.

Through programmes like PAVE and 25 by 25 we can build on what we've already achieved as part of the Automotive 30% Club, which has helped reshape the most senior levels of our business.

Our industry has lagged others with its male-dominated culture for too long. It's high time for change and we're relishing the role we're playing in its journey."

LKQ



A Day in the Life: Lorna Barron, Logistics Training and Recruitment Manager



Tell us a bit about your job and your team?

I have a wonderful team of trainers and admin who I love working with daily. As a team we induct new starters, to ensure that their safety is priority to us and to themselves. We also refresh and retrain current members of staff to keep them fully up to speed with all the processes within the warehouses. We also look after core recruitment and host open days to welcome new people into our wonderful world of logistics.

Finally, we create all the communications material for the site, working closely with the communications team. We create front foot logistics for all the colleagues to read on a monthly basis and create the most fun days for everyone to enjoy!

How did you get into this role? Can you talk us through an average day?

I started in T1 as a goods First Line Manager, from there I joined the implementation team and got into the training and planning of the migration from T1 to T2 which, I enjoyed so much. That is why I went for the permanent job as First Line Manager in the training team, and then I was promoted to the shift manager of the department. What really is an average day? I love that no day really is the same.

What's the most interesting/enjoyable part of your role?

Every day is new and exciting. My team are always looking to improve things, and to keep people engaged. I love working with the team I have, and I am incredibly grateful for not only the training team but for everyone who I work with at LKQ Euro Car Parts. We all try and achieve the same result.

What is one piece of advice you would have liked to have given yourself when you were still new to the business?

Believe in yourself! Everything happens for a reason; I am a massive believer in this.

Can you give us a bit of insight into what's coming this year?

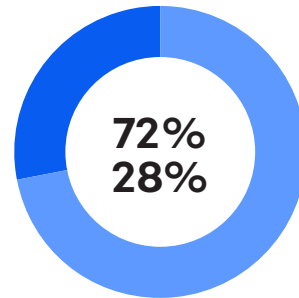
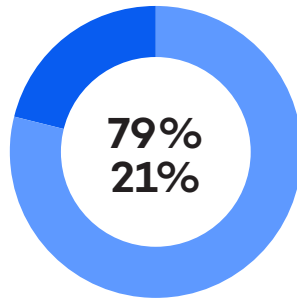
Training programmes are under huge reviews, and we really want to drive a ZAC culture and to do this we really need to dig deep to ensure that the training we deliver is understood, and that our colleagues understand that the promise of keeping them safe comes from them helping themselves too.

Site engagement is also coming up and will be better than any other year! We want to give back to colleagues for all their hard work and commitment, so keep your eyes peeled!

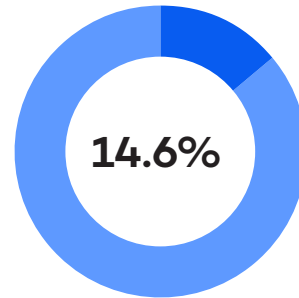
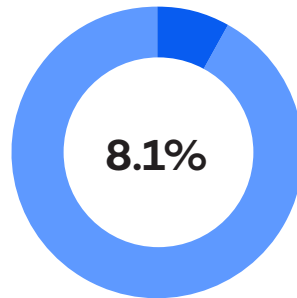
LKQ Euro Car Parts

Arleigh International Limited

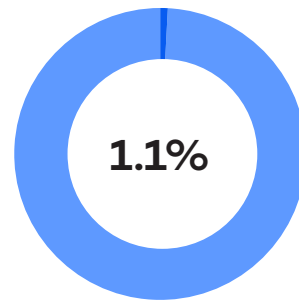
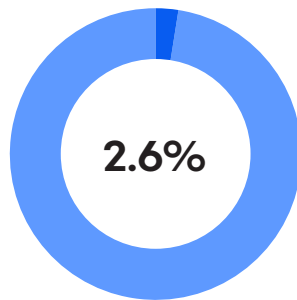
Male to female workforce split



Mean gender pay gap



Median gender pay gap



Summary of our performance

We have made progress in some important areas this year but recognise that we still have much work to do, both as an employer and as a leader within the UK's automotive sector.

Our industry remains one of the most underrepresented by females in the UK economy today, which is borne out in our gender pay gap numbers.

But it is a challenge we are tackling head-on, and we touch on our strategy below.

Our 9,158 strong-workforce at LKQ Euro Car Parts is split **79%** to **21%** male to female, and at Arleigh International Limited its 201 employees are **72%** male to **28%** female.

While both proportions are relatively static year-on-year, we grew female representation in the lower salary quartiles at LKQ Euro Car Parts where the percentage of women in those roles went from **17.2%** to **22.6%**.

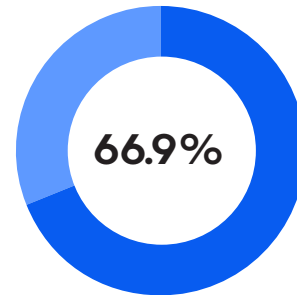
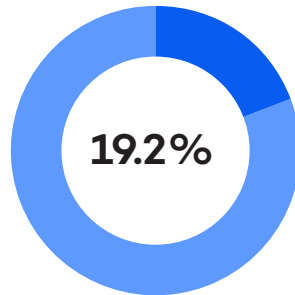
At LKQ Euro Car Parts, both our mean and median gender pay gaps remain significantly below the UK averages (**8.1%** and **2.6%** vs. **14.9%** and **13.9%**).

We are just below the national average for the mean gap at Arleigh International (**14.6%** vs. **14.9%**), though its median gap is way below at **1.1%** vs. **13.9%**.

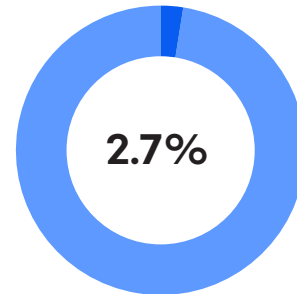
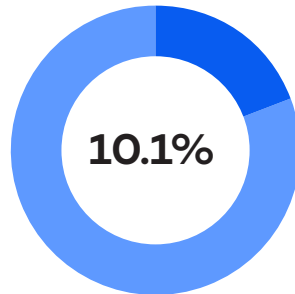
LKQ Euro Car Parts

Arleigh International Limited

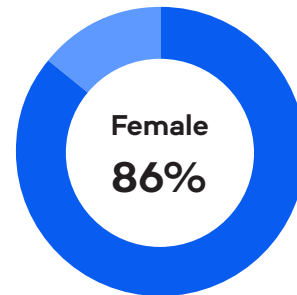
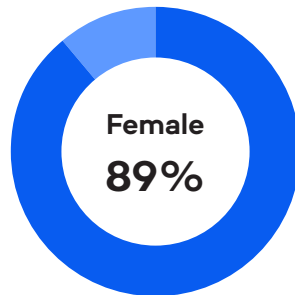
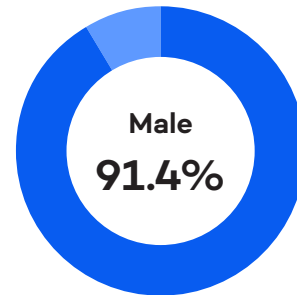
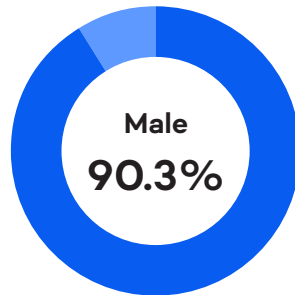
Mean gender bonus gap



Median gender bonus gap



Colleagues receiving a bonus payment



Summary of our performance

On bonuses, we have made improvements at LKQ Euro Car Parts in both the mean and median gaps year-on-year. The mean stood at **19.2%** in 2022 (2021: 31.1%)

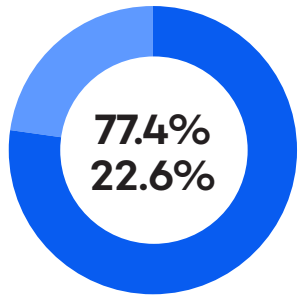
A greater proportion of men and women received a bonus last year at LKQ Euro Car Parts – **90.3%** and **89%** respectively, up from 88.5% and 88.7%.

We also saw an improvement in median bonuses at Arleigh International, where the gap reduced to just **2.7%** from 54.5% in 2021.

LKQ Euro Car Parts

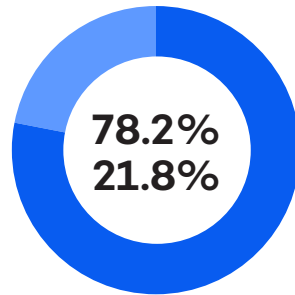
Salary quartiles

Lower male / female



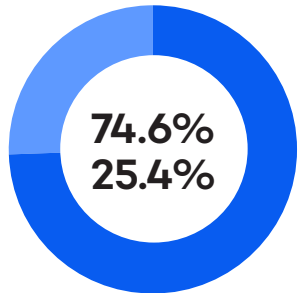
Salary quartiles

Lower middle male / female



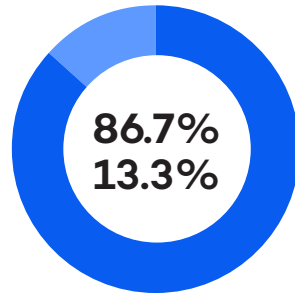
Salary quartiles

Upper middle male / female



Salary quartiles

Upper male / female



Our results:

Euro Car Parts Limited

- Mean gender pay gap – **8.1%**
- Median gender pay gap – **2.6%**
- Mean gender bonus pay gap – **19.2%**
- Median gender bonus pay gap – **10.1%**
- Male receiving bonus – **90.3%**
- Female receiving bonus – **89%**

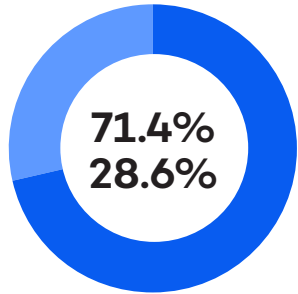
Salary quartiles

- Lower male – **77.4%**
- Lower female – **22.6%**
- Lower middle male – **78.2%**
- Lower middle female – **21.8%**
- Upper middle male – **74.6%**
- Upper middle female – **25.4%**
- Upper male – **86.7%**
- Upper female – **13.3%**

Arleigh International Limited

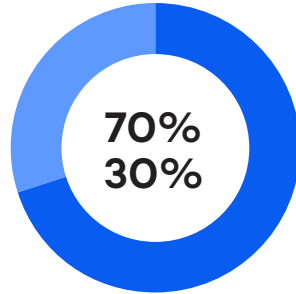
Salary quartiles

Lower male / female



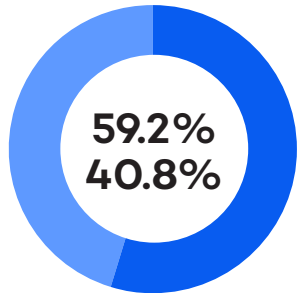
Salary quartiles

Lower middle male / female



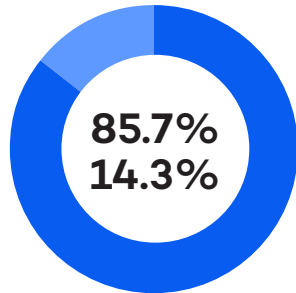
Salary quartiles

Upper middle male / female



Salary quartiles

Upper male / female



Our results:

Arleigh International Limited

- Mean gender pay gap – **14.6%**
- Median gender pay gap – **1.1%**
- Mean gender bonus pay gap – **66.9%**
- Median gender bonus pay gap – **2.7%**
- Male receiving bonus – **91.4%**
- Female receiving bonus – **86%**

Salary quartiles

- Lower male – **71.4%**
- Lower female – **28.6%**
- Lower middle male – **70%**
- Lower middle female – **30%**
- Upper middle male – **59.2%**
- Upper middle female – **40.8%**
- Upper male – **85.7%**
- Upper female – **14.3%**

A Day in the Life: Laura Sabatini, Director of Retail



Tell us a bit about your background – how long have you worked in retail?

I've been working in retail for my entire career, but in different areas. I started in commercial finance as I graduated as an economist and also completed a Master's in Finance and Investment.

I gradually moved into product and merchandising also covering demand planning. Now I head of the retail channel where I'm fully responsible and accountable for the P&L and growth of both top line revenue and overall margin; as well as developing the strategic plan for the business.

What have been some of the most important accomplishments of you and your team?

Everything that we do in the channel we do as a team. For me, it is very important that every team member knows how vital their contribution is. Last year we introduced Retail Champions across the entire network with the aim of creating better links with branches so that we can better support them and list to them directly. We also introduced our new retail proposition: "Great Value Always", disrupting the market by providing transparency and clarity on pricing.

This year B2C has some really exciting projects! This includes introducing our new component brand Audura, getting even closer to our branches through customer sentiment and leveraging our data by using new systems and applications in order to make our online experience even better.

What's the most interesting bit about your job?

It's going to sound cheesy but... I really like how retail can be such a vibrant, fast paced environment. Having the ability to directly impact and influence customers' lives is very rewarding.

What advice would you give to yourself if you were just starting out in your career?

Be your authentic self, believe in yourself.

Tell us about your goals for the future?

Continue to support the channel throughout its transformation both online and offline. There is so much innovation coming our way, and personalisation will play a key part on it.

Closing the gap

Addressing the gender inequality in our business, and the wider automotive sector, is a strategic priority for LKQ Euro Car Parts.

It is only through helping address this challenge that we can improve our Gender Pay Gap performance, which is held back by the imbalance of male and female colleagues.

In March 2023, we unveiled a major commitment – 25 by 25 – as part of our long-term strategy to boost female participation.



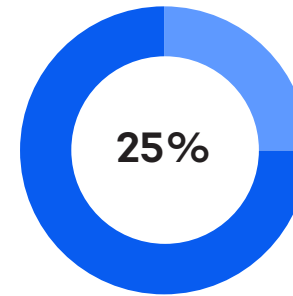
Under 25 by 25 we have made it our goal to increase our share of female colleagues to **25%** by the end of 2025. This will entail hundreds of new hires over the next two years.

We're backing 25 by 25 with some key investments into our workplace and our culture. This is being supported by our PAVE (People Adding Value Everywhere) internal taskforce.

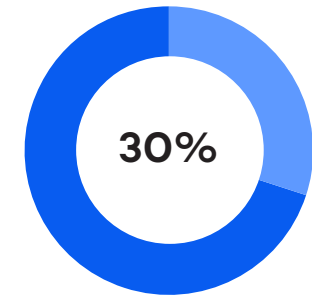
Our approach includes workstreams that are focussing on increasing female representation in our business by making LKQ Euro Car Parts a more attractive place to work, creating tailored talent and career pathways to retain and develop our people, and changing our culture to support, develop and empower our colleagues to bring their whole selves to work.

We're also proud to play an active role in the Automotive 30% Club, an industry-wide commitment to see at least **30%** of key leadership positions occupied by women by 2030. We have already surpassed this within our executive team, with 40% of roles currently occupied by female colleagues.

Goal:
Female colleagues by 2025



Goal:
Female key leadership roles by 2030

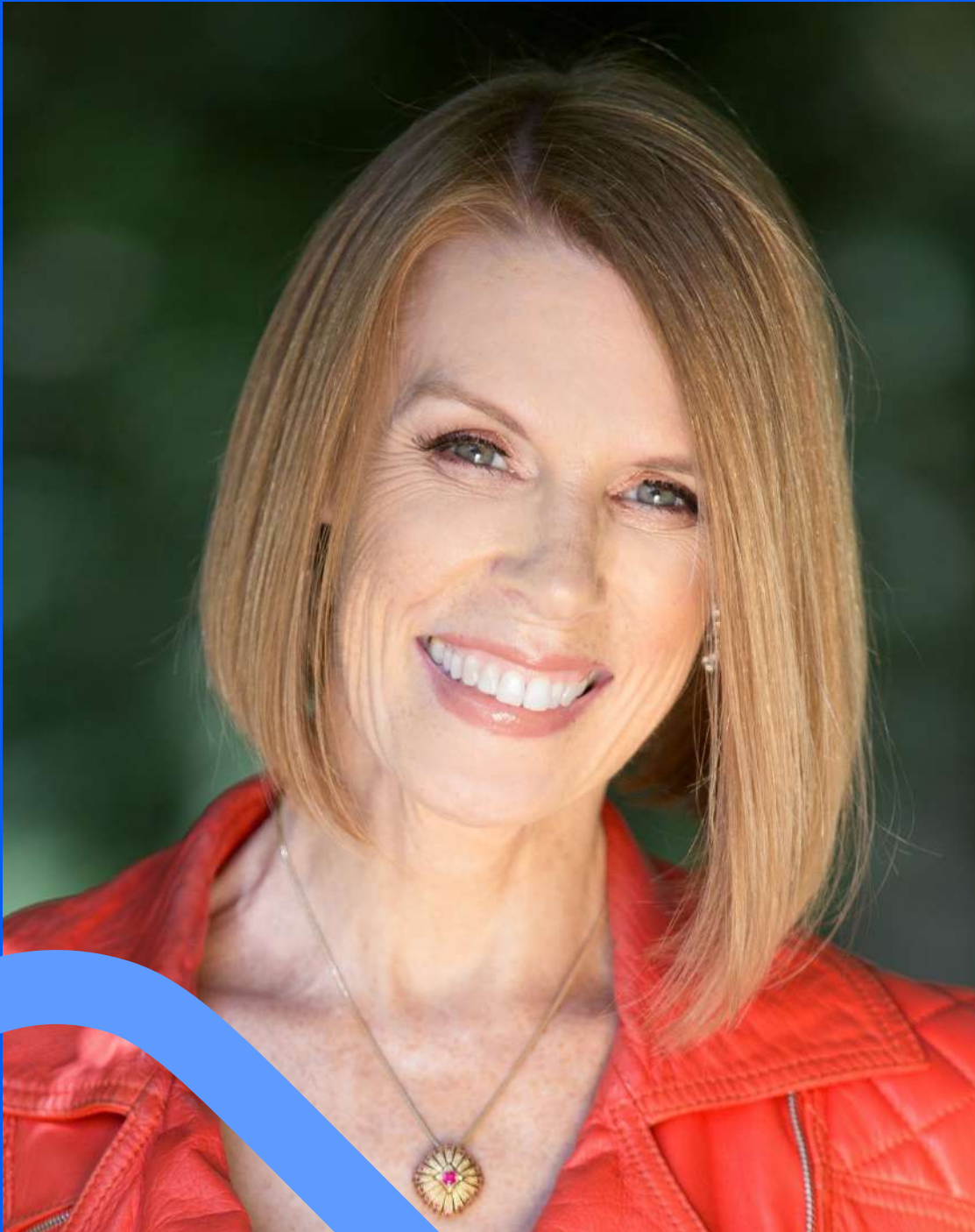


A lack of diversity is innately unfair, and it's not good for business.

Improved commercial performance is something we've seen in our business as female representation has increased at a leadership level.

And that's on top of the benefits in terms of our culture, health and safety record and thought leadership.

25 by 25 is ambitious, but we believe it's achievable. And we're motivated to work hard at it.



Donna Fearnley, Group HR Director, LKQ Euro Car Parts

“Attracting more women into the industry is a big challenge, but so is retaining the female talent it already has by helping them to thrive.

A recent study from Deloitte found that 40% of women in the automotive sector would choose a different industry if they had their time again. Stats like this should prompt some serious self-reflection right across the sector.

Our journey towards creating a culture in which everyone can flourish - no matter their identity or background - involves a look at how we operate at every level, from the strategic down to the granular.

For example, one area we have identified within our day-to-day practices is unconscious bias. This often manifests itself in the use of gendered language - without any malintent - between colleagues.

Tackling many of these everyday issues in aggregate, coupled with some bigger transformations, will help us create the exciting, inclusive culture we need to retain, keep and grow a talented, more diverse team.”

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