

# Inter Cars Group Sustainability Report 2021

Report on Non-financial Information of Inter Cars SA  
and Inter Cars Group

GRI [102-1]

28<sup>th</sup> April 2022



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# Introduction

## Letter of the President of the Management Board, Maciej Oleksowicz

Together We Create,  
Support, Deliver

GRI [102-14]

Ladies and Gentlemen,

We have been through yet another year full of variable factors and unexpected turns of events, a year that taught us many new processes and how to dynamically respond to market changes. We have yet again passed the exam as an organisation. Not only did we maintain the position of leader in Poland, but also consistently expanded operations on our markets. On the European aftermarket, Inter Cars has gone up in rank to come in second in terms of turnover. We increased headcount, and gave greater prominence to areas associated with environmental and social factors management. We continue to deepen our specialisation in segments, and we also continue to invest heavily in process digitalisation and optimisation.

Every year we are becoming a company with a growing international presence.

### Introduction

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The Inter Cars SA Group

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Basis of the report

However, we do not forget our roots nor our employees, because it is they who have always been of the highest value to us. In 2021 we successfully communicated our new Group mission, the action “Together we create, support, deliver”. It is a year-round initiative whose overarching objective introduced customers to a variety of opportunities that cooperation with Inter Cars provides. It is a reminder campaign, as many customers well know that we have the most comprehensive offer on the market and we deliver on time. With this campaign, we strengthen our brand, showing our customers the specific advantages of helpful solutions in the daily running of a car service, and our actions are based on sustainability. We started communicating the new tagline with a part devoted to partner relations as they are at the core of our business strategy. We take care of and nurture relationships with our customers, suppliers, employees, as well as local communities which are also crucial for our business perception.

The twelve months of 2021 were a period of important changes for the market of spare parts. They were significantly impacted by Covid-19-borne disruption. Difficulty sourcing components, interrupted supply chains and, consequently, problems with the availability of new cars had market-wide repercussions. The problems mainly

affected the manufacturers’ and not necessarily distributors’ core businesses as car parts are the basic commodity for price flexibility, offer which Inter Cars has, and it is not high. Owing to such a broad offer Inter Cars has, we are able to provide mobility to consumers and business entities alike.

For Inter Cars it was also a time of challenges, however, thanks to reasonable optimisation, rapid and accurate decisions, we emerged from this ordeal unscathed. One might say, we already sort of grew accustomed to living in the new reality. We learned how to work hybrid, we moved a substantial part of our meetings to the on-line world, developed e-tools and programmes to order parts, we invested in digitalisation and we increased our share in the e-commerce market in Poland and abroad. The latter was not always easy, we had to learn many processes from scratch, still, time showed that we managed to face up to that challenge. We have invested much time and work in these areas and we can already reap the fruits.

By the end 2021, we were present in eighteen countries Europe-wide in which we were involved in on the ground sales with the use of branches (a franchise model). Globally, we export our goods to more than thirty countries. In recent months we have made considerable

outlays to develop modern electronic tools necessary for effective business of sales and spare parts assembly. The implementation of Inter Cars e-catalogue on the Polish market is growing ever more intensive. It is a comprehensive tool but for which it would be difficult to imagine a modern garage nowadays. Every month the application is being enhanced with new functionalities thanks to which an increasing number of our customers are coming to use it. It is a user-friendly programme, very intuitive and, primarily, available in a mobile version, which ensures more flexibility when searching for and ordering parts. We are now also introducing considerable improvements in customer phone service, and we also create new contact channels, like chat, voice bot or video.

For years we have been building a company based on social and economic values, partnership with employees, customers, suppliers and all the other stakeholders. Partnership, which is heavily pronounced in our organisational culture, manifests itself the most in the franchise system which we have successfully been pursuing from day one of the company's existence and which has helped us to build such a strong market position.

Geographical expansion will not be our priority in the near future. We will focus on markets in which we are present already

and it is there that we we would like to strengthen our leading position in each of the segments. Owing to specialisation in selected areas, our company management strategy improves operating efficiency and translates into greater flexibility. At the same time, thanks to cross-selling our products, it is possible for us to achieve synergy not only in terms of costs but also revenues. In 2022 we are planning to open a dozen new branches in countries in which we run business. In Poland, we will continue to focus on improving and unifying the standards of already existing establishments.

Given the automotive market perspective, in 2022 the aftermarket looks optimistic, we envisage a continuing upward trend. Certainly, the war Russia began in Ukraine remains a serious risk factor. Problematic availability of new cars, a high demand for spare parts in garages (which is due to households accumulating savings during the pandemic), realisation of expenses postponed during the pandemic, all of this operates in our favour. In most countries we are growing faster than the competition, which is possible thanks to the advantages that the broad offer and available parts provide. It has always been our strategy to offer numerous alternative products from various suppliers, in various price variants. In this way, today we are positive we guarantee the best possible availability.

High inflation in the region and rising business costs remain an element of uncertainty. Thus, business owners are forced to seek savings and reduce investment. In our opinion, high inflation nevertheless poses a greater challenge for car manufacturers than parts distributors. Buying a new car is still quite an expense for each household or business. Our observations show that as a result of interrupted supply chains and a shortage of semi-conductors, the availability of new cars is continuously declining, which is manifested by the data on new car registrations. A permanent trend is to extend the service lives of cars that people already own. Thus, we notice a rising demand for the sales of parts, which translates into improved dynamics of our sales.

In pursuing our Sustainable automotive for people and climate - 2020+ Sustainability Strategy, we consistently spare no effort to position ourselves among a group of modern, innovative companies which take care of the natural environment. Together we create, support, deliver – is not only a tagline, but an array of opportunities which also translate into environmental protection. Internally, we run analyses showing which processes and to what extent they affect the surroundings and how we can optimise them. We have introduced reusable packaging, we modernise our logistics to impact the natural environment as little

as possible. Last year we tested small electric trucks. If we decide to incorporate them into our logistic process, we will ensure that the electric current necessary to charge them comes from renewable energy sources.

We also encourage our customers to undertake pro-environmental activities, be it by participation in Bio Service, a project in which we make sure that used parts (including oils, batteries or tyres) are properly collected from garages and transmitted for professional disposal. 2021 ushered in a considerable acceleration of the EU decarbonisation policy, which is manifested in, among others, the European Green Deal and Fit for 55. These are a number of changes for businesses which are globally responsible for a substantial part of the global emission of exhaust gases, hence have a decisive role to play in reducing them. By the efforts of the entire Group we undertook a process of calculating the carbon footprint in the value chain. In 2022 we are planning to set ambitious objectives and a detailed decarbonisation plan.

Last year we additionally strengthened our efforts in the area of sustainability by setting up the Inter Cars Foundation. Its mission is to support accessible, safe and responsible mobility for people and climate. We decided to launch an employee volunteer programme within

the Foundation, and we also became involved in a lot of social actions. Events in Ukraine and Russia's armed attack on Ukraine also made the Foundation decide to channel its efforts into helping our friends in Ukraine. We have hosted fundraisers and collections of goods, we have helped transport medications and medical equipment, we have also supported the staff of Inter Cars Ukraine in finding a new workplace, and we have helped their families find a new home.

The situation in Ukraine showed we have to be prepared for a variety of scenarios, still, we are unable to predict certain sequences of events. Pandemic, war – these are factors which make running a business immensely difficult. In an unstable environment, it is difficult to look forward.

However, we do believe we will be able to outgrow the market and that in each of the countries in which we do business we will strengthen our leading position. It is our business goal for the upcoming years. I would also very much like us to continue to foster a partner business attitude with respect to our employees, suppliers and other stakeholders. I have every confidence that a dialogue, sincerity and trust are the foundations able to support even the most massive building. Without them, Inter Cars as we know it would not exist.

Ladies and Gentlemen,

to sum up my letter, on behalf of myself and the entire team of Inter Cars Group Employees, let me express my thanks to our customers and Partners for their cooperation, and to our Shareholders for the trust and motivation which drive us every day to act effectively.

Yours sincerely,



**Maciej Oleksowicz**

President of the Management Board  
of Inter Cars SA

## Interview with Krzysztof Soszyński, Vice-President of the Management Board of Inter Cars SA

GRI [102-15]

### We Support the Long Life of Cars

#### What is electromobility?

Electromobility is a set of issues on the use and exploitation of electrically powered cars. This definition applies to technical and operational aspects that include electric cars, charging infrastructure, and technology. It is not only about the final product, but also about the measures associated with manufacturing these goods, their servicing, as well as, finally, disposal or remanufacturing.

There are currently at least several electromobility trends on the market. It is very difficult to pinpoint one leading trend which can definitively be identified right now to stay with us for years to come. We are in an interim phase which, like in other industries, will create a new standard to stay with us for longer. The fact is, however, that zero-carbon is a direction that should be accepted by the inhabitants of the entire globe if we want to take care of our planet and create a liveable place for the next generations. We should act on consumers' awareness.

Renewable sources and clean energy, responsible forest management policy and due care for soils, as well as technologies enabling the capture and storage of carbon dioxide, which we also need, are additional factors which should be included in a debate on the future of our planet and our responsibility for it. It may seem abstract today, but I am able to imagine a scenario in which we use clean energy and any environmentally hazardous waste is taken beyond the Earth's orbit to a safe distance and disposed of there.

#### Is the world ready for it?

Today's economic policies in most parts of the world are based on maximising demand and allocating funds to the most lucrative places in terms of generating return for their owners. Almost every industry impacts the environment. There are a multitude of factors which must be changed or even removed so as to take better care of our planet. On the other hand, people's habits come into play. Society does not like being ordered around or deprived of something, it often ends up in revolutions. That's why we need to ask ourselves where to start in order to begin this revolution in thinking, and to implement it in our daily lives at an evolutionary pace, with respect to all market participants.

### What will further changes look like?

If we look at the broadly understood automotive industry, both Inter Cars and the whole independent market may play a key role in low emissions or in balancing this factor. Let me present it in a moment. My point is, we're talking more evolution than revolution. It would be difficult to talk the entire society into suddenly turning to solutions considered ecological only. They are often financially unaffordable. I am positive that the stakeholders will be opting for solutions which are achievable for them and economically secure. The pandemic period clearly showed that if people feel threatened, they will turn to their own car to protect them rather than a cheaper, yet more risky, alternative that is offered by public transportation. Obviously, certain changes are unavoidable. The development of some technologies will be picking up speed and this is happening now. The number of new makes of electrically powered cars is rising, new subsidies are emerging, the infrastructure is expanding. It is far easier to buy a new electric than a combustion engine car today. Car sharing fosters the accessibility of cars. Various subscription forms enable the same resources to be accessed by a growing number of people. In the future, a car may be owned by dedicated companies who lend us the vehicle, service package included. In Western Europe, a place with higher affluence, this will come earlier. Central and Eastern Europe is having its additional, proverbial moment. In this way, Inter Cars has an opportunity to

prepare adequately, drawing on the above knowledge.

### What triggered the market changes?

There are a number of reasons. It is often so that the prices of electric cars are higher than those of traditional vehicles with combustion engines. However, if you buy the former, it is often so that various extra charges come in. A high price is also a guarantee of the manufacturer's high profit or an opportunity to balance, as car manufacturers have some quota imposed on them: how many and what type of cars they can make to balance their carbon emission and footprint. I have every confidence that, being an independent manufacturer, we perfectly fit in with the idea of reducing carbon footprint.

### How? After all, used cars seem to be much less ecological...

First of all, we supply parts for cars which have already been manufactured, which means, the operation related gases have already been emitted. If we want to contribute as little footprint as possible, we need to prolong the car's life. What we need here is research in this area. We cannot just stand by and think our mission is over. Obviously, there is one condition. The car must be in a relatively good condition.

What does it mean? Without going into too much detail, we must ensure that the users are guided by prevention, and not reaction. If we could come up with products really effective at reducing the emissions of combustion engines, there would certainly be a huge number of volunteers to use this alternative. Consequently, it would not be necessary to manufacture new cars nor to worry about the carbon footprint. One of these solutions is to replace the combustion engine with its electric counterpart also for used cars.

### Certain manufacturer groups are already announcing a purchase of used cars and their restoration to the original condition. It fits perfectly with the trend.

That's right. It is certainly an excellent marketing move for such entities and it may also entail an economic value. It will be up to the market to test. Still, it is an immense benefit to the environment and very good news for independent distributors of parts, remanufacturers, and the repair chain. There are 18 000 garages in Poland which know cars and know how to repair and service them. Owing to a wide range of products and services and geographical coverage, we provide the drivers with car servicing near to where they live, based on "one the stop shop" principle. We supply the garages with all the necessary parts, components for repair, and we also support mechanics in obtaining know-how while minimising

the number of "touches" of goods and necessary transports.

Furthermore, by reference to the circular economy, we should expand the process of regenerating particular elements. There are components in cars which could be revitalised. A massive topic yet to be addressed is logistics and manufacturing/regenerating parts in closer proximity to their distribution centres. The pandemic has shown how interrupted supply chains impact parts availability. Many people bring up higher costs of transporting components/parts, from China for instance. In turn, not many touch upon the related CO<sub>2</sub> emissions. The younger generations will be looking to these factors to be incorporated into the array of products offered. So, there is no need to create new components and increase the carbon footprint.

Yet another task is to legislatively validate the unification of parts and the access to them. If an independent market is able to identify particular parts, formation of monopolies will be prevented. And monopolies are not good for consumers nor the environment.

**How?**

Let's take, for instance, mobile phone chargers. We all remember those days when manufacturers would come up with separate standards for their power ports, changing them, as if "by the way", with the release of new models. Useless chargers ended up on shelves and the manufacturing of new ones was a burden on the environment. Consequently, if each producer had a different vehicle charging port, the same problem would emerge. First and foremost, unification and standardisation level out the adverse carbon footprint. In addition, wide access encourages the use of the solutions proposed.

**So, what will the electric car market be like in the upcoming years?**

In Poland, the fleet of purely electric vehicles is 20 137 cars, which accounts for a large increase (as much as 50% y-o-y). The other vehicle group is hybrid cars which are still combustion engine-powered (20 737 cars). It shows, the market is changing and so is its structure. We may reach a point where the increase is exponential, still, we need to remember that there is still a debate under way as to how much it will impact the environment. Access to raw materials is becoming increasingly more difficult and it is more conspicuous today than ever before. We may be able to create technologies which will not be a drain on the Earth's

resources. At most, they will enable using the minerals sourced so far as effectively as possible. I would not completely write off combustion engines. Yet again let me take a slight glance into the future, that is, a no-emission combustion engine, for instance, one powering electric engines on longer distances, seems to be a really interesting alternative.

**Will companies like Inter Cars also be beneficiaries of these changes?**

In this context, if we looked broadly at the products available in our sales chain, we would be able to divide them into three groups: universal products, that is, used in cars with any propulsion. Examples include suspension, damping, wipers, bearings, tires, visual parts, sensors, radars. The second category is made up of products used in modern hybrid or electric cars. An example is the first category products which require that the garages have additional skills (trainings in repairing cars fitted with high-voltage systems are necessary and we have such on offer). The third category are products the sales share of which will be shrinking. What I mean is, for instance, engine parts. We have been observing this from the very beginning of our organisation. Some products enter the market, some fall into oblivion and become special order products. "Oldtimer" parts are an example. In this way, there is truly a wide range of opportunities opening up for the

independent aftermarket. If we take into account our extensive distribution chain, effective logistics, relations with various groups, we will discover that Inter Cars, being an independent distributor, is an ideal partner for creating and providing innovative solutions and business models which may contribute a new quality.

**How can garages prepare for this change?**

As an industry leader, we are in close contact with the producers of particular elements. Our suppliers include leading companies which supply original equipment components. The same components are also available in our broad offer. It is in the interest of these companies for the mechanics to be well acquainted with how the cars using the companies' parts should be serviced. Being a trusted partner, we provide a connection between them and our customers and we are sort of in charge of knowledge transfer, which means, for popularising certain standards. Ultimately, the more accessible the service of electric cars, the cheaper it becomes, which entails increasingly more drivers opting for such cars.

For the time being, the market is undergoing an evolutionary change. It is worth comparing the volume of cars manufactured annually to the number of cars on the roads. It takes years for us to change the structure. Currently, cars

may be sold over the Internet, in various models. And, in the end, they have to be repaired. The research clearly shows we are unwilling to go to a service centre further than 50 km or 60 minutes away. Hence, the authorised car manufacturers chain is in for a revolution. Independent, change embracing garages may be given another opportunity to repair new cars during the warranty period. It particularly concerns new makes which will enter the market.

Our mission is to integrate the environment and create novelty business models. We do not intend to stand by and just look at the process without acting pro-actively. We observe trends, and respond quickly as the past has shown. We currently support the long life of cars as this is what seems the most ecological approach for now. At the same time, we support new initiatives and prepare for an exponential change. It is easier in distribution than in production. We are optimistically looking forward to the future.

**Krzysztof Soszyński**

Vice-President of the Management Board of Inter Cars SA

# 01

## Key facts and figures for 2021

# Inter Cars SA Group

GRI [102-7]

In this chapter:

- ⊕ Mission, vision and strategy of Inter Cars Group
- ⊕ Market position
- ⊕ Business model description

**2<sup>nd</sup> place**  
in Europe

**550,000** SKUs

**20** markets across Europe

**3,780** employees in the Group

**578** branches across Europe, 240 – in Poland

**468** Q Service Castrol garage chain

**10** warehouses in Europe (excl. Poland)

**11** warehouses in Poland

**300,000 m<sup>2</sup>**  
warehouse space



## Inter Cars Group SA – summary

GRI [102-2] [102-5]

### Inter Cars Group

For many years Inter Cars Group has been the leader in the distribution of spare parts for passenger cars and trucks on the Polish automotive market. The company carries out over 2 million spare parts for passenger cars and trucks, but also for motorcycles, farming and industrial machinery, as well as accessories for drivers.

The Group is also simultaneously growing in numerous European markets. Present in over 20 countries in Europe, the Group holds a leading position in CEE, is the runner-up for the whole continent and ranks 8th globally. 2021 was the 31st anniversary year of Inter Car's market presence.

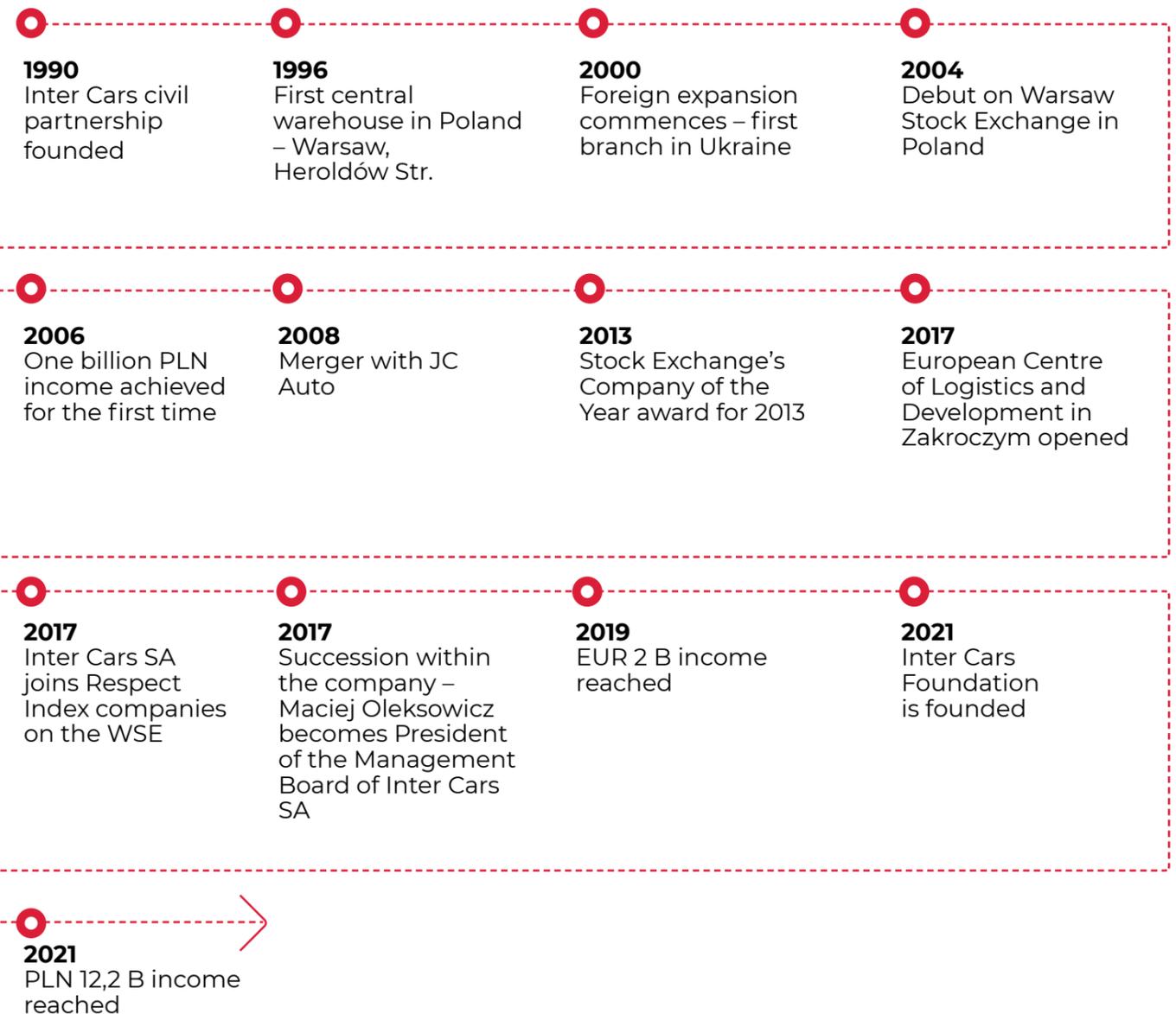
## Our mission

Investing in development to deliver innovative and comprehensive solutions for garages and drivers. We offer secure, predictable collaboration and a common future. We guide clients through a process of dynamic changes in the IAM market.

## Inter Cars Group history

The company was founded in 1990. Its founders – Krzysztof Oleksowicz, Piotr Oleksowicz and Andrzej Oliszewski – aimed high from the very beginning. They started with the position of the domestic market leader in the distribution of spare

parts. The roots of success were the values closely followed by the founders, now known as the original values of Inter Cars. Passion and commitment, partnership and entrepreneurship have become beacons for all collaborators for many long years.



## Inter Cars Group companies

GRI [102-1] [102-2] [102-4] [102-5] [102-6]

21 distribution  
countries

18 expert markets

Inter Cars is an extensive chain of modern logistics centres across Europe, capable of quickly and efficiently distributing goods on all markets where we are present.

300,000 m<sup>2</sup> – the total warehouse space of Inter Cars Group in Europe

10 warehouses in Europe (excluding Poland)

200,000 m<sup>2</sup> of warehouse space in Poland

11 warehouses in Poland



## Inter Cars major warehouses

### Riga

A warehouse directly serving the Latvian and Estonian markets, along with clients from Sweden and Finland.

### Kaunas

A warehouse directly providing goods to the Lithuanian market.

### Czosnów

A warehouse for European clients receiving body parts and glass panes.

### Komorniki

A warehouse dedicated to clients from Western Europe.

### Sosnowiec

A warehouse for clients from southern Poland and shipping to Southern Europe.

### Nupaky (Prague)

A warehouse dedicated to the Czech market.

### Budapest

A warehouse working with Hungarian clients.

### Zagreb

A warehouse dedicated to clients from Italy, Bosnia and Herzegovina, Slovenia and Croatia.

### Zakroczym

Inter Cars main warehouse working with clients from central, northern and eastern Poland, but also shipping to Ukraine, Lithuania, Latvia, Estonia, Finland and Western Europe.

### Gorenka (Kyiv)

A warehouse specifically working with the Ukrainian market (destroyed during the war in 2022).

### Braşov

A warehouse for Romanian, Bulgarian and Greek buyers.

### Elin Pelin (Sophia)

A warehouse for clients in Bulgaria, Greece and Serbia.

### Larissa

A warehouse dedicated to the Greek market.

**GRI [102-5]**

Apart from Inter Cars S.A. and foreign distribution companies, the Group is composed of:

**ILS**

A company responsible for providing comprehensive logistics services, covering the warehousing and handling of goods for Inter Cars Group companies and external clients.

**Feber**

A vehicle production facility founded in 2004. The company builds and sells articulated tipper trailers from 24 to 76 m<sup>3</sup> capacity and specialized trailers for hauling scrap, Heitling silo trailers, trailers with moving floor, low bed trailers and container trailers. Feber is the exclusive representative of Legras in Poland, a renowned builder of specialized articulated trailers. Feber's quality is backed with e9 homologation and 24-month warranty. The company also rents vehicles and carries out post-accident repairs.

**Lauber**

Lauber specialises in refurbishing vehicle parts, allowing the clients to avoid purchasing costly, new parts and scrapping old ones. The quality of the refurbished parts is indistinguishable from brand new parts.

**Q-Service Truck**

A specialised automotive garage for inspections and repairs of utility vehicles: trucks, trailers, articulated trailers and buses. The company is also an authorised dealer of Isuzu vehicles and operates its own showroom and service garage. It is also an authorised repair garage for ZF gearboxes. Since 2019, Q-Service Truck has also been responsible for the distribution and development of Ford Trucks dealerships in Poland.

**Inter Cars Marketing Services (ICMS)**

A company tasked with integrating and maximising the efficiency of communication and image building efforts of Inter Cars Group.

**Inter Cars SA**

Parent company

33 Daughter Companies

2 Indirect Subsidiaries

As of December 31, 2021, the Company has held 50% of shares in **Intermeko Europe**, a joint-venture formed to monitor the quality of products in a laboratory setting.

**New acquisitions**

In August 2021, Inter Cars Norge AS from Norway was acquired. The company's HQ is in Oslo and the company's business is the distribution of spare parts and accessories for cars, buses and motorcycles. Additionally, in August 2021, CB Dystrybucja was founded in Warsaw, whose core activity is the optimisation of business processes within the Group.

**Membership in organisations****GRI [102-13]**

Sharing knowledge and empowering the voice of the automotive industry within a regulatory forum are the reasons behind our active membership in the **Association of Automotive Parts Distributors and Manufacturers (SDCM, Stowarzyszenie Dystrybutorów i Producentów Części Motoryzacyjnych)**.

SDCM is the Polish voice of the automotive industry, an organisation bringing together 154 major representatives of the automotive parts industry, representing the interests of production, trade and service businesses

with a total value of PLN 140 B annually, who employ 330,000 people. SDCM is a member of the largest European organisations – CLEPA (European Associations of Automotive Suppliers) and FIGIEFA (European Federation Of Automotive Aftermarket Distributors).

The body associates and represents international automotive businesses that invest hundreds of millions of PLN in Poland. SDCM's information activities are mainly directed at the representatives of public administration and other bodies participating in the process of law-making and shaping public opinion.

SDCM's other task is to analyse the possibility and validity of launching educational and information campaigns aimed at the general public.

Krzysztof Soszyński, Vice-President of the Management Board of Inter Cars SA, also serves as the Association Board's President and is actively engaged in the organisation's work.

**GRI [102-12]**

In December 2018, the Warsaw Stock Exchange announced the new composition list of the Respect Index companies, including Inter Cars SA. The composition list remains valid for the year the company is indexed. The Respect Index lists companies that do business responsibly and show the highest liquidity, i.e., ones that are listed on WIG20, mWIG40 or sWIG80. In August 2019, having noted the increased importance of ESG criteria in selecting companies for the investment portfolio, WSE made a decision to publish a new index, WIG-ESG, to replace the Respect Index. The WIG-ESG portfolio included all companies listed in WIG20 and mWIG40. The verification of the level of satisfaction of ESG criteria is carried out by means of reports, prepared by Sustainalytics, and the extent of the satisfaction of the code of good practices.

Inter Cars SA was one of the companies which satisfied the criteria defined by WSE.

Inter Cars SA's place in WIG-ESG clearly shows how attractive our company is for investors. Our care for investors is reflected, amongst others, by: high quality reporting, the quality of investor relations and information governance. We wish to be a partner for professional investors and we treat our presence in WIG-ESG as a mark of prestige.

**Awards and distinctions**

In 2021 Inter Cars SA was awarded numerous awards and distinctions by prestigious business institutions and periodicals. Here are several selected awards received by the company and its representatives in Poland.

**Polityka's Srebrny Listek (Silver Leaf) CSR 2021 for Inter Cars**

Once again, Inter Cars SA was named in the prestigious list of companies distinguished by the weekly Polityka, which, in collaboration with Deloitte and the Responsible Business Forum, awards organisation that work towards corporate social responsibility. The annual review focuses on specific actions related to the environment such as corporate governance, human rights, behaviour towards employees, environmental protection, customer care, business integrity and social commitment. The 10th edition enjoyed a record number of applications and granted awards. As many as 124 complete surveys were received. Of those which applied, 92 companies were distinguished. Half of them were awarded Biały Listek (White Leaf), 24 – Srebrny Listek (Silver Leaf) and 15 – Złoty Listek (Golden Leaf).

**The Investor in Human Capital 2021**

This exceptional award is granted on the basis of employees' opinions about their employer. It was first awarded in 2002 and is thus Poland's first award in that category. The Investor in Human Capital programme distinguishes companies for their superior HR policies. The anonymous employee satisfaction and engagement survey considers numerous factors, all subject to close scrutiny. The results of employee satisfaction studies serve as a basis to distinguish organisations that satisfy the highest business standards and take special efforts aimed at employee development and satisfaction.

**Highest Quality HR**

An award granted for exceptional organisation of personnel policy, setting trends in human capital management and promoting high standards within HR.

**Wprost Polish Ambassadors**

This ranking placed us on the 35<sup>th</sup> position. Such a high position only confirms Inter Cars to be an increasingly potent player in foreign markets.

**300Gospodarka – The ranking of the most influential people in the Polish economy**

Maciej Oleksowicz, President of the Management Board of Inter Cars SA, named among 200 most influential people in the Polish economy. The list was compiled by three economy editorial teams: RMF FM, money.pl and 300Gospodarka.pl.

**The Diamonds of the Polish Economy 2020**

Among 85,000 Polish companies, whose financial results were analysed by the European Business Institute in March 2021, the title of the Diamonds of the Polish Economy 2020 was awarded to around 8,500 companies from the Masovia region. The analysis was conducted on the basis of the National Court Register. Following the effort, the European Business Institute created a ranking list called "the Diamonds of the Polish Economy 2020", with Inter Cars ranked 52<sup>nd</sup>.

**200 Largest Polish Companies by Wprost Weekly**

Inter Cars, the leader in automotive spare parts, was naturally on the list of the 200 largest Polish companies, compiled by Wprost. This time, the company ranked 6 places higher, breaching into the top 20 of the list, ultimately placing 18<sup>th</sup>.

### “The 500 List” by Rzeczpospolita Daily

The ranking was made on the basis of an analysis of the financial data of the included companies. The list ranks the 500 largest Polish enterprises, with Inter Cars placing 39<sup>th</sup>, one place higher than in the previous year.

### TOP 500 CEE 2021

The 16<sup>th</sup> ranking of the largest Central and Eastern European companies TOP 500 CEE 2021 was created by Coface, in collaboration with Rzeczpospolita daily. The ranking presents the region's 500 businesses and capital groups which recorded the highest turnover in 2020, in absolute terms. For capital groups, the list showed consolidated data of their respective subsidiaries, with the goal of demonstrating the real significance and power of the region's biggest organisations. Inter Cars Group considerably improved its standing to reach 70<sup>th</sup> place, 14 places higher than previously.

### “The Biggest by money.pl 2021”

A list of the largest industrial and service businesses operating in Poland. The ranking does not take into account any financial institutions such as banks, insurers, investment fund companies, universal pension funds, educational institutions or hospitals. Inter Cars placed among the ranking's leaders, in 32<sup>nd</sup> place.

### “1000 Largest Companies in Poland” by Gazeta Finansowa

According to Gazeta Finansowa, Inter Cars is one of the most important Polish companies and made its way into the gazette's annual ranked list. The 1000 Largest Companies in Poland is the most extensive ranking published by Gazeta Finansowa and one of the biggest in the Polish press. Inter Cars placed 43<sup>rd</sup> in this ranking.

### Polish Cheetahs 2021

Wprost weekly compiled the Polish Cheetahs report, listing 50 companies enjoying the highest rate of growth, selected from the ranking of 200 largest companies. Inter Cars was one of the distinguished brands and placed 26<sup>th</sup>.

## 1.1. Business Model

Inter Cars is Europe's second largest distributor of automotive spare parts, ranking first in terms of parts for utility vehicles. It is also the world's seventh largest company in its market segment. The group sells products and services via 578 local distribution outlets across Europe.

Inter Cars is an international group encompassing 36 capital companies – 33 of them independent and 2 directly dependent, including 20 distribution companies. The Group's key entity is Inter Cars SA, a distributor of spare parts. Inter Cars S.A. HQ is located in Warsaw. The company has been listed on the WSE since 2004.

### Key financial and non-financial data for 2020–2021

Inter Cars Group's activity does have an impact both on the Polish economy and on the economies of the countries where it operates. The Group's income tax for 2021 was PLN 178 M. We are also aware of the role we play in shaping these markets – both as a preferred employer and a reliable business partner for smaller enterprises.

GRI [202–2] In Poland and most of our European companies, practically all – 98% of employees holding senior management functions – come from their respective markets.



GRI [201-1] Direct economic value generated and distributed (data in PLN M)	2021	2020
<b>Revenues</b>	<b>12,308</b>	<b>9,220</b>
Net sales revenues and equivalent	12,242	9,159
Net revenues from the sales of products	73	55
Net revenues from the sales of goods and materials	11,961	9,008
Net revenues from the sales of cars	133	42
Net revenues from the sales of services	75	54
<b>Remaining operating revenues</b>	<b>50</b>	<b>47</b>
<b>Financial revenues</b>	<b>16</b>	<b>14</b>
<b>Costs</b>	<b>11,431</b>	<b>8,775</b>
<b>Operating activity costs</b>	<b>11,304</b>	<b>8,628</b>
Depreciation	130	131
Consumption of materials and energy	206	146
Third-party services	2,084	1,644
Remaining generic costs	117	63
Value of sold goods and materials	8,491	6,416
Taxes and fees	12	15
<b>Remaining operating costs</b>	<b>79</b>	<b>70</b>
<b>Financial costs</b>	<b>48</b>	<b>77</b>
<b>Remuneration and employee benefits</b>	<b>397</b>	<b>310</b>
Total cash expenditure on remuneration and employee benefits	328	253
Social insurance and other benefits	69	57
<b>Payments to investors</b>	<b>58</b>	<b>43</b>
Dividend paid to all shareholders	20	0
Interest payments to creditors	38	43
<b>Payments to the state</b>	<b>480</b>	<b>441</b>
<b>Investments in communities</b>	<b>1</b>	<b>1</b>

## Strategy

The strategy of development of the Inter Cars Group rests on several main elements:

### Growth of the range of spare parts

Today, Inter Cars carries the widest range of automotive spare parts in Europe. However, with the goal of continued expansion of the range, Inter Cars Group keeps introducing new range lines, expanding the existing ones and adapting them to the market's expectations with regard to their quality, prices and technical support offered by their manufacturers.

### The growth of the distribution chain in Poland and abroad

Inter Cars has 578 branches, of which 240 are located in Poland. The company provides organisational and logistics knowledge, capital, IT systems, a full range of products and their availability, along with a trademark. The continued development of the distribution chain, which has been built so far and proven to operate effectively, remains the strategic goal.





## Logistics

Another element with which Inter Cars keeps building its competitive edge is the never-ending improvement of the supply chain and logistics services. A dedicated company has been functioning within Inter Cars, namely ILS Sp. z o.o. (ILS), serving as a specialised logistics entity. ILS is tasked with organising the flow of goods from manufacturers to Inter Cars branches.

## Development of partnership programmes

Partnership programmes constitute added value of the offer of goods. Amongst others, these include: garage equipment programmes, training, technical service, development of IT systems for supporting sales and continued development of MotoIntegrator Partner garage chain (Q-Service Castrol, chains of spare parts manufacturers, such as Bosch Car Service, Premio) and Q-Service Truck.

## Development of Motointegrator.pl and the fleet programme

Motointegrator is a platform for drivers, designed to help them solve car-related problems in a professional garage recommended by Inter Cars. The priority is to grow the pillar of car parts together with a service (s-commerce). The goal is to increase the volume of sales of services to retail clients, but also to clients with fleets, and to direct them to a garage recommended by Inter Cars.

## Development vision

We are a stable, ambitious and an innovative business, we understand how important it is to build clients' loyalty, nurture long-term relations with our partners and optimise the existing processes.

We develop our core business with regard to the range of products and distribution chain logistics on the basis of unique knowledge about these areas. We pay close attention to developing our business responsibly, following the motto "Sustainable automotive for people and climate".

We foster a domain of motivated people, a company friendly to its employees and business partners, with committed people who care for the organisation as if it was their own.

Our stakeholders see us as a profitable company that grows more quickly than the competition. We are one of the three leading IAM companies in Europe.

## How we aim to achieve our vision's assumptions:

- growing the distribution chain domestically and abroad
- expanding the range of products and services offered
- introducing technical and organisational innovations aiming to deliver the highest quality products to our clients
- improving business processes
- shaping the company's positive image externally
- optimising client service time
- continued staff improvement
- continued improvement of the Quality Management System aiming to satisfy our clients' needs and expectations.

### Market position (IAM)

GRI [102-1] [102-2] [102-6] [102-7]

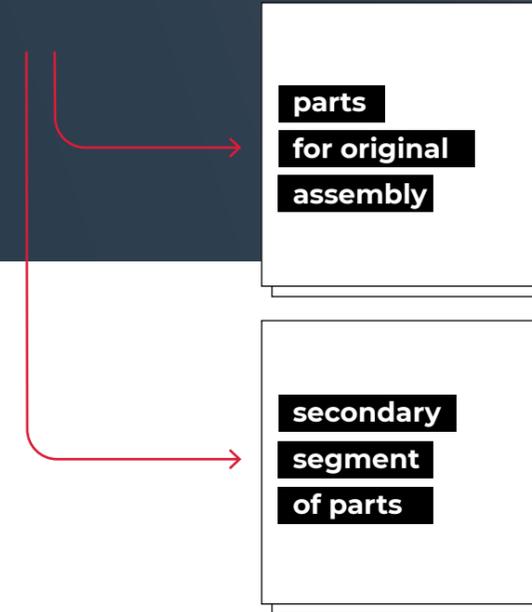
Inter Cars was founded in 1990. We became the Polish market leader just six years later. We overtook the largest Polish businesses and achieved success by continually expanding the range of car parts offered and building relations with stakeholders. Now, Inter Cars Group's success is being built not only by Poles, but also nationals of over a dozen other countries. As the company evolved, so did its values. We are proud that every one of us contributes to achieving the current goal – becoming the leader in car parts distribution in Europe.

Inter Cars offers over 2 million spare parts for passenger cars and trucks, but also for motorcycles, farming and industrial machinery, as well as accessories for drivers. Every year, 40,000 new items are introduced to the truck market's sales system alone.

The company's activity focuses on ensuring that garages have quick, convenient and safe access to all tools that facilitate their business.

Our support consists in not only providing access to professional garage equipment, but also in technical support, offering innovative software for running a garage, along with traditional and online training.

The automotive parts market is split into two, main segments:



An integral part of the Group's activity in Poland comprises of two, nationwide service chains, Q Service Castrol and Q-Service Truck – the former aimed at the passenger cars market, and the latter – with an international character – on utility vehicles. Both brands enjoy leading positions in their respective segments, stand out among the competition and bring numerous benefits to the associated garages. Being a part of the chain makes it easier for their owners to acquire specialised technical knowledge and gives a sense of belonging to a recognised group of automotive garages and makes one's business more prestigious.

**1<sup>st</sup> place**  
in Central and Eastern Europe

**1<sup>st</sup> place**  
in Europe in distribution of parts for utility vehicles

**2<sup>nd</sup> place**  
in Europe in distribution of automotive parts

**7<sup>th</sup> place**  
in global ranking

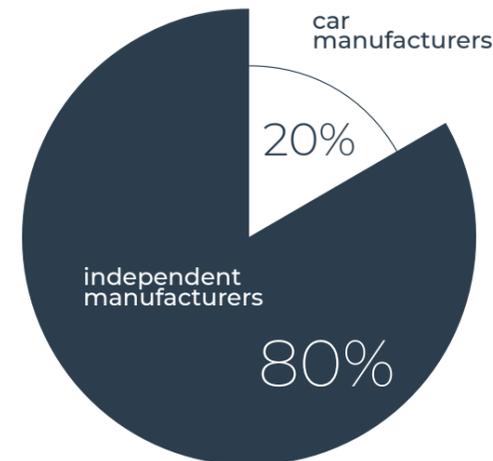
In Polish automotive parts distribution channels, purchases are made by:

 **Garages – 86,8%**

 **Shops – 8%**

 **Drivers – 4,4%**

Globally, 80% of car parts are made by independent manufacturers and 20% by car manufacturers.



✓ 19,668 garages in Motointegrator

✓ 1,400 garages in Q Service chain in Europe

✓ 468 garages in Q Service Castrol garage chain in Poland

✓ 124 Q-Service Truck garages in seven foreign companies, of which 79 in Poland

## 1.2. Corporate governance

### Group management structure

GRI [102-18]

Since the day of admission of shares for trading in the regulated market, Inter Cars SA has been following the corporate governance rules in force on the Warsaw Stock Exchange. A document entitled “the Code of Best Practices for WSE Listed Companies 2016”, adopted in the resolution of the Board of the Warsaw Stock Exchange dated October 13, 2015, was in force until July 01, 2021. On March 29, 2021, the Board of WSE passed a resolution on adopting “the Code of Best Practices for WSE Listed Companies 2021”, which entered into force on July 01, 2021.

“The Code of Best Practices for WSE Listed Companies 2021” is a collection of corporate governance rules and conduct principles that affect the shaping of relations between stock companies and the market environment. These standards served to regulate the issues related to the functioning of Inter Cars Group’s key authorities – the Management Board and the Supervisory Board.

### Our governance structure

#### General Meeting of Shareholders

The General Meeting of Shareholders is Inter Cars SA’s highest authority, functioning on the basis of the Code of Commercial Companies, the Statute of Inter Cars SA and the Regulations of General Meetings of Shareholders.

Before any issue is raised in the General Meeting of Shareholders, it should first be put up for consideration by the Supervisory Board.

The principles of participation in the General Meeting of Shareholders and exercising voting rights are governed by “the Regulations of the General Meeting of Shareholders of Inter Cars SA”. The regulations also stipulate the ways of convening, opening and dismissing the General Meeting, its course, as well as the way of holding elections to the Supervisory Board.

### The Management Board

#### Structure and members of the Management Board



**Maciej Oleksowicz**  
President of the Management Board of Inter Cars SA



**Krzysztof Soszyński**  
Vice-President of the Board of Inter Cars SA



**Wojciech Twaróg**  
Member of the Management Board of Inter Cars SA



**Piotr Zamora**  
Member of the Management Board of Inter Cars SA

The Management Board is the company’s managing and executive body. The Management Board exercises the powers related to managing the company, except for any rights reserved by legal regulations and the company’s statute for its remaining bodies. The Management Board’s resolutions are adopted with a majority vote.

Two Management Board members jointly, or a member of the Management Board and a proxy, are required to give representations and sign documents

on behalf of the Company. Pursuant to Art. 11 of the Statute, the Management Board consists of two to nine members appointed and dismissed with resolutions of the Supervisory Board. The Management Board handles the company’s business and represents it. The Management Board’s term is four years, with its members appointed for a joint term.

## Supervisory Board

### Members of the Supervisory Board:

Andrzej Oliszewski  
Chairman

Members:

Tomasz Rusak  
Piotr Płoszajski  
Jacek Klimczak  
Jacek Podgórski  
Radosław Kudła

The Supervisory Board maintains constant supervision over all the Company's activities. The Supervisory Board is appointed by the Company's General Meeting of Shareholders. The General Meeting of Shareholders appoints the Supervisory Board's Chairman. The Deputy Chairman is appointed from the Supervisory Board's remaining members.

The Supervisory Board is composed of between five to thirteen members. The term is five years. The Supervisory Board's members can be appointed for subsequent terms. In particular, the Supervisory Board's competences include: auditing the company's financial statements, the Board's report and its conclusions on the distribution of profits and covering of losses, submitting annual

reports from such audits to the General Meeting of Shareholders, selection of an expert auditor for auditing the company's financial statement from offers received from the Board, appointing and dismissing members of the Management Board, selection of the President of the Management Board from its members, and possibly the Management Board's Vice-President, concluding contracts with the company's members of the Management Board, setting the rules of remuneration of the company's Management Board members, permitting the sale and purchase of real estate, perpetual usufruct rights or interests in real estate.

## Audit Committee

### Members of the Audit Committee:

Piotr Płoszajski  
Chairman

Radosław Kudła  
Andrzej Oliszewski  
Jacek Podgórski

On September 25, 2017, the Supervisory Board of Inter Cars S.A. appointed the Audit Committee of the Supervisory Board of Inter Cars S.A. The Audit Committee operates with the Supervisory Board and is appointed to supervise the process of financial accounting, the effectiveness of internal audit systems, the internal audit, risk management and monitoring of financial revision.

The detailed rights, tasks and rules of functioning of the Audit Committee are set out in the Regulations of the Audit Committee of the Supervisory Board of Inter Cars S.A., approved by the said Supervisory Board.

## ESG Risks

### Rule of caution

GRI [102-11]

Several external and internal factors affect the organisation's stable growth. For each segment of our activity, we are striving to identify, on an ongoing basis, opportunities and risks, whose materialisation may significantly affect the continued operation of Inter Cars Group and its ability to complete its strategic goals.

## Key risks

GRI [102-15]

The non-financial aspect of risk management is of great importance to us, as it applies both to economic factors and social factors, but also to issues related to natural environment which fall within the entire value chain.

ESG risks are related to expectations towards our organisation and may manifest, amongst others, in social pressure, legal requirements or expectations towards the industry in which we operate.

The key risks, presented in the table, are aggregated categories of risks based on incidents. These risks may have a major impact on the Group's business model, future results and liquidity. Methods of limiting the respective risks by the Board have been presented in each case.

## Risk management system

The system of internal control and risk management in the Group and the parent company is dispersed and maintained on the basis of the financial department, but also other organisational units, including the operating department. Compliance supervision system elements have been implemented in selected areas of operations – in particular, this applies to preventing abuse (e.g. corruption) and conflicts of interests. We continue to work on improving the risk management system.

## Risk evaluation steps

### 1. Evaluation of risks and their significance

To correctly gauge the risks, we regularly use internal and external sources of information and build our processes to enable us to react quickly and efficiently if there is any sudden increase in the risk.

### 2. Adequate reaction

The correct evaluation of the risk's potential impact on the organisation makes it possible to assign adequate priority to the situation and to take any necessary steps. We understand that all risk factors affect the value that we generate for our shareholders.

### 3. Monitoring and reporting

All actions related to managing risk factors are properly monitored and reported. We make sure that all groups interested in a given risk factor are informed on a daily basis.

### 4. Taking steps to mitigate the emergence of new risks

Thanks to the proper monitoring of risk factors, we can not only react to situations that have already emerged, but most importantly, we can prevent the emergence of new risks by analysing data and reacting without delay.

The detailed information on our approach to risk management can be found in the Board's report on operations for 2021.

## List of defined ESG risks

Risk area	Risk factors and their potential impact	Mitigation methods
<b>Environment and climate change</b>	Our negative impact on the environment and climate is mostly the result of energy consumption in our facilities, transport activities and the management of waste and chemicals. Our activity is affected by decisions and regulations pertaining to the environment and climate policy. For example, more stringent regulations on chemical products and waste management, as well as increased taxes and controls, including climate-related ones, may necessitate investments and/or reduce the company's profitability. Any violations of such regulations would have legal effects and result in the loss of trust in our offerings and brands.	We understand that all business activities have an impact on the environment, including a potential to affect climate change. Therefore, one of our areas of focus is to reduce potentially negative environmental impacts in every part of the value chain, while endeavouring to raise environmental awareness among our customers and business partners. Through the implementation of programmes such as Bio Service, monitoring the changing regulatory requirements in this area, or improving, say the energy efficiency of the facilities in which we operate, we try to minimise the occurrence of risks in this area.
<b>Corporate governance and business ethics</b>	The changes in EU legislation concerning the automotive market place significant challenges before us, but also give us an opportunity to reach a group of buyers who are the sole clients of car manufacturers with regard to supplies of spare parts. They also give independent garages an access to the technical information from car makers, with the same rights that authorised garages enjoy. Other regulatory issues may also impact Inter Cars Group, e.g. those pertaining to environment and climate protection, the supply chain in environmental and ethical contexts, personal data, taxes, business ethics, competition safeguarding and capital market regulations.	Transparency and maintaining the highest standards in the conduct of our business is an important element of our corporate governance. Through intensive work on maintaining a system for supervising legal compliance (the compliance programme), including the Inter Cars Group Code of Conduct and Good Market Practice, as well as development in the area of IT security, we counteract, among other things, risks related to fraud, including corruption and bribery, occurrence of conflicts of interest or hacker attacks.
<b>Products and customer relations</b>	The changing customer preferences and regulations materially affect the underlying activity of the Inter Cars Group, namely the sales of car parts.	By responding to changing needs, through a diversified product portfolio (e.g., quality, price, remanufactured products), their availability (e.g., in the context of supply chain disruptions during the pandemic), and by testing their quality parameters (for own label products), we have an indirect impact on increasing traffic safety by minimising the risks associated with the effects of using vehicles of limited efficiency.
<b>Workplace and employees</b>	Observing the labour market and taking into account our business objectives, a material risk which may affect the Inter Cars Group is availability of competent human resources and, consequently, recruitment opportunities. Additional risks in the employment area are linked to the effects of the pandemic. This issue relates also to our business partners and clients.	Our priority is to establish foundations for promoting entrepreneurship and for supporting education and development of the professional qualifications of our staff by addressing the needs of the labour market in our industry, for example through the Young Staff initiative or by creating attractive working conditions and supporting our staff while they work from home.

# 1.3. Ethics and human rights in Inter Cars Group

## The code of ethics and mechanisms of reporting inconsistencies

GRI [102-16] [102-17] [103-2] [103-3]

The following documents constitute the Compliance Programme adopted in Inter Cars Group:

**The Code of Conduct and Good Market Practice of Inter Cars S.A. Capital Group** – “direction indicator”, i.e., it indicates what values we are guided by within the organisation and in our relations with suppliers. It shows what is important to us - the people who make up the Inter Cars Group - in our business relations with both contractors and colleagues within the organisation.

**Anti-abuse Policy of the Inter Cars Capital Group** – contains rules on offering and accepting gifts and other benefits

(e.g., trips, participation in events), defines and lists examples of malpractice, regulates the reporting of suspected malpractice and the conduct of internal investigations, regulates issues related to the giving of gifts and the verification of contractors. The Policy also contains a sample list of malpractices and so-called red flags, i.e., situations that may lead to the occurrence of malpractice. Such situations should be reported to the Company’s General Counsel.

**Conflict of Interest Policy in Inter Cars Capital Group** – indicates which situations constitute conflicts of interest, regulates the obligations concerning notification and management of such conflicts.

**Information Confidentiality Policy in Inter Cars Capital Group** – indicates which information is to be regarded as Confidential Information, regulates the most important principles of dealing with such information.

**Workplace Mobbing Prevention Policy in Inter Cars Capital Group** – indicates what mobbing is, regulates the rules concerning reporting suspected mobbing and conducting an internal investigation in the case of receiving a report.

**Occupational Health and Safety and Environmental Protection Policy in Inter Cars Capital Group** lays out the rules of occupational health and safety and environmental protection applied by the organisation.



GRI [102-17]

**What can an employee or an individual do if there are suspicions of abuse?**

They can file a notice (in writing, by letter, orally or by e-mail, to the specified e-mail address). The notice may be anonymous (with no signature), e.g. sent from an e-mail account created for this purpose or submitted by a third person.

The employee may report alleged abuse to their immediate superiors, the Management Board of the Company, or the subsidiary's board, the General Counsel or the Human Resources Director.

The circumstances described in the notice are examined by the Compliance Department, pursuant to the Policy's principles.

In 2021, the Compliance Department examined 12 cases of alleged abuse, two of which filed anonymously.

Each employee undergoes obligatory training on the principles of the Code of Conduct. Thanks to the training, the contents of the document and its purpose is easier to understand for employees. The employees' awareness of the prevailing attitude is also systematically developed via internal communication.

Human rights

Inter Cars Group respects human rights and only cooperates with legally operating businesses that conduct economic operations in settings where legal systems that regulate human rights are in place.

The business partners of Inter Cars Group are obligated to observe the commonly accepted system of values, respect their employees and treat them with dignity. These rules make it possible to create a supply chain in an ethical manner.

Inter Cars SA and its subsidiaries in Poland propose to include relevant clauses on compliance, including human rights stipulations, in contracts concluded with suppliers. Additionally, according to the said contracts, Inter Cars SA and its subsidiaries in Poland require suppliers to observe the rules of the Code of Conduct and Best Practices of Inter Cars SA Group ("the Code"). The Code's current version is available to everyone

on Inter Cars SA website. In certain cases, the Code constitutes an attachment to the agreement with the supplier. It is important to us that our business partners respect the law and our principles. While negotiating contracts, we verify the codes of conduct of our partners and their principles pertaining to human rights. On the day of writing this report, Inter Cars SA and its subsidiaries do not maintain a record of contracts (in general) containing clauses pertaining to human rights and do not follow the definition of "important investment contracts" in this context.

We are aiming for a situation where all requests for proposal during the process of selection of business partners and concluded contracts, both with the new and existing partners contain clauses governing CSR, OHS, principles and standards of conduct, ethics, avoidance of conflicts of interests, combating corruption, natural environment protection, observance of human rights and the impact on society.

GRI [205-3]

**O**  
inconsistencies

In 2021, none of Inter Cars Group companies reported any corruption or abuse cases.

GRI [206-1]

In 2021, none of Inter Cars Group companies (in Poland and Europe) were found to be violating free competition or monopoly regulations.

GRI [406-1]

In 2021, on the basis of internal procedures of Inter Cars SA Group, two cases of alleged discrimination were investigated. No discrimination was confirmed in either of them.



## Corporate values

GRI [102-16]

Inter Cars believes that building a long-term competitive edge and maintaining the trust of employees and clients is possible only by building a lasting competitive edge and maintaining the trust of employees and clients.



### Passion and commitment

- we maintain high quality of collaboration and take responsibility for our actions,
- we have an innovative approach to business,
- we serve our clients with involvement,
- we pursue our goals with optimism and enthusiasm.



### Partnership

- we build lasting, trust-based contacts with our clients that are based on positive personal relations,
- we adapt to our clients' needs flexibly,
- we are open to interesting ideas and eagerly test new solutions,
- we act reliably and diligently.



### Loyalty

- we create a positive, outward image of the company and always act in its best interest,
- we do not accept improper behaviour and activities harmful to the company, even if speaking about it openly creates a potential conflict with our colleagues.



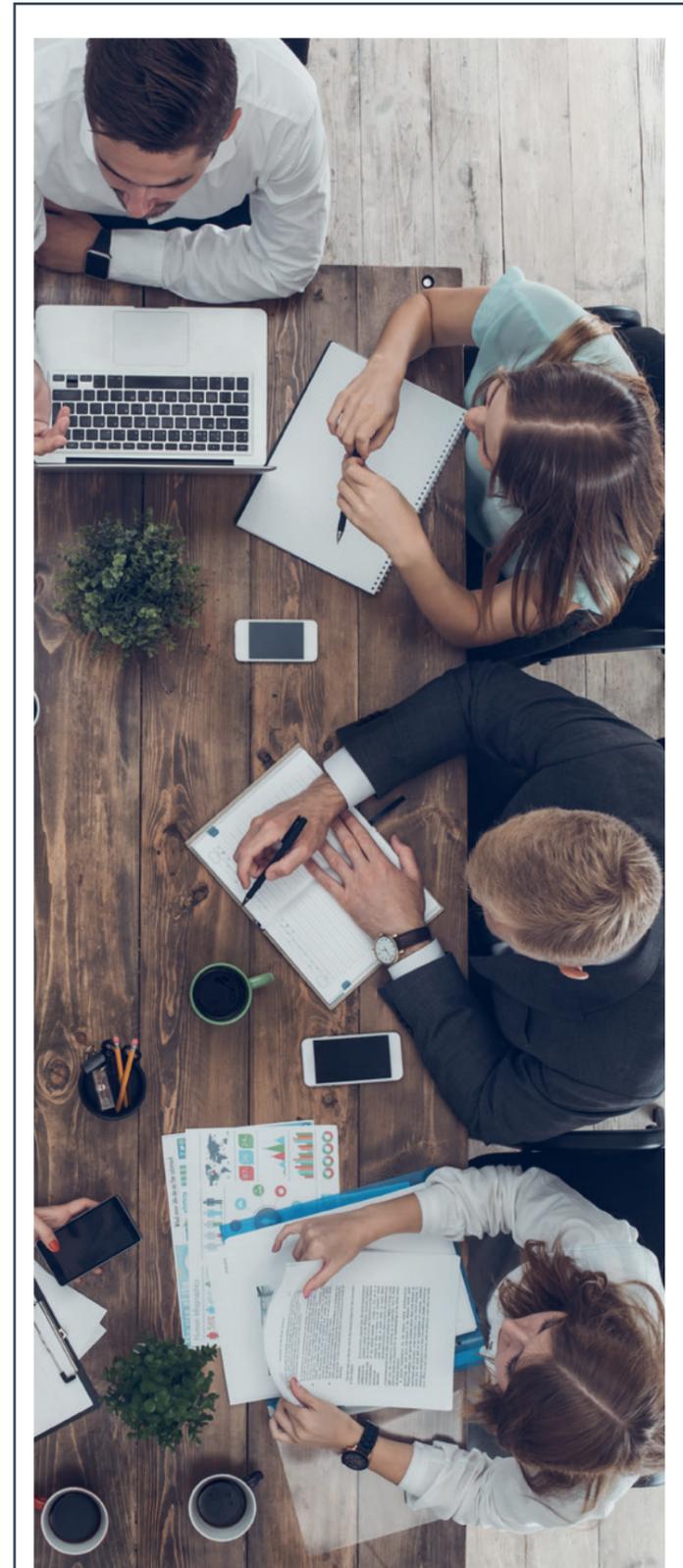
### Reliability

- we keep deadlines or inform the other party in advance if we cannot keep our obligations within the time agreed,
- we act exactly as agreed,
- in case of doubt, we clarify the uncertainties, rather than deliver what was not agreed.



### Leading by example

- we treat others just as we would like to be treated ourselves,
- if we want people to act in a certain manner, we first do it ourselves and lead by example,
- as leaders, we stand at the forefront and show a clear direction to follow.



## Tax strategy

### GRI [207-1]

The company aims to maintain transparency in tax reporting and to keep active contacts with tax authorities. The company considers the correct satisfaction of tax obligations and the punctual payment of public and legal dues, among its key values. Our approach to tax settlement is based on the careful verification of tax consequences of business activity and taking strategic decisions on the basis of verifications against the position of the State Tax Administration, amongst others subject to the arrangements made with the Ministry of Finance within APA. The company has developed a system of internal structures, infrastructure and technological solutions (e.g. IT) and implemented a division of competences to facilitate the correct performance of tax functions.

The company has introduced internal procedures for identifying and limiting tax risks, in particular:

- a procedure for the verification of business partners and transactions in order to maintain due diligence with regard to limiting tax risks on goods sale and purchase transactions for the purposes of the goods and services tax;
- a procedure related to the preparation of transfer prices documentation and the related reporting obligations;

- a procedure related to the obligation of submitting information about tax schemes;
- procedures related to tax and accounting reporting;
- a procedure related to combating money laundering and financing terrorism in the financial and reporting aspect.

The company has also implemented an internal process that supports management with regard to carrying our obligations under tax law, which applies, for example, to:

- performing continuous, annual and additional stock-taking;
- recording cash and non-cash assets;
- registering involuntary and voluntary losses;
- sending documents to the Accounting Department and document circulation, including electronic document circulation;
- issuing invoices and keeping records on cash registers.

## 1.4.

## Our approach to sustainability



### Dialogue with stakeholders and important topics

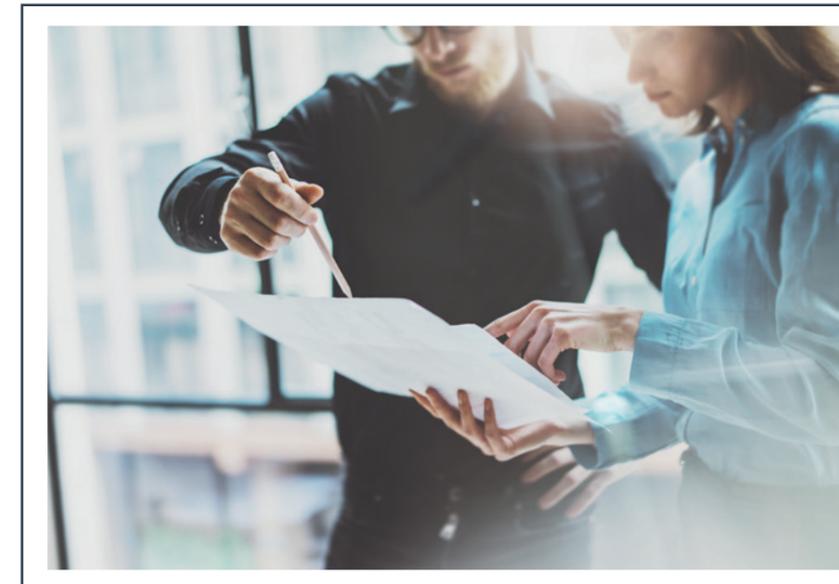
#### GRI [102-42] [102-43]

We wish to build responsible relations with our stakeholders. We know who our company affects and which entities, and to what extent they affect us. We believe in dialogue – we never shy away from difficult topics and always remain open for talks. We regularly meet our key stakeholders, listen to their opinions and present our position and proposals. We value long-term relations based on mutual understanding and trust.

We nurture regular contacts with our stakeholders: each quarter, following the publication of financial results, teleconferences and individual meetings are held with investors. We pay equal attention to our employees' opinion and regularly hold employee satisfaction

surveys. Additionally, the Young Car Mechanic competition events are a great chance for us to learn what students of automotive-related business areas and our future employees think.

All topics subject to reporting, which have been deemed important in the process of specifying the Report's contents, have an impact both on our organisation and its goals, and on our environment – as per the rule of double materiality. When describing the most important topics of the company's non-financial reporting, we present our approach to managing these issues and their respective indicators.



GRI [102-40] [102-44]

Stakeholders	Why commitment matters	Manner of commitment	Frequency of commitment	Most important issues for the Group
<b>Employees</b>	Motivated and skilled employees play a crucial role in creating the company's assets, providing high quality service to employees and generating long-term value, incl. economic value.	Training for employees, developing talents and skills, maintaining dialogue with employees, including satisfaction surveys.	Constant contact via: Intranet, mailing, webinars, employee surveys, internal meetings, individual talks, "What's new?" publications and social media. Annual satisfaction surveys.	Competitive remuneration, safety standards, transparent career paths and motivational system, development possibilities, friendly work environment.
<b>Clients</b>	We focus all our attention on clients, because they are the key to the Group's success.	Dialogue with clients: "listen & reply", satisfaction surveys.	Constant, direct contact, regular client opinion surveys – monthly, quarterly, annually and as needed.	Diversified portfolio of products, their availability, – amongst others in the context of supply chain disruptions, offering high quality products and services.
<b>Suppliers</b>	Suppliers (manufacturers) have an impact on the possibility of selling products and services offered on the market.	Dialogue and building long-term relations with suppliers, forming a mutual understanding of the needs of independent markets.	Regular industry meetings, studies and surveys.	Fair treatment, transparent principles and beneficial terms of collaboration.
<b>Shareholders</b>	As a publicly listed company, we are dependent on our shareholders. The capital acquired through the issue of shares, allows the company to achieve its strategic goals. Shareholders can affect the Group's activity by participating in General Meetings of Shareholders.	Providing daily information about sales results to shareholders. Providing periodical financial reports to gauge the Group's standing.	Monthly and periodical reports, General Meetings of Shareholders, individual meetings.	Maintaining the transparency of the Group's activity, managing its business to achieve economic results that are consistent with social expectations and values, financial results, meetings with the Board, the perspective of the rise of the value of shares, dividend payments.
<b>Financing organisations</b>	Predictability for partners who entrust us with assets meant for development.	Reporting detailed and transparent information about financial and operational results.	Monthly sales reports. Quarterly, semi-annual and annual publication of results, meetings, surveys and constant, direct contact.	Transparent financial information, possibility of holding meetings with the Board.
<b>Public and regulatory institutions</b>	The aftermarket industry is regulated and is now participating in the electromobility revolution, meaning that the company pays a lot of attention to entering into and maintaining constructive relations with regulators.	Maintaining a constructive dialogue with regulators, reports required under regulations, meetings and participation in industry conferences.	Regular, daily contacts.	Ensuring the observance of requirements and regulations; supporting the creation of new market rules, including best practices.
<b>Local communities</b>	The socio-economic context of our activity is built by empowering local economies.	Collaboration with local communities. Creating long-term partnerships with healthcare, education and social care institutions.	Meetings with industry participants, daily and constant contact with long-term partners.	Investment in local communities, improving the quality of life and health.
<b>Industry organisations</b>	Care for business environment and independent market.	Constructive dialogue and consultations with stakeholders.	Regular industry meetings, consultations, studies and surveys.	Fair access to the market and technologies, building the awareness of consumers and regulators.

## 2020+ Sustainability strategy

GRI [102-19] [103-2]

In 2017, we approved the Inter Cars SA Group Responsible Business Strategy, our first strategy of sustainability, also called the CR (corporate responsibility) strategy. We presented it in a report with non-financial information, the first such report prepared by the Company.

In 2020, amongst others, in relation to the company's 30th anniversary, we re-examined our responsible business agenda and uncovered a new iteration of the 2017 strategy. Although it remains up to date, we are planning to re-analyse it, summarise the activities performed subject to it and develop a sustainability strategy that is even more up to date and that addresses our and our stakeholders' needs even more accurately.

GRI [103-3]

The ESG Department was created in 2021 Q4, to effectively manage ESG issues and coordinate activities related to carrying out the sustainability strategy.

The ESG Manager reports to the Director of Corporate Affairs and the General Counsel.

The seven detailed, strategic goals of Inter Cars with regard to sustainability are conveyed with our strategy's motto:

## Sustainable automotive for people and climate – 2020+ Sustainability strategy

Seven goals of the 2020+ Sustainability strategy:

- I. We are building our leading position by calling the directions of changes in the industry and by presenting an active stance with regard to responsible business in automotive.
- II. Our clients have access to the highest quality products and services, while the collaborating entrepreneurs can draw from comprehensive support to develop their businesses.
- III. We are creating a friendly environment for sharing knowledge and implementing innovative business solutions with the participation of employees and external stakeholders.

- IV. We are creating foundations for promoting entrepreneurship and supporting education and growth of professional qualifications of cadres to address the needs of the industry's labour market.
- V. We are striving to limit the negative impact on the environment across all links of our value chain, taking steps to raise our clients' and business partners' ecological awareness.
- VI. Our pro-social activities are aimed at creating opportunities for the development of youth and the disabled, and at supporting automotive-related topics.
- VII. As a part of our value chain we maintain continued dialogue and collaboration, using the underlying diversity of Inter Cars Group to formulate common principles of conduct in areas that we deem crucial.

In recent years we have been pursuing activities across all our strategic goals of sustainability. Many of them are so close to our core operational activity that it may be hard to spot that they actually reflect our responsible approach to business. On the other hand, our other activities may be less visible to our clients, business partners or employees, yet they still foster the healthy operation of our industry and express our social responsibility.

We wish that our goals and activities reflecting them are always transparent and understandable to all stakeholders.

In the coming years we would like to show our responsible business strategy from the perspective of humans and our natural environment. We communicate the seven detailed strategic goals of Inter Cars with regard to sustainability with our strategy's motto: Sustainable automotive for people and climate.

# Sustainable automotive for people and climate

## 2020+ Sustainability strategy

### People

Inter Cars was founded out of passion for automotive. The passion of our founders, branches, employees and suppliers. It was also our response to our clients' passion, mainly owners of car repair garages, as well as our clients' passion.

The pandemic-induced change of plans showed us that humans, their health, happiness, pursuit of vocational aspirations and sense of security are just as important in business. In reality, companies are the people behind them: employees, clients, business partners, investors, but also communities, including local ones.

### Communities



I.

We are building a leading position by setting the course for change in the industry and by taking an active approach to responsible business in the automotive sector.

As a leader in our industry, we take responsibility for shaping trends, also in terms of

sustainability. We are convinced that the automotive industry can only be a sustainable industry only with a strong and independent aftermarket.

Our presence enables growth and competitiveness in the aftermarket and vehicle repair market.

The independent aftermarket is a guarantee of access to good quality, yet competitively priced vehicle service and repair. Therefore, education and awareness in this area are very important, also for consumers.

### Customers



II.

Our customers have access to the highest quality products and services, and entrepreneurs cooperating with us can benefit from comprehensive support in developing their business.

We primarily serve business-to-business (B2B) customers, mainly garages. However, for us and our affiliates they are also colleagues, mainly owners of small and medium-sized enterprises. It is very important for them to be able to concentrate on their automotive passions, so in addition to supplying spare parts and garage equipment, we support them in their daily business

activities by providing the appropriate know-how.

### Employees



III.

We create a friendly environment for sharing knowledge and implementing innovative business solutions with the participation of employees and external stakeholders.

Inter Cars is made up of people, our colleagues. Our employees are a large and very diverse group, we are present in over a dozen European countries. We are constantly trying to take action and improve tools aimed at making our organisation an efficient, modern and innovative workplace.

### Garage employees



IV.

We create the basis for promoting entrepreneurship and supporting the education

and development of professional qualifications of staff by responding to the needs of the labour market in the industry.

When we talk about employees, we think of our colleagues at Inter Cars, but also of all those who, like us, translate their passion for cars into their daily work. Our customers' garages depend on access to well qualified staff, fully prepared to service and repair today's car fleet, but also able to meet new trends.

### Local communities



V.

Our pro-social activities are focused on providing opportunities for young people, people with disabilities and supporting the motorised with mobility issues.

We are focused on business. However, we are aware that we live in smaller or larger communities where there are also individuals and groups that need

our support. We believe that such actions are the responsibility of every responsible company.

**Business partners**



VI.

Within our value chain, we engage in continuous dialogue and cooperation in order to strive to formulate common rules of conduct in our most important areas based on the internal diversity of the IC Group.

We believe that business should be conducted responsibly, with integrity and by building mutual trust. For this reason, we endeavour to apply principles of conduct and good market practice within our organisation, including our subsidiary network, and furthermore promote them among our suppliers and other business partners. The mutual exchange of experience is very important to us in this regard.

and the right to decide one's own destiny, regained after years of communist rule. The societies in which we live and work have achieved much in the past years in terms of civilisation and economy. We feel part of this success.

Today, however, we face new challenges. The progressive impact of man on the environment, including climate change, requires a responsible approach from both public authorities and the private sector. As an entrepreneur and employer, we feel responsible for the development of our company and the well-being of our customers and employees. However, we are also convinced that our business success will increasingly depend on our concrete actions and decisions in the field of environmental protection and combating climate change.

New weather phenomena or man-made natural disasters have recently become a new business risk factor for many sectors of the economy, including the automotive industry, and in particular the spare parts distribution sector. A good example of this is the relatively warm winters in recent years and their impact on seasonality and sales volumes of tyres and batteries.

We observe and participate in changes in the automotive industry related to limiting negative emissions and the impact of the

automotive industry on the environment. We actively seek to ensure that these changes are implemented in a sustainable manner, taking into account their socio-economic impact.

By making the right choices, we can contribute to improving the quality of our environment and reducing climate

change. We believe that together with our customers, employees and business partners, we can help ensure that the next 30 years will bring a new green deal for us and future generations.

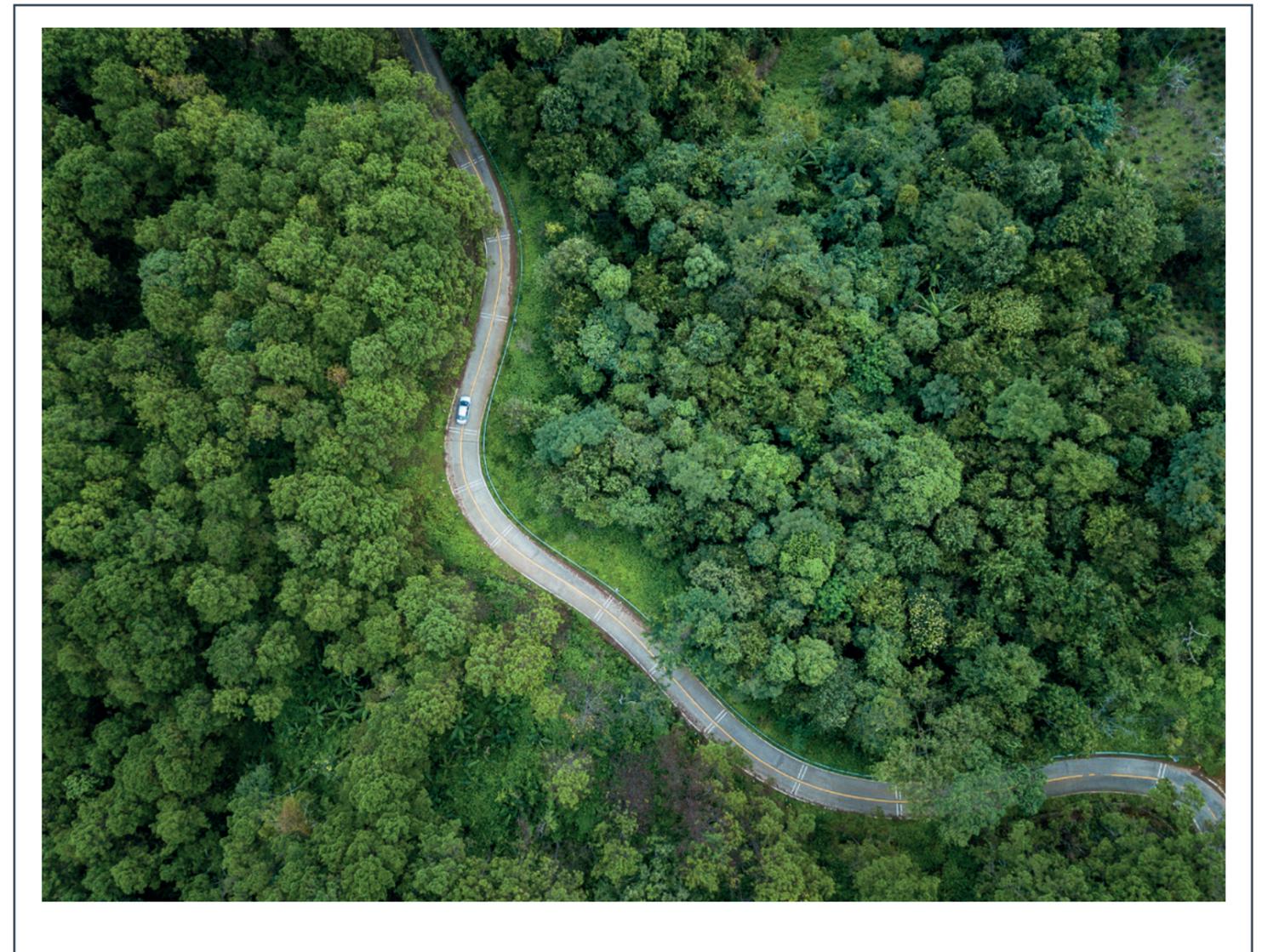
**Climate**



VII.

We strive to reduce our environmental impact in every part of the value chain by raising the environmental awareness of our customers and business partners.

For 30 years, the building of our company has been accompanied by the dynamic development of Poland and other countries in Central, Eastern and South-Eastern Europe. We operate in countries where motorisation and increased mobility are strongly linked with a sense of freedom



# 02

## Key facts and figures for 2021

# Environment

GRI [203-1] [203-2]

In this chapter:

- ⊕ ISO 14001:2015 certification at ILS sp. z o.o.
- ⊕ Carbon footprint of the Group
- ⊕ Water, energy and waste stewardship
- ⊕ BioService for the sake of the environment



### For the 1st time

we computed our carbon footprint all across the value chain

### 29 October 2021

date of obtaining the ISO14 14001:2015 environmental certification by ILS sp. z o.o.

### 11,412 t of CO<sub>2</sub>e

direct emissions

### 115 k GJ

energy consumption

### 33,592 t

of waste generated

### Strategic Goal No. 5

„Sustainable automotive for people and climate – 2020+ Sustainability strategy”

We strive at limiting our negative environmental impacts in each and every aspect of the value chain, by working to raise the ecological awareness of our clients and business partners.

The UN Sustainable Development Goals we support as an environmentally responsible company:



## 2.1. Managerial approach

### Employee voice:

**Jacek Piotrowiak**

Director of Corporate Affairs,  
General Counsel

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*Environmental protection has long been an inherent part of Inter Cars' business model.*

*We offer spare parts for vehicles so that their service lives can be longer, which also helps mitigate the harmful effects of automotive technology on humans and the natural environment. Currently, environmental protection and counteracting climate change have become a priority of strategic importance for Inter Cars Group.*

*We are preparing to commit ourselves to reducing our emissions and to defining a climate (decarbonisation) strategy.*

*Thus, we are responding to industry trends and regulatory requirements, and – first and foremost – our stakeholders' expectations.* 99

### Management bases:

#### Health, Safety & Environmental (HSE) Policy in place at Inter Cars Group

The Policy specifies the OHS and environmental protection principles binding in our organisation.

#### Regular energy audits in accordance with the PL-EN 16247 standard

Systematic inspection and analysis of energy utilisation and consumption in the organisation, aimed at identifying the energy flow and potential for improving energy performance.

#### The analysis of the company's environmental impacts in the context of direct and indirect aspects

#### Regulatory compliance reviews with regard to environmental protection regulations (in their broad sense)

#### Subcontractor compliance reviews with regard to environmental requirements connected with permits, concessions and administrative decisions



Description of the managerial approach to waste issues: procedures, systems, policies, office waste sorting principles etc. can be found in section 2.5: "Waste Management".

Inter Cars Group, being one of the major distributors of spare car parts in Central and Eastern Europe, is aware that its companies may have an impact on customers' behaviours and consequently on the environment and climate change via both direct operations and products offered. Environmental protection issues have long been addressed in everyday business practices of Inter Cars Group. In response to the increasing environmental and climatic challenges, in 2021 Inter Cars Group calculated its carbon footprint for 2020 and 2021 in all three scopes. This marked the beginning of the path towards carbon neutrality. At the same time, Inter Cars Group companies introduced solutions that mitigate our environmental impacts. We want to set new standards for the industry and be an example for other market participants.

## Obtaining the environmental certification by ILS

A tool to enable effective attainment of our environmental protection goals is the Environmental Management System based on the ISO 14001:2015 standard requirements. The system, which covers logistics services such as warehousing and co-packing as well as management of the supply chain of goods delivered to customers, was implemented at ILS sp. z o. o., pursuant to the decision of its Board. The process started in 2020, and on 29 October 2021 ILS sp. z o.o. obtained the ISO 14001:2015 certification.

The system covers the infrastructure and processes performed by the organisation, such as: acceptance of goods, co-packing, order picking and issuing of goods, road transport, warehousing and forwarding services provided to third-party companies.

In the process of ISO certification, the company defined its environmental policy that includes commitments to meet the environmental requirements as well as to continuously improve the system. The policy constitutes the framework for establishing environmental goals.

## 2.2. Taxonomy-related disclosures

In order to redirect capital flows towards sustainable investments, in March 2018 the European Commission released the Action Plan for Financing Sustainable Growth. One of the main tools to help achieve the Commission's goal is a common classification system for environmentally sustainable economic activities – the EU Taxonomy<sup>1</sup>. The system is to clarify which activity qualifies as sustainable.

In accordance with Regulation 2020/852, environmentally sustainable economic activities are activities which significantly contribute to implementation of at least one out of six environmental objectives, via complying with the technical screening criteria, and which do no significant harm to any of the other objectives, at the same time meeting the minimum safeguards, including those related to human rights.

In the transition period, in the case of any reports published from 1 January 2022 to 31 December 2022 r. (for 2021), the analysis of the taxonomy compliance is to find out whether the given economic activity is taxonomy-eligible in terms of two environmental objectives – climate change mitigation or climate change adaptation.

### Assessment of compliance with the Regulation (EU) 2020/852

Mandatory taxonomy-related disclosures apply to enterprises meeting the criteria stipulated in Art. 19a or 29a of Directive 2013/34/EU. Inter Cars SA is subject to the obligations ensuing from the said Directive, therefore it is required to make taxonomy-related disclosures stipulated in Regulation (EU) 2020/852, as well as the delegated regulation and delegated acts to that document, published in the EU Official Journal in December 2021.

In view of the above, with regard to the data applicable for the period from 1 January 2021 to 31 December 2021, Inter Cars Group is obliged to make the required disclosures.

The Group reporting regarding the taxonomy disclosures complies with the Regulation (EU) 2020/852 of the European

Parliament and of the Council of 18 June 2020 and with the delegated acts to that document.

In order to calculate the required indicators, all kinds of activities described in the taxonomy were analysed in terms of the Group's revenues, applying NACE codes. Moreover, capital expenditures (Capex) and operating expenses (Opex) were analysed, which made it possible to identify the costs connected with the activities defined in the taxonomy.

In order to calculate the CapEx and OpEx key indicators, the corresponding expenditures on assets and processes were analysed, and the related business activities (described in the delegated act on climate) were identified. As the analysis was carried out individually for each item of the expenditures and expenses, we can be sure that none of the items was considered more than once. What is more, if any given activity was classified as potentially taxonomy-related with regard to the goal of mitigation, then it was not taken into account in the analysis in terms of the goal of the adaptation, and vice versa. In order to identify the turnover derived from a taxonomy-covered activity, the list of NACE codes found in the delegated act to Regulation (EU) 2020/852 was applied.

Breaking down the Group's revenues by NACE codes guarantees that each revenue was considered only once.

The consolidation principles applied in calculating the key indicators: turnover, capital expenditures (CapEx), operating expenses (OpEx), are the same as the principles applied by Inter Cars Group when preparing their consolidated financial statements.

The process of consolidating the information was analysed and inspected by the Business and Finance Departments responsible for data reporting by kind of economic activity or by location, project, service or product, by the Controlling and Reporting Department handling the data consolidation (responsible for reporting of consolidated indicators), and the ESG Department (responsible for coordination and preparation of taxonomy-related disclosures) in order to ensure coherence of the criteria adopted for indicators reporting, intragroup transactions treatment, and breakdown of indicators by business segment.



<sup>1</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

## Analysis of taxonomy – eligible activities

From 1 January 2021 to 31 December 2021, Inter Cars Group was required to disclose the percentage of its economic activity that was taxonomy–eligible, and the percentage of economic activity that was taxonomy non–eligible, in the total turnover, capital expenditures (CapEx) and operating expenses (OpEx), as well as any additional quality data, without the need to verify the technical screening criteria, i.e. finding out what percentage of the three values is connected with fully sustainable activity.

Having analysed all the kinds of business activities described in the Taxonomy, we found that in the case of Inter Cars Group the turnover, capital expenditures (CapEx) and operating expenses (OpEx) are connected with the following types of taxonomy–eligible activities:

- 5.3. Construction, extension and operation of waste water collection and treatment
- 6.5. Transport by motorbikes, passenger cars and light commercial vehicles
- 6.6. Freight transport services by road
- 7.7. Acquisition and ownership of buildings

## Calculation of KPIs

### Turnover

The Group is mainly engaged in sales of goods, both wholesale in regular stores and retail via an online shopping outlet.

Only to a small extent the Group is engaged in provision of services – these are mainly car fleet repair–related services, and also production of motor vehicles, trailers and semi–trailers, and remanufacturing of car parts.

Having analysed all the kinds of taxonomy–related activities, we determined that the taxonomy–eligible revenues accounted for 0.7% (PLN 88 m) of all the revenues from the Group’s economic activity in the financial year 2021. The denominator of the turnover ratio is PLN 12,242 m.

The taxonomy–eligible turnover is connected with the following economic activities:

- 6.5. Transport by motorbikes, passenger cars and light commercial vehicles
- 6.6. Freight transport services by road
- 7.7. Acquisition and ownership of buildings

Revenues from taxonomy–eligible activities	PLN 88 m
Consolidated revenues	PLN 12,242 m
Percentage of revenues from taxonomy–eligible activity	0.7%
Percentage of revenues from taxonomy non–eligible activities	99.3%



## Capital expenditures (CapEx)

The analysis of this showed that the taxonomy-eligible expenditures accounted for 35% (PLN 38 m) of all the capital expenditures (CapEx) of the Group in the business year 2021. The denominator of the CapEx ratio is PLN 110 m.

The capital expenditures (CapEx) that are taxonomy-eligible are connected with the following types of business activities:

- 5.3. Construction, extension and operation of waste water collection and treatment
- 6.5. Transport by motorbikes, passenger cars and light commercial vehicles
- 6.6. Freight transport services by road
- 7.7. Acquisition and ownership of buildings

Capital expenditures (CapEx) related to taxonomy-eligible activities	PLN 38 m
<b>Total capital expenditures (CapEx)</b>	<b>PLN 110 m</b>
Percentage of capital expenditures (CapEx) related to taxonomy-eligible activities	35%
Percentage of capital expenditures (CapEx) related to taxonomy non-eligible activities	65%

## Operating expenses (OpEx)

The analysis of this showed that the taxonomy-eligible expenses accounted for 26% (PLN 2.4 m) of all the operating expenses (OpEx) of the Group in the business year 2021. The denominator of the OpEx ratio is PLN 9.4 m.

The taxonomy-eligible operating expenses (OpEx) are connected with the following types of business activities:

- 6.5. Transport by motorbikes, passenger cars and light commercial vehicles
- 6.6. Freight transport services by road
- 7.7. Acquisition and ownership of buildings

Operating expenses (OpEx) related to taxonomy-eligible activities	PLN 2.4 m
<b>Total operating expenses (OpEx)</b>	<b>PLN 9.4 m</b>
Percentage of operating expenses (OpEx) related to taxonomy-eligible activities	26%
Percentage of operating expenses (OpEx) related to taxonomy non-eligible activities	74%

## Accounting principles

Descriptions of the three key ratios are presented below.

### Turnover

The turnover denotes revenue recognised in accordance with the international financial reporting standard (MSR) 1 item 82 subitem a).

The denominator shows the revenue amount presented in the consolidated financial statements as at 31.12.2021. The numerator equals the part of the net revenues from sale of products or services, including any intangibles, connected with taxonomy-related economic activities.

### Capital expenditures (CapEx)

The denominator includes an increase in tangible fixed assets and intangible assets over the given financial year before depreciation, accumulated depreciation and any revaluation, also revaluation resulting from value adjustment or impairment, for the given financial year, excluding any changes in fair value. The denominator also includes an increase in tangible fixed assets and intangible assets as a result of business entities merger.

The individual values were presented in the consolidated financial statements as at 31.12.2021:

- Tangible fixed assets – note 6
- Intangible assets – note 8
- Investment real properties – note 9
- Right of use – note 7

The numerator equals the part of the capital expenditures included in the denominator, which meets one of the following conditions:

1. regards assets or processes connected with a taxonomy-aligned activity;
2. is part of a plan aimed at expanding a taxonomy-aligned activity or at enabling a taxonomy-eligible activity, adapting to the taxonomy (“capital expenditure plan”);
3. regards purchase of products derived from a taxonomy-aligned activity, and individual measures that enable the target activity to become low-emission or that enable the target activity to limit GHG emissions, as well as other types of economic activities, on condition that the measures are implemented and commissioned within 18 months.

### Operating expenses (OpEx)

**The denominator** includes direct, non-capitalised costs connected with R&D, building renovation activities, short-term lease, maintenance and repairs as well as any other direct expenses connected with on-going handling of tangible fixed assets by the company or any third parties to which such activities (necessary to ensure continuous and effective functioning of the assets) were outsourced.

The operating expenses (OpEx) included in the denominator comprised:

- Repair and maintenance of company cars and delivery vans.
- Repair and maintenance of offices and warehouses.
- Repair and maintenance of equipment and machinery, including services and consumable materials. Costs of this type are recorded/ found mainly in the central warehouse of the Group, located in Zakroczym (ILS), in the company that manufactures trailers

(Feber) and in the company dealing with spare parts remanufacturing (Lauber). The Group's main area of activity is spare parts trading and, as opposed to manufacturing companies, the Group does not have any key machinery or plant necessary for its operations.

No other additional types of expenses were included in the category of other direct expenses in the denominator.

**The numerator** equals the part of the operating expenses included in the denominator, which meets one of the following conditions:

1. regards assets or processes connected with a taxonomy-aligned activity, including any trainings and other needs connected with human resources adaptation, and direct non-capitalised costs that represent R&D;
2. is part of a capital expenditure plan aimed at expanding a taxonomy-aligned activity or enabling a taxonomy-eligible activity, adapting to the taxonomy in a previously established time frame;

3. regards purchase of products derived from a taxonomy-aligned activity, and individual measures that enable the target activity to become low-emission or that enable the target activity to limit GHG emissions, as well as individual measures in the area of building renovation and on condition that the measures are implemented and commissioned within 18 months.

No other additional types of expenses were included in the category of other direct expenses in the numerator.



## 2.3. Carbon footprint of Inter Cars Group

GRI [103-2] [103-3] [305-1] [305-2] [305-3]

An organisation’s carbon footprint comprises the total of greenhouse gas emissions caused directly or indirectly by that organisation. This year’s report presents the applied calculation methodology. The obtained results will constitute the basis for future reduction targets and a point of reference for strategic initiatives in that area.

### Methodology adopted

Greenhouse gases (GHG) emissions were calculated in accordance with the methodology presented in “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Revised Edition”, “GHG Protocol Scope 2 Guidance” and “Corporate Value Chain (Scope 3) Accounting and Reporting Standard”. As for the organisational boundaries of the GHG emissions computations, they comprised the operations of Inter Cars Group in 16 European countries.

The calculation covered GHG emissions for the Scopes: 1, 2 and 3. The reporting for which the GHG emissions were calculated, covers the annual cycle.

### Operational boundaries of the calculations performed

#### Scope 1 – direct GHG emissions

#### Vehicles – fleet:

- Consumption of fuels in vehicles (petrol)
- Consumption of fuels in vehicles (diesel)
- Consumption of fuels in vehicles (LPG)

#### Fuel combustion – buildings:

- Natural gas consumption (heating and domestic hot water)
- Home heating oil consumption
- Coal consumption

#### Cooling agent leakages

#### Scope 2 – indirect, electric power related GHG emissions

- Electric power consumption in buildings
- Heat consumption in buildings

#### Scope 3 – indirect GHG emissions

- Cat. 1 Purchased goods and services.
- Cat. 2 Investment goods.
- Cat. 3 Fuels and energy not included in Scope 1 and 2 – emissions connected with production and distribution of electric power and transport fuels. This includes WTT (Well to Tank) emissions, i.e. emissions generated at the stage of production of fuels and fuels for electric power generation, as well as emissions connected with production of electric power lost during transmission and distribution.
- Cat. 4 Upstream transport and distribution – emissions connected with transport of products to the Group’s warehouses.
- Cat. 5 Waste generated during operations – emissions connected with waste generated in office buildings and warehouses.
- Cat. 6 Business trips – emissions connected with business trips made by air and by train, and with employees’ stays at hotels.
- Cat. 7 Employee transport to/from workplace – emissions connected with the employees commuting to work.
- Cat. 9 Further transport and distribution – emissions connected with transport of products to the franchise stores and directly to customers.
- Cat. 11 Use of products sold.
- Cat. 12 Handling the sold products after their decommissioning.
- Cat. 14 Franchises – emissions connected with running the franchise store chain all over Europe\*.

The other categories in Scope 3 (i.e. 8,10,13,15) are not relevant for the operations of Inter Cars Group in the analysed year..

\* As it was not possible to obtain actual data from Ukraine for 2021 with regard to the franchise-related emissions (Cat. 14. Scope 3) and those connected with emissions in Scope 1 and 2, the emissions data were estimated on the basis of the 2020 levels. The data regarding emissions in Scope 3 in Cat. 1, 11 and 12 for Ukraine are actual data.

## GHG emissions in Scopes 1, 2, 3

### Scope 1

GRI [305-1]

Scope 1 emissions are those derived from the processes run within the infrastructure owned or controlled by the organisation. Scope 1 emissions include those resulting from fuels combustion in the heating boilers and motor vehicles that are owned and/or controlled by the company.

#### Transport fuels

Inter Cars Group has been using vehicles powered by petrol, LPG, and diesel. Emissions were computed on the basis of the factors published by DEFRA (Department for Environment, Food & Rural Affairs) and the National Centre for Emissions Balancing and Management.

Inter Cars Group – Direct emissions from transport [tCO<sub>2</sub>e]

Source	2020	2021	%YVY
Diesel	4,638.8	5,326.9	15%
Petrol	568.7	678.8	19%
LPG	7.6	8.0	5%

#### Heating fuels

Inter Cars Group used natural gas, home heating oil (HHO) and LPG to heat the buildings owned or controlled by the organisation. The emissions were calculated using the factors published by the National Centre for Emissions Balancing and Management in “Calorific values and CO<sub>2</sub> emissions factors”, expressed in MJ/kg, which were multiplied by the density of the given fuel and DEFRA (Department for Environment, Food & Rural Affairs) indicators.

Inter Cars Group – Direct emissions from owned or controlled stationary sources [t CO<sub>2</sub>e]

Source	2020	2021	%YVY
Natural gas for heating & hot water	3,312.5	3,618.6	9%
HHO for heating and hot water	255.9	314.4	23%
LPG for heating & hot water	431.4	357.9	-17%
Coal for heating & hot water	1,817.3	1,817.3	0%

#### Cooling agents

In principle, cooling agents were not replenished at Inter Cars Group. The only exceptions were the facilities located in Lithuania, Romania and Italy, where leakages were found.

Inter Cars Group – direct emissions connected with cooling agent leakage [t CO<sub>2</sub>e].

Source	2020	2021	%YVY
Cooling agents	359.3	289.8	-19%



### Scope 2

GRI [305-2]

Scope 2 emissions are indirect GHG emissions connected with consumption of purchased electric power, chain-supplied heat or cold. Such indirect emissions are a consequence of energy consumption by the organisation, where the energy comes from sources that are not owned or controlled by the organisation.

#### Electric power

The calculations account for the electric power consumption in kWh for each of the locations. The calculations were performed using two methods: location-based and market-based. The location-based method relies on the mean chain factor in a given country, calculated on the basis of data published by the National Centre for Emissions Balancing and Management, or on the European level derived from the EU Greenhouse Gas Monitoring Mechanism.

The market-based method applies the emission factors published by specific energy providers. Where there was no energy provider assigned to a given location, the calculations applied **the mean emission factor for a given country.**

Inter Cars Group – Indirect emissions connected with

## Scope 3

### GRI [305-3]

Scope 3 emissions include all the other indirect emissions that originate within the company's value chain. Scope 3 includes, among other things, purchased raw materials and services (e.g. municipal water), transport and distribution (e.g. transport services to logistics centres or transport of products to franchise stores chain), business trips (e.g. by air), handling the products sold, waste management, WTT emissions for energy and fuels, emissions resulting from running the franchise stores chain.

The emissions computations are based on DEFRA factors for:

**Cat. 1**  
Purchased raw materials and services – purchase of water and of products to be sold.

**Cat. 3**  
Emissions connected with energy and fuels, not included in Scope 1 & 2.

**Cat. 4**  
Upstream transport and distribution

**Cat. 5**  
Waste resulting from operations.

**Cat. 6**  
Business trips.

**Cat. 9**  
Downstream transport and distribution.

### purchased electric power [t CO<sub>2</sub>e]

Source	2020	2021	%YVY
Electric power (location-based)	10,837.1	10,813.9	0%
Electric power (market-based)	10,708.2	10,005.1	-7%

### Chain-supplied heat

The calculations account for the purchased heat consumption for the locations that use chain-supplied heat. Emissions were calculated on the basis of factors presented in the report published by the Energy Regulatory Office “Heat Production – figures for 2021”.

### Inter Cars Group – Indirect emissions connected with purchased heat [t CO<sub>2</sub>e]

Source	2020	2021	%YVY
Heat	1,179.1	1,290.6	9%

**Cat. 11**  
Use of products sold.

**Cat. 12**  
Handling the products sold after their decommissioning.

**Cat. 14**  
Franchise.

The Quantis tool was used for:

**Cat. 1**  
Purchased raw materials and services – purchase of goods and services not included above.

**Cat. 2**  
Capital goods.

**Cat. 7**  
Employee transport to/from workplace.

### Inter Cars Group – indirect emissions that originate within the company's value chain – Scope 3 [t CO<sub>2</sub>e]

Source	2020	2021	%YVY
Cat. 1 Purchased raw materials and services	952,138.4	1,163,574.8	22%
Cat. 2 Capital goods	29,434.4	12,949.4	-56%
Cat. 3 Energy- and fuel-related emissions not included within Scope 1 & 2	3,796	5,810.4	53%
Cat. 4 Upstream transport and distribution	25,682.4	23,243.3	-9%
Cat. 5 Waste resulting from operations	247.9	305.7	23%
Cat. 6 Business trips	98.5	113	15%
Cat. 7 Employee transport to/from workplace	6,502.5	6,502.5	0%
Cat. 9 Downstream transport and distribution	41,639	36,762	-12%
Cat. 11 Use of products sold	30,337.8	38,597.4	27%
Cat. 12 Handling the sold products after their decommissioning	3,128.2	3,841.7	23%
Cat. 14 Franchise	33,769.4	34,475.2	2%



## Inter Cars Group emissions

GRI [305-1] [305-2] [305-3]

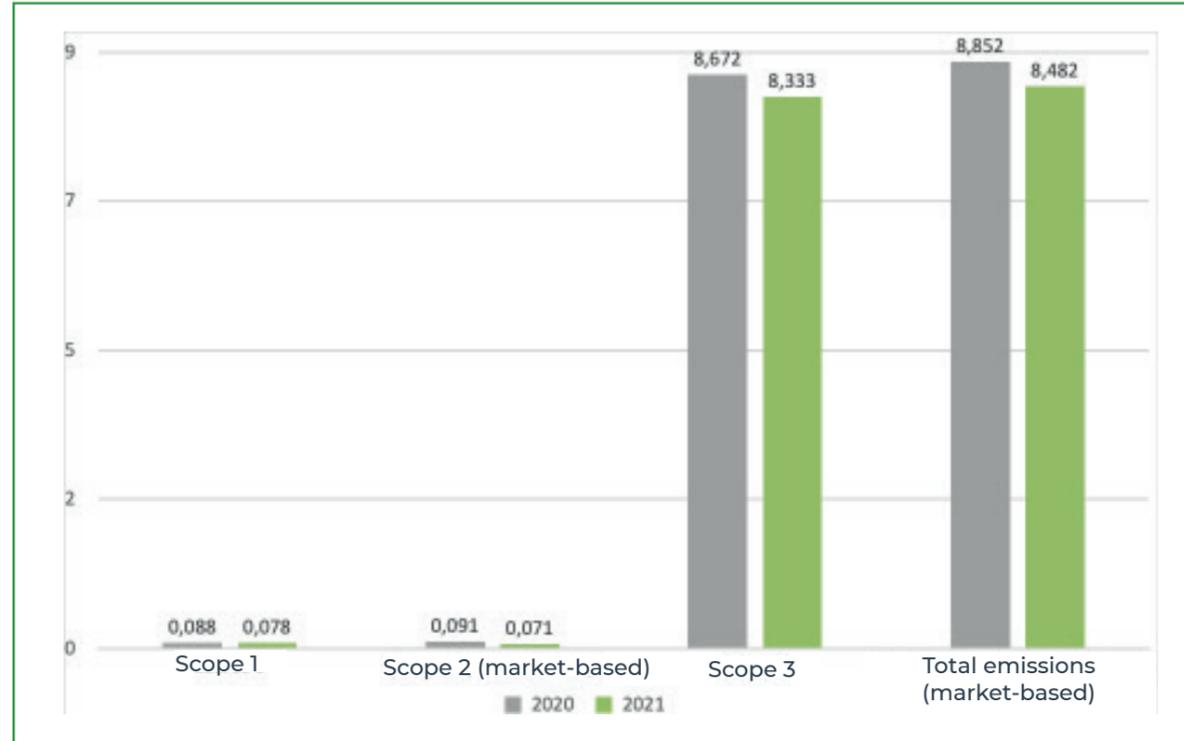
### Inter Cars Group – summary of emissions [t CO<sub>2</sub>e]

Source	2020	2021	%Y/Y
Scope 1	11,392.1	12,412.2	9%
Scope 2 (location-based)	12,016.2	12,104.5	1%
Scope 2 (market-based)	11,887.3	11,295.7	-5%
Scope 3	1,126,774.6	1,326,175.3	18%
<b>Total emissions (market-based)</b>	<b>1,150,054</b>	<b>1,349,883.2</b>	<b>17%</b>

The increase in emissions in 2021 compared to 2020 was due to the material increase in the company operations.



### GRI [305-4] GHG emissions intensity per sales of one thousand products [t CO<sub>2</sub>e/1000 pcs] in the particular years:



Taking into account the care for climate and the planned supply chain decarbonisation commitment as well as the ambition to implement the Paris Agreement goals, Inter Cars Group is planning to specify the decarbonisation goals for Scope 1, 2 and 3, as well as to define the programme for engaging suppliers in systemic reduction of emissions.

The company has taken reduction efforts within Scope 2, mainly with regard to electric power-related emissions and managed to reduce CO<sub>2</sub> emissions even at the time of business expansion.

Inter Cars Group is considering the possibility of joining the Science Based Targets initiative.



### Webinar: “Zero has never meant so much – motor oils and emissions neutrality”

In May 2021, Inter Cars in cooperation with its business partner, organised a free webinar “Zero has never meant so much – motor oils and emissions neutrality” dedicated to motor oils characterised by carbon neutrality, and issues connected with climate change and sustainability. Experts described our partner’s activities connected with striving towards zero net emissions and the carbon neutral motor oils. Marcin Popkiewicz – an expert in sustainability, author of the book “Climate Change”, gave a lecture about the reasons for global warming, the rate of climate changes and possible consequences, and explained the concept of greenhouse gases and how to compute CO<sub>2</sub> emissions equivalents.

President of the Management Board, Inter Cars SA, Maciej Oleksowicz, shared his ideas about what the automotive industry can do to secure the future for ourselves and future generations.

## 2.4. Optimisation of energy consumption

### GRI [103-2]

Monitoring of energy consumption and the demand for it is a duty of every enterprise that cares for the environment and wants to reduce its negative impact on the climate. This makes it possible to collect valuable information about the actual operation of the monitored energy system and to provide a comprehensive analysis and evaluation of electric power quality.

In 2021, as part of activities aimed at increasing energy performance, we continued upgrading the lighting system by replacing energy-consuming fluorescent lamps with energy-saving LEDs in offices and warehouses.

## Good Practice at ILS

**GRI [302-4]** At the construction stage we designed and constructed the following systems:

1. A recuperation system within the ventilation system – the DALI system combined with LEDS makes it possible to cut down on the power consumption by 70–80%, compared to a system without the Digital Addressable Lighting Interface and relying on fluorescent lamps.
2. Providing the facility with BMS to enable monitoring of technical systems.
3. Installation and upgrading of the existing lighting system with LEDs.
4. Introduction of pallet wood densification devices.

### GRI [302-1]

#### Energy consumption (GJ) by Inter Cars SA and Inter Cars Group in 2021

	Inter Cars Group	Inter Cars SA
<b>Total consumption of energy derived from (own or purchased) non-renewable resources, by resource type</b>	<b>2021</b>	
Natural gas	50,882.95	9,348.16
Home heating oil	2,449.9	1,086.48
Diesel	15,195.15	0
Total consumption	68,528.00	10,434.64
<b>Total consumption of purchased energy</b>	<b>2021</b>	
Electric power	41,540.00	6,404.14
Heat (including consumption of steam and cooling energy)	5,750.24	0
Total consumption	47,290.24	6,404.14
<b>Total consumption of energy in the organisation</b>	<b>115,818.24</b>	<b>16,838.78</b>

Compared to 2020, both Inter Cars Group and Inter Cars SA saw a 15% increase in total energy consumption. This is due to increasing the leased office space in Młociny, Warsaw, and also to our employees' gradual return from teleworking.

Moreover, it was the first time we were able to know our actual energy consumption in that building. This was possible after the building administrator calibrated the meters and assigned them to lessees.



## 2.5.

Water resources  
management

GRI [103-2] [303-1]

We use water resources on the basis of the water permit and the integrated permit. Our operations do not have a significant effect on the functioning of any protected areas or any valuable areas of the natural environment, and the intake of water is maintained on a level below the permissible limits, which is confirmed by the analyses of the impact of the intake of water on the environment.

In accordance with the requirements stipulated in the obtained permits, we have been monitoring our impact on the water resources in connection with the intake of water and liquid waste disposal – in both quantitative and qualitative terms. We regularly report a wide range of information regarding the use of water to relevant authorities. We also make sure that the largest possible amount of water used in production processes is recycled. As a result, the total quantity of water intake is decreased.

The companies of Inter Cars Group do not run their operations in areas with a risk of water shortage.

## Wastewater disposal

**GRI [303-2]** In none of its locations does Inter Cars Group dispose of liquid waste to the ground, water or soil. In most of its facilities located in Poland and abroad water is provided via municipal water supply systems. In all these cases the municipal water is only used in sanitary facilities and staff rooms. Also, there are facilities which are supplied with water drawn from deep wells. These include the one in Czosnów where water comes from a private deep well, and wastewater is evacuated to septic tanks and then collected by a waste removal company and disposed at a sewage treatment plant. A similar situation is found in Zakroczym – water necessary for the functioning of ILS Sp. z o.o. is drawn from deep wells, and wastewater is evacuated to septic tanks, then collected with septic haulers by a waste removal company and disposed of at a sewage treatment plant. The company pays environmental fees for the water intake. Moreover, ILS sp. z o. o. pays the fees related to the limitation of natural runoff retention.

Intake of underground water requires obtaining a decision, for which it is necessary to apply to the Polish Water Authorities. Inter Cars Group has obtained the necessary permits and, in accordance with the regulations, reports the water consumption amount to the Regional Inspectorate for Environmental Protection. In connection with the use of

septic tanks, Inter Cars Group obtained permits for constructing them, and signed contracts with liquid waste removal companies to have them emptied in accordance with the regulations.

Water consumption by the two production plants belonging to the Group:

- “Feber” Vehicle Production Plant in Sieradz does not use water in its production processes. The total water intake is used exclusively by the employees for sanitary purposes.
- At Lauber Sp. z o. o. based in Słupsk, the water used in the production process circulates in a closed circuit in the washing plant, and rainwater is collected by the municipal storm drainage system.

## 2.6

## Waste Management

GRI [103-2]

We manage waste pursuant to the regulations and in a responsible manner. In the first place, we strive at recycling or recovering the largest possible proportion of the waste generated. To this end, the waste is collected by specialised and authorised companies for further processing. In 2021, we handed over

ca. 233.17 tonnes of hazardous waste, out of which as much as 79% was subject to recovery and recycling processes. The rate is lower in the case of non-hazardous waste – 35% of ca. 41 tonnes of collected waste.

Waste sorting takes place in each of our offices. Moreover, we take up initiatives aimed at reducing waste generation. In 2021, we replaced disposable paper towels with multiple-use, cotton ones.

Each roll of the cotton towels is washed at least 100 times over its life cycle, replacing ca. 40,000 pieces of paper towels or 7,000 minutes of hand dryer operation. Each of our offices has cut down on document printouts, and we switched to archiving of electronic documents.

In Zakroczym, in the European Centre for Development and Logistics (ILS), we adapted to the waste sorting rules by allotting, preparing and designating waste bins in accordance with the legal requirements. Also, we implemented appropriate operating and OHS procedures.

ILS Sp. z o.o. continuously improves processes in order to meet customers' requirements and enhance their satisfaction as well as improve the environmental effects of operations. In 2021 we introduced other modern technologies:

ILS activities are aimed at implementation of new technical and organisational solutions which not only facilitate work and make it more efficient, but also contribute to reduction or minimisation of negative environmental impacts.

## Good Practice at ILS

One of the good practices initiated in 2021 was introduction of transport belts in the dispatch area, in order to secure the pallets. This made it possible to reduce the consumption of stretch film and consequently to cut down the amount of waste generated. Transport belts have replaced stretch film used so far to protect loaded pallets before dispatching them for transfers between our warehouses. Along with the transport belt implementation, appropriate systemic modifications were made to allow recording of the transport belts flows between the locations, which helped to ensure their effective multiple re-use. The effect of this implementation is the decreased consumption of stretch film and consequently reduced costs of purchase.

Each of the transport belts was assigned its unique bar code which was put on a label affixed to the belt. In the course of pallet loading, the transport belts being used are recorded in the system, and their travel between the locations is tracked, which makes it possible to manage their quantities in the particular locations so that the needs of the logistics centres can be met. The implemented solution made it possible to significantly reduce the consumption of plastic stretch film that was used before. The table below shows the decrease in the amount of stretch film purchased last year.

	Quarters of 2021			
	I	II	III	IV
decrease % in relation to Q I.	-	9%	58%	58%

We monitor the wear and tear of the transport belts and replenish their stocks so that as many locations as possible are able to use them. There are also plans to introduce multiple-use plastic pallets which will enable us to reduce the consumption of single-use wooden pallets.

### GRI [306-3]

#### Total weight [Mg] of waste generated by Inter Cars Group in 2021, by manner of waste disposal

Kinds of waste streams	Waste composition	Non-hazardous waste	Hazardous waste
		[tonne]	[tonne]
	Packaging waste – cardboard	19,841.32	0.00
	Packaging waste – plastics	2279.03	0.00
	Packaging waste – wood	8272.40	0.00
	Packaging waste – aluminium	24.93	0.00
	Packaging waste – steel	142.60	0.00
	Metal scrap, oil, plastics, batteries	181.24	119.62
	Vehicle batteries	1447.00	
	Polystyrene	0.17	0.00
	Used electronic equipment	0.00	21.38
	<b>Total</b>	<b>32,188.69</b>	<b>141.00</b>
	Oils	0.00	1.61
	Liquids	0.00	24.64
	Sanding materials, paints, solvents, other hazardous waste	2.50	65.68
	Packaging waste – cardboard	67.30	0.00
	Packaging waste – plastics	48.38	0.00
	Packaging waste – wood	6.10	0.00
	Steel scrap, non-ferrous metal scrap	469.22	0.00
	<b>Total</b>	<b>593.50</b>	<b>91.93</b>
	Batteries	29.22	0.04
	Toners	0.04	0.16
	Construction waste	39.32	0.04
	MUNICIPAL WASTE	224.28	0.00
	Other	284.06	0.00
	<b>Total</b>	<b>576.92</b>	<b>0.24</b>
	<b>Total waste</b>	<b>33,359.11</b>	<b>233.17</b>

## GRI [306-3]

**Total weight [Mg] of waste generated  
by Inter Cars Group in 2021, by manner of  
waste disposal**

Kinds of waste streams	Waste composition	Non-hazardous waste	Hazardous waste
		[tonne]	[tonne]
<b>DISTRIBUTION</b>	Packaging waste – cardboard	15,910.00	0
	Packaging waste – plastics	1,712.00	0
	Packaging waste – wood	5,885.00	0
	Packaging waste – aluminium	0	0
	Packaging waste – steel	41	0
	Metal scrap, oil, plastics	0	0
	Vehicle batteries	1,447.00	0
	<b>Total</b>	<b>32,676.00</b>	<b>0</b>
<b>PRODUCTION</b>	Oils	0	0
	Liquids	0	0
	Sanding materials, paints, solvents, other hazardous waste	0	0
	Packaging waste – cardboard	1.5	0
	Packaging waste – plastics	0.25	0
	Packaging waste – wood	6.1	0
	<b>Total</b>	<b>7.85</b>	<b>0</b>
<b>OFFICE WASTE / MUNICIPAL WASTE</b>	Batteries	0	0.04
	Toners	0	0.16
	Construction waste	4.3	0
	Municipal	59	0
	Other	0.08	0
<b>Total</b>	<b>63.38</b>	<b>0.2</b>	
<b>Total waste</b>		<b>32,747.23</b>	<b>0.2</b>

The distribution-related waste generated by Inter Cars Group contains substances that may be harmful if released to the environment. These are mainly acids (the electrolytes from vehicle batteries). We make every effort so as to reduce our negative environmental impacts to the greatest extent possible. To this end, we take measures to make sure scrap batteries can be remanufactured and buy them in from our customers in our locations. Thus, in 2021 we bought in 915 400 kg of scrap batteries.

This is how we understand our extended responsibility – we want to make sure the waste is correctly disposed of.



## GRI [306-4]

**Kinds and composition of waste generated by Inter Cars Group in 2021, diverted from disposal (non-disposed waste)**

Kinds of waste streams	Waste composition	Weight of non-disposed waste [t]
	Packaging waste – cardboard	1,054.48
	Packaging waste – plastics	308.00
	Packaging waste – wood	494.15
<b>DISTRIBUTION</b>	Packaging waste – aluminium	24.93
	Packaging waste – steel	56.36
	Metal scrap, oil, plastics,	71.92
	<b>Total</b>	<b>2,009.84</b>
	Oils	0.33
	Liquids	0
	Sanding materials, paints, solvents, other hazardous waste	0
<b>PRODUCTION</b>	Packaging waste – cardboard	26.11
	Packaging waste – plastics	20.69
	Packaging waste – wood	0
	<b>Total</b>	<b>47.13</b>
	Batteries	14.61
	Toners	0
<b>OFFICE WASTE / MUNICIPAL WASTE</b>	Construction waste	4.30
	Municipal waste	0
	Other	0.10
	<b>Total</b>	<b>19.01</b>
	<b>Total waste</b>	<b>2,075.98</b>

## GRI [306-4]

**Kinds and composition of waste generated by Inter Cars SA in 2021, diverted from disposal (non-disposed waste).**

Kinds of waste streams	Waste composition	Masa odpadów nie poddanych utylizacji [t]
	Packaging waste – cardboard	0
	Packaging waste – plastics	0
	Packaging waste – wood	0
<b>DISTRIBUTION</b>	Packaging waste – aluminium	0
	Packaging waste – steel	0
	Metal scrap, oil, plastics,	0
	<b>Total</b>	<b>0</b>
	Oils	0
	Liquids	0
	Sanding materials, paints, solvents, other hazardous waste	0
<b>PRODUCTION</b>	Packaging waste – cardboard	0
	Packaging waste – plastics	0
	Packaging waste – wood	0
	<b>Total</b>	<b>0</b>
	Batteries	0
	Toners	0
<b>OFFICE WASTE / MUNICIPAL WASTE</b>	Construction waste	4.3
	Other	0
	<b>Total</b>	<b>4.3</b>
	<b>Total waste</b>	<b>4.3</b>

## GRI [306-5]

**Kinds and composition of waste generated by Inter Cars Group in 2021, directed to disposal**

Kinds of waste streams	Waste composition	Weight of disposed waste [tonne]
<b>DISTRIBUTION</b>	Packaging waste – cardboard	18,786.84
	Packaging waste – plastics	1,971.03
	Packaging waste – wood	7,778.25
	Packaging waste – aluminium	0
	Packaging waste – steel	86.24
	Metal scrap, oil, plastics,	228.94
	Vehicle batteries	1,447.00
	Polystyrene	0.17
	Used electronic equipment	21.38
	<b>Total</b>	<b>30,319.85</b>
<b>PRODUCTION</b>	Oils	1.29
	Liquids	24.64
	Sanding materials, paints, solvents, other hazardous waste	68.18
	Packaging waste – cardboard	41.19
	Packaging waste – plastics	27.69
	Packaging waste – wood	6.10
<b>OFFICE WASTE / MUNICIPAL WASTE</b>	Steel scrap, non-ferrous metal scrap	469.22
	<b>Total</b>	<b>638.31</b>
	Batteries	14.65
	Toners	0.20
	Construction waste	35.06
<b>OFFICE WASTE / MUNICIPAL WASTE</b>	Municipal waste	224.28
	Other	283.96
	<b>Total</b>	<b>558.15</b>
	<b>Total waste</b>	<b>31,516.31</b>

## GRI [306-5]

**Kinds and composition of waste generated by Inter Cars SA in 2021, directed to disposal.**

Kinds of waste streams	Waste composition	Weight of disposed waste [tonne]	
<b>DISTRIBUTION</b>	Packaging waste – cardboard	15,910.00	
	Packaging waste – plastics	1,711.88	
	Packaging waste – wood	5,885.00	
	Packaging waste – aluminium	0	
	Packaging waste – steel	41	
	Metal scrap, oil, plastics,	0.00	
	Vehicle batteries	1,447.00	
	<b>Total</b>	<b>32,675.88</b>	
	<b>PRODUCTION</b>	Oils	0
		Liquids	0
Sanding materials, paints, solvents, other hazardous waste		0	
Packaging waste – cardboard		1.5	
Packaging waste – plastics		0.25	
<b>OFFICE WASTE / MUNICIPAL WASTE</b>	Packaging waste – wood	6.1	
	<b>Total</b>	<b>7.85</b>	
	Batteries	0.04	
	Toners	0.16	
	Construction waste	0	
<b>OFFICE WASTE / MUNICIPAL WASTE</b>	Municipal	59	
	Other	0.08	
	<b>Total</b>	<b>59.27</b>	
	<b>Total waste</b>	<b>32,743.00</b>	

## Good practice

### Sample projects aimed at waste reduction:

- Waste sorting in office buildings (kitchens, canteens)
- Cardboard and plastics sorting in warehousing processes
- In office buildings, water in plastic bottles was replaced with reusable glass bottles
- Each toilet in the office buildings has been equipped with multiple-use cotton towels
- In office and warehouse buildings, water for employees is made available in 5-litre reusable bottles.

## Bio Service

The purpose of Bio Service offered by Inter Cars SA to their customers is providing automobile garages with a comprehensive service in the area of waste management. To this end, we continuously develop our offer and the online platform functionalities, adapting them to the customers' needs.

Bio Service provides access to professional collection and disposal of waste, offers consultations with experts in environmental law (including assistance in preparing the necessary documentation) and energy performance audit service which may help reduce energy consumption costs. 2021 brought a number of novelties in that respect. The scope of waste to be collected via the platform was extended to include parts of the brake system – brake discs and drums. Also, the offer of advisory and consulting services has been modified. Currently, these are combined to form packages for easier reference. Bio Service strives at enhancing the waste collection services quality and increased ease of applying for them.

Therefore, in 2022 the Bio Service platform functionalities are going to be further extended and also integrated with other e-services offered by Inter Cars, such as Inter Cars e-Catalogue and eSOWA software for automobile garages. The aim is to make the Bio Service online platform the centre of information about

waste and ecological disposal, which can be easily accessed by anyone interested. In addition to that, we intend to run an extended survey among our customers so as to better understand their needs and be able to respond to them effectively.

The services being part of the Bio Service offer can be accessed via the user-friendly online platform. Any mechanics interested in a comprehensive approach to waste management in automobile garages may register with the Bio Service platform. To that end, it is enough to fill in an online form. In the process of entering the registration data, the new Bio Service customer profile may be integrated with the person's Waste Database number. Then, when ordering waste collection via the platform, waste collection notes (WCN) will be completed automatically.

**>3,500** signed waste collection contracts

**>905 tonnes** of waste: waste oil, batteries, liquids, filters, packaging and glass collected as part of Bio Service in 2021

**>7,600 tones** of waste tyres collected in 2021

### Bio Service advantages:

- availability of specialists in environmental protection,
- assistance in completing any necessary formalities connected with waste management,
- waste collection bins,
- waste collection made by special vehicles: waste oil collection trucks and dropside tail lift trucks to collect solid waste,
- assistance in preparing basic documents connected with waste management,
- service and cleaning of oil/grit separators,
- service and rental of work clothes.

Bio Service is more than a service offered to customers: it is also a unique loyalty programme for the cooperating garages. A good example of an advantage enjoyed by customers may be the Premia Cash Card received in return for handing over used-up vehicle batteries.

The points accumulated on the card may later be redeemed to purchase car parts from Inter Cars SA.

# 03

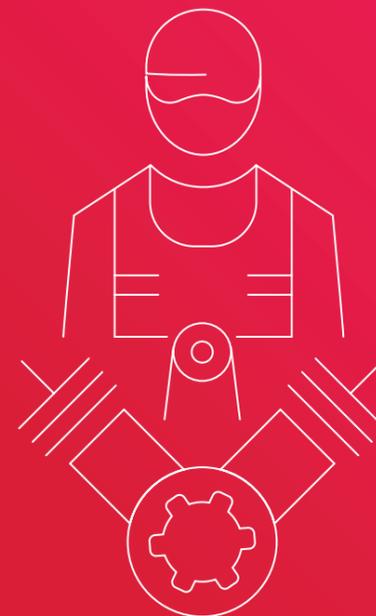
Key facts and figures in 2021

## Products and Customers

[GRI 203-1, 203-2]

In this chapter:

- ⊕ Description of the value chain and supply chain
- ⊕ Product quality
- ⊕ Relations with customers and suppliers



**550,000** SKUs

**2,2 billion euros**

value of purchased goods

**1,600** suppliers

**300,000** regular customers

**41,172** quality checked elements by Intermeko laboratory

**7,100** participants of customer training in Poland

### Strategic Goals No. 2 and 7

„Sustainable automotive for people and climate – 2020+ Sustainability strategy”

[2nd] Our customers have access to supreme quality products and services, while the sole traders who cooperate with us may enjoy comprehensive support for their business expansion.

[7th] Within our value chain, we engage in constant dialogue and cooperation in order to seek to establish common rules of conduct in the areas of utmost importance for us, based on the internal diversity of the Inter Cars Group.

The UN Sustainable Development Goals which we support as we are accountable to customers and responsible for products:



## 3.1. Managerial Approach

### Employee Voice:

#### Wojciech Twaróg

Member of the Management Board  
of Inter Cars SA, Sales and Marketing Director

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„At Inter Cars, we have always advocated a fair, transparent and comprehensive approach to customers. Together with our branches, we listen carefully to the voice of the owners and employees of transportation companies, shops and other customers we have. On a regular basis, we seek to respond to the expectations of Inter Cars and the comprehensive services we offer. We see the ever-rising expectations of our products, also in terms of availability, completing orders, logistics, as well as the whole supply chain”.

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#### GRI [103-2]

The Inter Cars Group is among Europe's market leaders and the largest distributor of spare parts in Central and Eastern Europe. As an industry leader active on a very diluted market with very high service standard demands, the Group is responsible for the products it supplies daily to tens of thousands of garages in various parts of the continent. Each spare part we sell must ensure safety and supreme quality when installed in the car.

Being in a market leading position is also an obligation to continuously develop and raise your competencies. We maintain partner relations with each stakeholder group and we strive to provide them with as many benefits from cooperation with Inter Cars as possible. We respect and we appreciate the values of our customers, we take our counterparties' opinion into account, we react to market changes and improve processes while taking care of the natural environment.

### Management Basis

GRI [102-16] [103-2] [103-3]

Code of Conduct and Good Market Practises of the Inter Cars SA Group

#### Customers

The Code of Conduct and Good Market Practises of the Inter Cars SA Group provides customers with the following:

- meeting quality and safety norms of the goods offered,
- timely payment of liabilities,
- equal treatment – we do not use discriminating criteria or access conditions for the goods and services we offer,
- open and transparent communication on the trade terms we use, respect of privacy and personal data protection,
- responsible marketing communication.

### Business Partners

For our business partners, “The Code of Conduct and Good Market Practises” stands for:

- fair and mutually advantageous cooperation terms,
- assessment based on substantive, business and ethical grounds,
- no discriminatory criteria and cooperation conditions.

### Competitor Companies

The Code of Conduct and Good Market Practises” is also our obligation to undertake specific measures with respect to competitor companies:

- we ensure that fair competition and business ethics are respected,
- we combat any manifestations of unfair market practices and we stigmatise non-ethical action,
- we initiate and engage in cooperation compliant with competition law which aims to seek solutions to common problems,
- we do not use practises that may be in any way anti-competitive,
- we reject any forms of agreements, collusions and arrangements that may be anti-competitive.

**Procurement of Goods Policy**

It was devised to set the direction for trade goods procurement, management, standardisation and coordination of procurement processes, for organising suppliers, to determine the specifications and requirements for negotiations and cooperation with counterparties, to standardise effective supplier management criteria and to set forth uniform actions across the Inter Cars SA Group.

**Business Partner Assessment Questionnaire**

It is a document to verify the business partners of Inter Cars with respect to ethical conduct and compliance with the applicable laws. The questionnaire is among the elements of counterparty check as set forth by the Anti-Fraud Policy.

**Anti-Fraud Policy in the Inter Cars SA Group**

It defines and specifies exemplary frauds; it governs the reporting of suspected fraud and the principles for internal investigation, it also pertains to issues such as counterparty check.

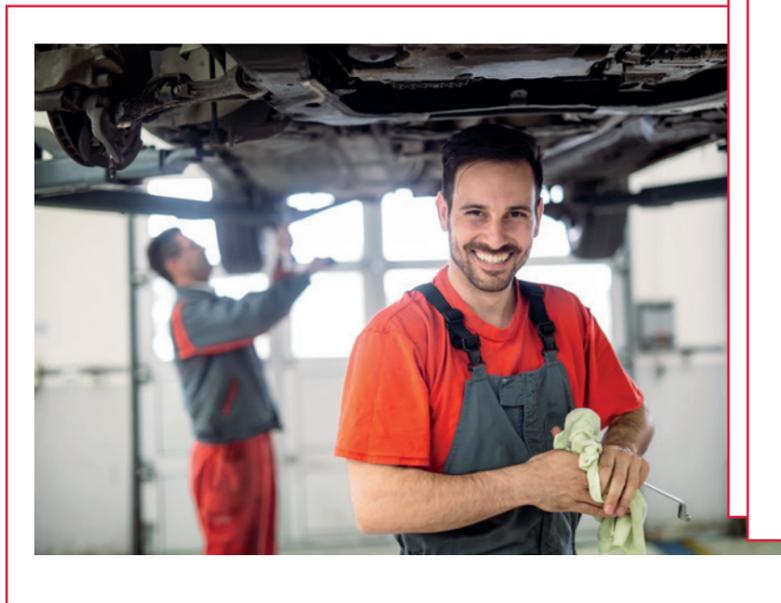
**Conflict of Interest Management Policy in the Inter Cars SA Group**

It shows what situations are a conflict of interest, it stipulates the obligations to report and to manage such conflicts.

**Confidentiality Policy in the Inter Cars SA Group**

It shows what information should be treated as confidential and it stipulates the key principles for handling such information.

**Risk Map of the Inter Cars SA Group**



3.2. Value Chain

**Value Chain of the Inter Cars SA Group**



**Product Procurement and Manufacturing**



**Warehousing and Logistics**



**Distribution and Sale**



**Product Use and Remanufacturing**

**GRI [103-2]**

In the distribution industry the supply chain is by no means the key element of running a business. In the Inter Cars Group, we believe that the way procurement, warehousing and the spare part distribution work, is our competitive upper hand. We spare no effort to improve, accelerate and simplify all the procedures for our customers – manufacturers and garages – to know they can always rely on our services.

The value chain of the Inter Cars Group encompasses all the links, starting with the manufacturer's plant, through logistics centres, warehouses and branches, garages and auto shops, to business customers (fleets) and individual customers, including garages (thanks to the Motointegrator platform).

## Product Procurement and the Supply Chain

GRI [103-2]

### Supplier Management

Being a socially responsible entity, we only cooperate with businesses which respect human and employee rights. In 2021 no cases of human rights violations were recorded in our Group.

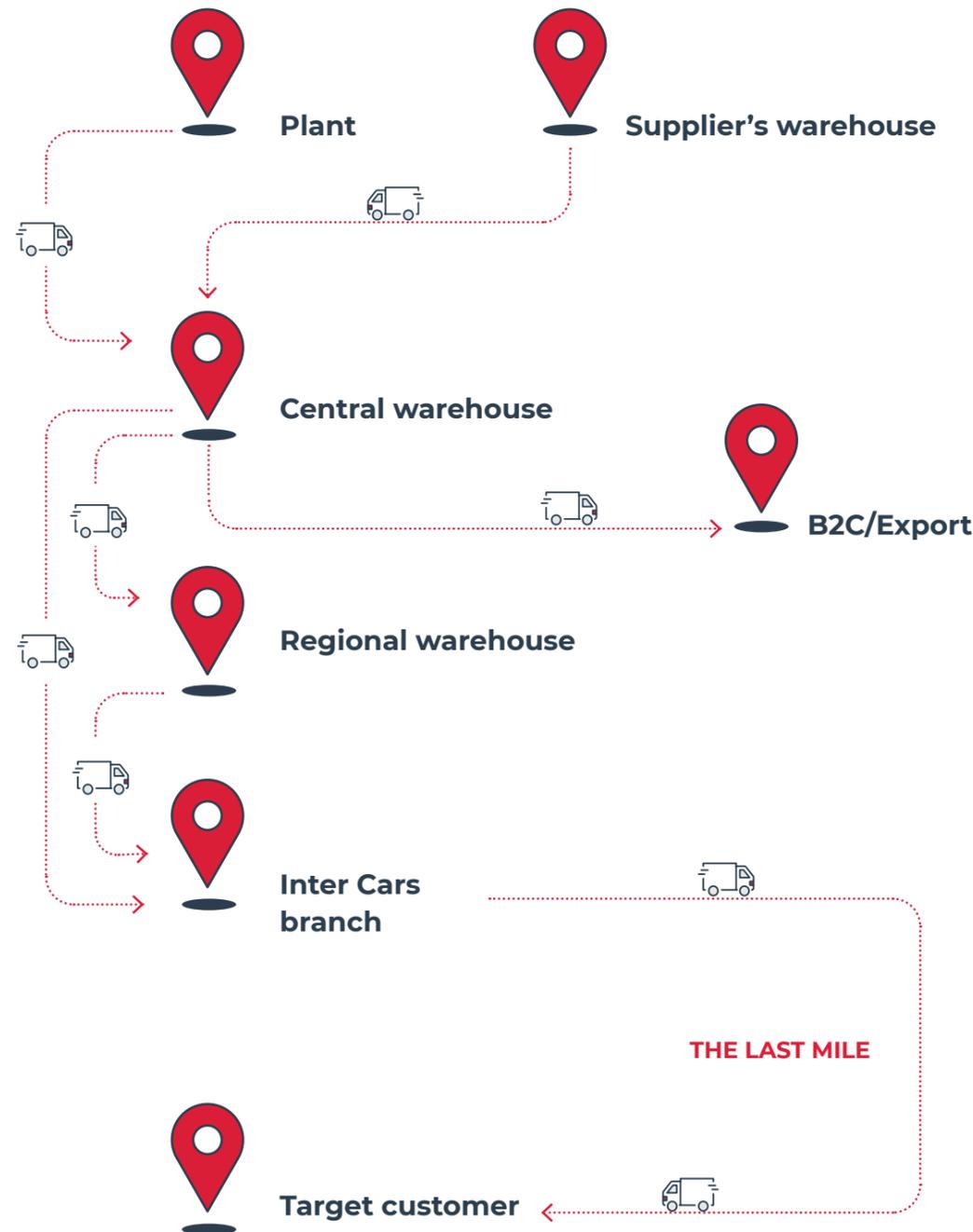
### Supplier Groups:

- spare parts suppliers
- garage equipment suppliers

Our Group cooperates with almost 1600 suppliers from Europe, including France, Spain, Germany, Poland, Italy, as well as the US and the Far East. They primarily supply car parts and also garage equipment.

All the products ordered are certified and they meet the standards required in Europe. The core requirement for our suppliers is to ensure complete technical product documentation to be provided along with the order.

GRI [102-9]  
**Supply Chain Diagram in the Inter Cars Group**



In the Inter Cars Group the supply chain consists of several links from the manufacturer or product supplier to the target customer, that is, a garage.

The suppliers, i.e., the entities providing goods for sale, are the first link. Inter Cars cooperates directly with both manufacturers, understood as entities having manufacturing plants, and with distributors who are the intermediaries between the plants and the customers. The Procurement of Goods Policy is applied to suppliers based on performance, as measured by the following components:

- **profitability (trade terms, logistic costs),**
- **market perception of the brand,**
- **technical support,**
- **marketing support,**
- **unique character of the products and services offered.**

Inter Cars cooperates with suppliers who:

- ✓ **align with the procurement policy of the Inter Cars Group based on a list of requirements,**
- ✓ **meet the formal conditions prepared by the Legal Department of Inter Cars,**
- ✓ **follow the Code of Conduct and Good Market Practises of the Inter Cars SA Group.**

The latter is based on a Business Partner Assessment Questionnaire, in which, along with the supplier, we touch on ethics and business social responsibility issues, including the quality management system, employee rights, environmental aspects or running a business in compliance with the applicable legal and tax regulations.

There are trade and logistics meetings organised on a regular basis with suppliers in order to improve relations with them, primarily to satisfy the needs of target customers. These meetings give rise to initiatives affecting the quality and the speed of the supply chain of the Inter Cars Group. They include suppliers preparing goods based on size, which improves the effectiveness of order acceptance at the warehouse and releasing the goods for further sale.

Dock Management System, a delivery notification tool implemented in 2021 for central and regional warehouses in Poland (a total of 11 locations), also yielded a number of benefits. In this way, the unloading time was reduced, which gives the carriers a chance to carry out other transports based on the time windows scheduled at Inter Cars, while the warehouses became more effective at unloading.

Supplier relations are also about active participation in ATR — the oldest and the biggest purchase group for cars – as well as joint training undertakings. Regarding the cooperation of the Inter Cars Group, in 2021 the total number of entities from which Inter Cars SA bought goods was around 1600 firms, out of which Polish suppliers accounted for almost 75%.

Value-wise, the goods purchased by the whole Inter Cars Group in 2021 amounted to 2.2 billion euros.



## Warehousing and Logistics

- receipt of goods from the manufacturing plant or the supplier's warehouse
- transport to the central warehouse of the Inter Cars Group
- warehouse transfer to the affiliate warehouses
- carrying out the order and the delivery

The crucial tasks in the supply chain are performed by ILS sp. z o.o., our company which is a highly specialised logistics entity and which oversees the European Logistics and Development Centre opened in 2017 in Zakroczym. An investment are of 15 ha, over 65,000 m2 of total warehousing space fitted with a 13 km long conveyor system is the only such a facility in the automotive industry in Europe.

The second largest (in terms of the size of operations) is the regional warehouse in Sosnowiec servicing the Inter Cars Group companies in the countries south of Poland with a total area of 54,000 m<sup>2</sup>.

Komorniki and Czosnowo – based facilities also perform important warehouse functions. The total area of logistic

centres in Poland is almost 200,000 m<sup>2</sup> versus approximately 100,000 m<sup>2</sup> in other countries of Europe. The main warehouses along with the information of their relevant markets are presented in the chapter The Inter Cars SA Group.

**In total, the distribution of goods is based on the following:**

- a logistics centre in Zakroczym
- a chain of the Group's own 240 affiliates in Poland,
- a chain of 338 affiliates outside Poland,
- logistics centres in Czosnowo, Sosnowiec and Komorniki,
- logistics centres in Croatia, Romania, Bulgaria and Latvia.

In the central warehouse there are all product groups with only fast rotating products being stored in the affiliates, albeit to an extent enabling the range, quality and availability of products to meet the local needs.

The counterparties of Inter Cars supply to both warehouse types, depending on the needs and the established flows of goods in the chain. The regional warehouses receive mainly mass-produced goods (tyres, batteries, fluids, lubricants). Next to the said goods categories, the central warehouses also handle the rest of the range of goods. The scale of the operations can be illustrated by the European Centre for Logistics and Development in Zakroczym having over 550,000 items in stock with a typical regional warehouse having around 100,000. Some warehouses also have specialist functions, for instance, from the Czosnowo-based warehouse body parts are distributed.

For the Inter Cars Group, the supply chain does not, however, end with the delivery of goods from the plant or the supplier's warehouse to the central or regional warehouse. The facilities together replenish stock in the branches' warehouses which are sale and warehouse facilities of Inter Cars run by the franchisees. In addition, from the warehouses supplying our branches we deliver daily customer orders that could not be completed for the customer due to a narrower range of goods at distribution outlets. The numerous deliveries to the branch in Poland are made daily by almost **500 transports**.

Garages cooperating with Inter Cars are able to order the goods with delivery even

several times a day. A matter of speed and frequency of delivery for the target customer is characteristic for the supply chain on the automotive aftermarket. The expectations of car users to have their cars repaired as quickly as possible translates into requirements for distributors like the Inter Cars Group.

## Manufacturing

### Manufacturing our own trailers and semi-trailers

Feber sp. z o.o. is a company of the Inter Cars SA Group whose business is the manufacturing of new types of trailers and semi-trailers. The cars are made in accordance with the latest technologies, based on components from renowned global manufacturers. Lower weight, fuel consumption and tyre wear are the main advantages of these products, which also contributes to environmental protection. What testifies to the products' supreme quality is their approval and a 24 month guarantee. Two-thirds of cars leaving the plant in Sieradz are sold in Poland, while one-third of them are exported, mainly to Belgium, France, Finland, Germany, Norway and Sweden.

## Good Practices at Feber

### Legras semi-trailer with lighter floor

Feber sp. z o.o. is Poland's exclusive representative of Legras, a French manufacturer of walking floor semi-trailers. We are the market's only company who uses type 10 standard overlapping floor panels which enable the transportation of the finest fractions of materials. Additional vertical reinforcement of the panels allows for the movement of a forklift up to 9 tons. Due to this semi-trailer specification, our walking floors are by far the most versatile cars of this class available on the market.

In July 2021 we introduced type 7 floor which is over 200 kg lighter than the type 10 floor. Thanks to this solution, a 91m<sup>3</sup> semi-trailer with aluminium rims and aluminium air tanks weighs approx. 7600 kg. Less weight means less fuel consumption and fewer tyres.

### Zinc undercoating

Zinc undercoating is a solution Feber sp. z o.o. has used for years on the Scandinavian market and in cars intended for milk transport. Recently it has also been available for customers who decide to buy a tipper semi-trailer with a steel frame. By enhancing the epoxy undercoating with zinc particles (about 45%) the semi-trailer frame is even more resistant to weather conditions, which additionally prolongs its life.

### Manufacturing our own remanufactured parts

Lauber sp. z o.o. performs one of the most important and environmentally responsible tasks in the value chain. Remanufacturing of car parts allows customers to avoid the costly purchase of a new part and scrapping of the old one – thanks to advances in engineering and technology, a regenerated part is functionally equivalent to a new one. Remanufacturing of parts brings environmental benefits, as well as savings for consumers while buying parts or repairing cars.

## Distribution and Sale

- sale (garages, shops, other business customers)
- branches
- workshop chains
- tools and sale systems
- e-commerce B2B and B2C

We know how important a wide range of products and immediate availability of parts (of various price ranges) are in the competitive car parts distribution market. Our leading position is also to be credited to diverse distribution channels.

We understand the special importance which independent garages have for Polish drivers (in Poland they account for over 90% of all garages). They are chosen for their high level of technical service and favourable price/quality ratio. We are developing chains of independent automotive garages (Q Service Castrol and Q-Service Truck). Belonging to a chain makes it easier for garage owners to gain, among others, specialist technical knowledge and it also gives a sense of belonging to a distinguished group of car services, providing marketing support in gaining and maintaining customer loyalty.

### We nurture relations

A skilfully implemented strategy, high quality of services offered and a partner approach to customers yielded a 100%

recognition of our brand among garages. We pursue our goals through cooperation, because we realize that we develop and grow only when our customers grow with us. We focus on long-term relationships with our customers, therefore we regularly perform satisfaction surveys based on which we develop our offer according to their needs and test and introduce new solutions.

Despite the Covid-19-borne problems that affected the entire industry, in order to provide customers with a valuable product, we continue business negotiations with our key partners, namely suppliers. Because of restrictions in face-to-face meetings during the pandemic, most meetings were held online. In order to make them as effective as possible, all the people involved in the realisation took part. In this way, we maintained the supply chain without compromising the garages and provided our customers with access to a full range of products.

### In 2021, many innovations were implemented or accelerated, which had a significant impact on the development and operating of the Company's particular business areas:

- in the area of B2B customers, we continued to roll out the e-Catalog solution, introducing new functionalities,
- with respect to B2C customers, we continued to develop online stores,
- all of our e-commerce solutions were hardware strengthened to handle increased traffic and an increased number of orders,
- we started implementing B2B customer service using the dropshipping model,
- we provided customers in Poland with the chat option available in the catalogue for ordering goods,
- we maintained the efficiency of the call centre despite the requirement for call centre employees to leave their offices (remote work from home),
- we provided technical support for promotional campaigns addressed to our customers and partners, e.g.
- #HelpToHelp, we implemented the IC Driver application to support drivers in their work and to improve the level of logistic service between the branch and the customer,
- we used new solutions developed together with our technology partner, Microsoft: we introduced a CRM system for salespeople
- integrated with the MS Teams application, we developed new functionalities based on PowerApps to support market data acquisition by sales representatives, we developed new forms of data analysis to identify and exploit sales opportunities,
- we started creating the Engine Competence Centre to increase the share of Inter Cars in this market segment,

- we initiated a program for monitoring and improving customer service standards at Inter Cars branches using the mystery shopper method, despite the pandemic, we carried out a number of marketing campaigns for customers, including the Pit Stop program for VIP customers, we developed marketing automation solutions to increase the reach of our offer to customers in the chain,
- we used sales synergies with Inter Cars fleet program, significantly expanded the offer and increased market share in the segments of buses and vans, agro, oils, batteries, tires, car body, truck parts, garage equipment, marine, motorcycles – parts and clothing/ accessories, tuning, automotive accessories, we developed the concept of the retail sales point based on the existing branch chain, in cooperation with our suppliers we realized training programs for our customers supporting the introduction of new products and improving quality of services performed.

## Use

- driver
- fleet management company

Motointegrator is a unique platform bringing together drivers and garages. It enables simultaneously checking other customers' opinions on the services offered by garages.

The offer for fleet customers covers everything that relates to a business car: a full range of repairs, services, document handling and even purchase and sale of fleet cars, as well as an innovative fleet manager's tool – insight into the history of each car, a wide range of reports and easy and quick approval of repair costs.



## Remanufacturing

- individual customers
- garages
- auto shops

Caring for the environment is a very important element of our strategy. We realize that greenhouse gas emissions and energy consumption have a huge impact on the environment and we want to reduce it by taking a variety of measures. Therefore, in our offer you can also find regenerated parts which we have delivered by one of our companies — Lauber sp. z o.o. The guiding principle of the circular economy is to prolong the life of products we use, and, ultimately to reuse the materials the products were made from.

The above principles also apply to the automotive industry. A product such as a car requires maintenance and repair over its lifetime. Its particular components wear out and require replacement. Given the ecological aspect of spare parts, each car owner has two component groups to choose from. The first one pertains to components produced as part of to-date linear processes, whereas the other one – to regenerated items.

**At Inter Cars, we believe in the development of a circular economy. We offer regenerated components from many of the following groups of goods:**

- injectors and injection pumps,
- starters
- alternators,
- power steering gears.
- power steering pumps,
- drive shafts,
- brake calipers,
- clutches,
- suspension components,
- turbochargers,
- air conditioning compressors.

The turnover on the aforementioned product range in 2021 exceeded PLN 117 million with an over 50% growth versus 2020. The Group also includes Lauber sp. z o.o., an entity primarily engaged in remanufacturing of power steering, alternators and starters and brake callipers.

### What is car parts remanufacturing?

Remanufacturing is very often confused with repair, and these are two completely different activities. Repair means the removal of a specific defect, while all elements working efficiently are not taken into account. In case of remanufacturing, the scope of activities is much wider because the purpose of the process is to offer the customer a product which corresponds to the characteristics of a new one. The remanufacturing process itself always consists of the following stages:

- disassembly of the component,
- washing and cleaning parts of the component,
- checking the condition of the component's parts,
- preparation of assembly kit consisting of disassembled and new parts,
- assembly, quality control,
- coating and packaging.

## 3.3.

### Product Quality

GRI [103-2] [416-1]

Our close cooperation with independent manufacturers who develop and supply parts for building and repairing vehicles translates into a broad offer. We do not and will not sell parts that raise our doubts. We realize how much car repair budgets may vary. Therefore, our offer includes both products of renowned suppliers, which are used in car manufacturing, and substitutes, coming from lesser known manufacturers, of equally high quality.

Products in our offer are verified in terms of quality at an independent laboratory run by Intermeko Europe Sp. z o.o., in which Inter Cars SA holds 50% of its shares.

We are one of the few spare parts distributors in Europe which have their own quality control system based on QDA programming. Parts undergo multiple tests so that the final product is, above all, safe for the user, but also that it meets very strict technical standards.

Using X-ray spectrometer enables examining the chemical composition of materials used for production of spare parts, as well as precise and quick identification of the steel type used.

Intermeko Europe Sp. z o.o. examines potential suppliers of Inter Cars, but also conducts random quality control in relation to those entities that have already been qualified to sell parts within the Inter Cars SA Group. It is to ensure continued delivery of superior products and their verification in accordance with the guidelines and user expectations.

In 2021, 41,172 elements were checked. To this aim, a total of 34,222 geometric parameter checks and identification checks were carried out. A total of 5,695 functional checks were carried out, i.e., for example, the damping forces of shock absorbers, the elastic forces of suspension springs, and leakage checks. The laboratory also runs tests in the case of complaints reported by individual customers.

Intermeko Europe Sp. z o.o. mainly examines the products of so-called private labels, as it a part of the market with the largest room for verification of component quality. Every new product in this segment undergoes thorough inspections and tests and must be positively verified by a laboratory.

The DEKRA certificate confirms that the quality management system has been implemented and it is maintained by Intermeko Europe Sp. z o.o. in keeping with ISO 9001:2015.

#### Key tests by Intermeko Europe:

- geometric measurements,
- strength testing,
- material hardness testing,
- microstructure testing,
- functional testing.



## 3.4. Customer relations and customer service

GRI [103-2]

### Customer values

**INNOVATIVENESS** – innovations as the building blocks of competitive advantage.

The **“ONE STOP SHOP” MODEL** regards not only the continuous extension of our assortment, but also development of partner programmes that form a significant added value for key customers. In addition to sales of spare parts and car equipment elements, we provide garages with necessary tools and automotive repair supplies.

As part of post-sale service, we organise trainings and offer comprehensive services to help garages to operate successfully. Inter Cars also supports its clients in financing their investments, and helps them find new customers via fleet programmes or the Motointegrator programme.

**MOTOINTEGRATOR** – a unique service to match up car owners with garages. The platform makes it easier for garages to reach potential customers, and also it works as an ecosystem for drivers.

**Q SERVICE CASTROL, Q SERVICE AND Q-SERVICE TRUCK** – the first two offers are targeted at the passenger car sector, whereas the third one deals with commercial vehicles. The above-mentioned brands are leaders in their business segments, which stand out among their competitors and provide the associated garages with numerous benefits.

### The **“Together we create, support, deliver”** campaign

The new campaign run by Inter Cars throughout 2021 – **“Together we create, support, deliver”** – enticed customers with benefits resulting from cooperation with our company. This is the first initiative of this kind in the industry, but it's not the first time Inter Cars has stood out among competitors as a business partner that relies not only on impressive sales results, but first and foremost on its values and widespread customer communication.



*The key word in the tagline is “Together”. We focus on listening to our business partners and the market, we want to serve them in the best possible way and develop an independent automotive market together. Inter Cars can only be strong with its partners’ strength, therefore we do our best to support them at each and every step. Creating and supplying are the attributes related to our core business, in all its aspects we want to hone our tools so that they can best serve our customers.*

**Maciej Oleksowicz,**  
President of the Management Board,  
Inter Cars SA

The campaign used the concept of a jigsaw puzzle. This was to convey the idea that implementation of any goals requires cooperation, logics, and strategy. It is necessary to make the right choices and to assemble numerous individual elements to obtain the expected result, at the same time bearing in mind that even one missing element out of a thousand pieces will make the jigsaw puzzle incomplete and non-functional.

A jigsaw puzzle also serves as a way to present the fundamental assumptions that we, Inter Cars, have considered to be the most important over the 30 years of our operations. The idea is to confront our knowledge about ourselves as an enterprise and our relations with the whole automotive aftermarket, and on that basis to create an even better strategy for the years to come. The particular elements include e.g. partnership relations, a broad offer, effective logistics, added value, and e-tools. The “Together we create, support, deliver” campaign took off in February 2021 and until mid-November 2021 it generated nearly 80 posts on social media which reached over 2 million users.

### We develop for our customers

We believe that each car owner deserves to be served by a trusted mechanic, and each garage deserves to have loyal customers. With that in mind, we created Motointegrator.com and keep developing it. It's a service platform that matches up car owners with garages. Year by year, the popularity of Motointegrator.com is increasing – as many as 28.3 million users have visited the service platform since its activation in 2017. In 2021 itself the number of visits amounted to 6.9 million.

The service makes it possible for car owners to quickly find a good garage and to verify opinions about the quality of services provided there. In addition to that, we offer our expertise about

automotive issues. We provide a place where car owners may find complete solutions to any car service problems they might have. For the garages being Inter Cars clients, Motointegrator.com is an attractive site to publish their service offers and price lists, and it also constitutes an effective tool for their business promotion on the internet.

**2021 was a year of special and significant changes for Motointegrator.com:**

- we supported all the garages cooperating with Inter Cars via our marketing activities – we advised them how to effectively use the Motointegrator.com platform for the purposes of online communication with car owners, we offered personal consulting regarding completion of online profiles of garages,
- we expanded into new European markets (Slovakia),
- we focused on perfecting the Motointegrator service in terms of technological and visual solutions, which resulted in a platform that works faster and more efficiently, and now boasts a completely new graphic design.

In 2021, Motointegrator.com hosted:

> 19.6 thousand garages in all markets (9 countries)

8.8 million unique users

**Garage of 21st century**

Business process digitalisation is one of the solutions that may significantly benefit garage owners, mechanics, and their clients. Inter Cars has at its disposal a wide range of tools that may help transfer a business to the 21st century and establish an e-Garage.

**Inter Cars e-Catalog (e-Cat)**

A state-of-the-art catalogue of spare parts, available at any place at any time, at any device including a telephone or a tablet. Inter Cars e-Catalogue is a platform that, in addition to basic search and spare part ordering functions, offers services such as preparation of cost estimates or availing oneself of promotions and special offers. The application is the Company's main sale tool on the European markets, it is currently being also being implemented in Poland.

**Major features of Inter Cars e-Catalogue:**

mobility, saving time, various ways of searching, permanent online access to prices and stock levels, order history navigation, possibility of sharing a basket with an Inter Cars sales rep acting in an advisory capacity, access to manuals and diagrams necessary for repair and cost estimates, and also an individual login for each employee of the garage/ store.

**eSOWA**

eSowa is a modern IT system to facilitate the functioning of garages and automotive stores. The available range of useful functionalities improves customer service efficiency and helps in day-to-day service management.

**From a customer's perspective**

The IT system creates a database of customers and vehicles assigned to them, which provides access to the repair history of each vehicle, the order history for each customer, possibility of issuing collective invoices, etc.

Adding a new vehicle to the system is made easy due to the access to the database of 78,000 of various vehicle makes and models. Using a 2D bar code scanner, it is possible to instantly add a new vehicle to the database by scanning the code provided in the registration certificate. The advanced search engine ensures quick access to the data of any customer / vehicle.

**Inter Cars e-Catalogue facts & figures:**

**Inter Cars SA:**

**37,000** registered users

**12,500** customers per month

**2,000** employees logging in per month

**250,000** logins per month

**Inter Cars Group:**

**100,000** users of Inter Cars e-Catalogue in Europe per month

**4,300** employees logging in per month

**5,000,000** logins per month



## From a garage's perspective

The eSowa system makes it easy to create a repair order – simply choose a given customer and a vehicle assigned to them, and then select spare parts or their replacements from the catalogue, automatically sending an order to Inter Cars. eSowa also makes a warehouse reservation of parts assigned to the repair order.

## Warehouse

The special feature of eSowa is also the possibility of managing any number of warehouses, ensuring their fully automated handling. The person that creates orders has access to warehouse stocks, and the goods assigned to the orders are reserved in the warehouse. In addition to that, eSOWA operates bar code scanners, which considerably accelerates both everyday work and warehouse inventorying.

## Stores

The store module enables fast sale of goods and services. Integration with the free-of-charge catalogue facilitates precise selection of parts. Besides, eSowa can work with most of the widely used fiscal printers. The software also makes it possible to search and sort orders by status, date, or customer.

## Tyre storage

The special module designed for tyre storage management makes it possible to provide information on tyres assigned to the customer and their vehicle. The programme may also generate documents for customers as well as labels to be affixed to the stored tyres.

## Customer feedback

The customers' opinions are of key importance for us in the decision-making process in order to streamline the existing rules. To that end, we regularly ask the cooperating garages to share any insights and comments via filling in surveys and direct contact with sales reps.

The customer satisfaction surveys are periodically made available in the Online Catalogue and Inter Cars e-Catalogue, the two major e-tools offered to garages. They are aimed at verifying the customer service areas and processes at Inter Cars branches. In addition to that, feedback is collected via telephone surveys held with customers who have shown a decrease in turnover or where a previously reported problem has exacerbated. Telephone surveys are made only in Poland.

19,500 customers participated in the customer satisfaction survey of 2021. Via Inter Cars Catalogue, a dedicated tool for spare parts ordering, the respondents replied to a number of questions regarding their cooperation with Inter Cars Group.

According to the feedback data received from the customers in 2021, the most valued criteria of their cooperation are:

- delivery timeliness,
- delivery promptness,
- customer service quality,
- sales reps' technical expertise, terms of payment.



At Inter Cars SA complaints are reported and analysed using the IC Complaints application. The system enables a quick access to the history of any complaint, any appendices added by the customers, data required, logistics status, or a change in the complaint status. It also helps maintain relations with customers by automatic sending of emails and text messages on the complaint status.

Complaints made with Inter Cars are handled on average within 3–4 days from filing, including the complete logistics process connected with collection and delivery of the merchandise to the branch, and then to the complaints department.

- **In 2021, the complaints department handled 102,749 complaints, out of which >65% were acknowledged;**
- **Over 80%** of them were handled at the European Centre for Development and Logistics (ILS). The other ones, depending on the assortment, were handled by the individual departments responsible for the motorcycle market or garage equipment, or directly by suppliers;
- **Over 44% of customers** of Inter Cars make their complaints via e-tools, so they can independently check and monitor the complaint handling process.

### Changes implemented in 2021 in order to streamline the complaints process:

- upgrading the IC Claims application – changes made to streamline the process of acceptance, verification and settlement of complaints, as well as the process of monitoring the complaint status by customers,
- implementing the IC Complaints application in all branches in Poland.

### Customer education

Inter Cars offers its customers various forms of skills development, such as trainings, webinars and e-learning, with the aim to support car service activity.

The “Together we create, support, deliver” tagline illustrates the scope of actions and initiatives targeted at garages and aiming at continuous and purposeful upgrading, or the automotive aftermarket improvement.

Trainings offered by Inter Cars to its customers usually regard the three core areas: technical issues, products, and business. Trainings are to increase car service employees’ competence within the scope of their duties and positions held.

Inter Cars raises the awareness of the need to develop professional competence. The company gathers information from car service outlets about their training needs, and prepares a long-term, bespoke training plan for them. Thanks to a wide range of topics and cooperation with the best experts in the spare parts market, the trainings offered to customers support development of individual garages. Well-qualified employees and well-managed shops translate into better services, increased profits and higher competences, which is to the advantage of both the businesses and car owners being the final recipients of the repair services. The Inter Cars trainings department provides a complete package of trainings, materials, topics and tools, so that garages don’t have to waste time on obtaining the same knowledge in another way. In addition to that, the Company provides the garages with the expert helpline service that allows them to save time and increase their competences.

Inter Cars continuously introduces facilities to improve the work standards in garages. Activities taken up as part of our mission include the ever-expanding offer of professional trainings, such as **online and in-person trainings, the Show Car mobile training cycle, or permanent access to technical advice via Inter Cars expert helpline.**

Inter Cars offers a number of trainings in the area of car repair and business running. These are dedicated to those who want to expand their knowledge and gain new competences, and to business owners who appreciate the importance of raising their employees’ qualifications.

Trainings are conducted by experienced experts who discuss practical solutions with trainees and teach them skills that can streamline the garage operations or expand the offer service range. Thus, the trainings are helpful in running a competitive and good quality car service.

Conducting the trainings during the pandemic was a challenge for both trainers and trainees. In cooperation with suppliers, we did our best to flexibly respond to the changing realities and continued to expand the online trainings offer, covering issues such as running a garage, technical topics as well as specific vehicle repair related problems.

The interested parties could choose between technical, product and business trainings.

**Technical trainings** make it possible for motor vehicle mechanic teams to expand their competences, gain new skills and increase their expertise. What we have been offering is the fullest trainings offer on the market, featuring an exceptionally wide range of topics.

### Technical trainings include:

- a possibility of getting to know the structure of various mechanical systems and components, and of good understanding of their operation,
- a possibility of gaining practical experience in dismantling, repairing and assembling of a given component; depending on the training topic, we run demonstrations on test vehicles, dismantled components or specially prepared cross-sections (e.g. of an engine),
- a possibility of meeting the best experts,
- exchanging experience with other trainees.

**Product trainings** offer a possibility of getting to know the latest solutions provided by top manufacturers.

### Product trainings provide:

- a possibility of meeting high class specialists,
- a possibility of handling highest quality products,
- knowledge that enables maximal utilisation of the equipment potential,
- an opportunity to get to know novelties from the automotive industry,
- an opportunity to exchange experiences and opinions.

Product trainings are offered in cooperation with top suppliers. Owing to that, Inter Cars SA customers can be the first in Poland to get to know some product novelties.

The trainings offer includes both one-day sessions and cycles consisting of two or three meetings.

**In 2021** there were more than **300 technical and technical/product trainings**, out of which **100 sessions** were **held in-person**, and **over 200** took place **online**. In total, the trainings were attended by nearly **6,000 participants**.

**Business trainings** constitute a comprehensive offer targeted at garage owners to make it easier for them to run their businesses more efficiently. The trainings are to teach them what to do in order to raise the service efficiency.

### Business trainings enable:

- streamlining the garage operation as a result of learning the best practices in car service management,
- getting to know various methods of working time optimisation and motivation of the motor vehicle mechanic team,
- understanding the kinds of legal risks connected with
- running a garage, and how to mitigate such risks,
- analysis of the customer service process management, presentation of various methods of promoting the garage and winning new customers.

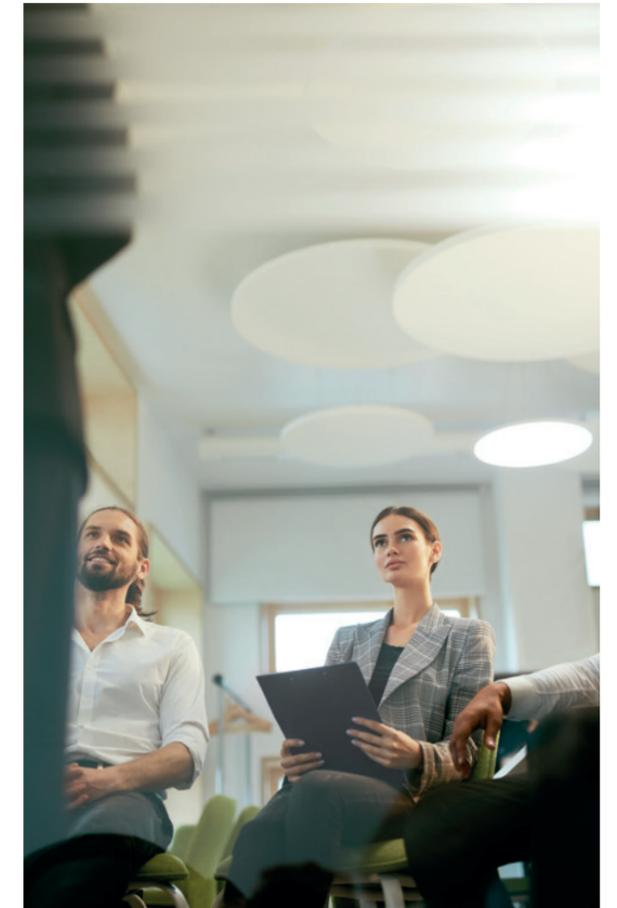
**In 2021, 10 business trainings** were held, out of which **2 in the in-person mode**, and **8 – online**. In total, the trainings were attended by **over 100 participants**.

## Show Car Project 2021

The mission of Inter Cars is maintaining the position of the leading supplier of goods and services in Central and Eastern Europe. The cooperation with leading suppliers makes it possible for Inter Cars Group to provide its customers with the best products available on the market and the possibility to use the expertise and experience of specialists in specific fields. As a result, the market is provided with reliable information about the possibilities of specific products, assembly techniques or diagnostics, and the manufacturers have a chance to present any novelties they have been working on.

Trainings under the Show Car project were conducted by experts from companies such as: Continental, Elring, Philips, Man Filter and Inter Cars, and products were presented also by Hella, Delphi, Snap-On, ProfiRS, Karcher as well as the department dealing with vehicle batteries and garage chemicals at Inter Cars. The Show Car was organised outdoors, where manufactures were able to present their products and solutions in a safe environment for business talks.

Throughout **2021**, the company organised **17 Show Car meetings** held in various locations all over Poland. In a truck interior converted into a spacious training room, over **120 various trainings** were held, conducted by **21 European spare parts suppliers**. Despite the difficulties caused by the pandemic, we managed to train **more than 1,000 people**, providing them with knowledge that will contribute to development and quality of services supplied by garages in Poland.



## Inter Cars expert helpline

The technical expert helpline is the best way to quicken and facilitate any mechanic's work. Upon registration to the service, users are granted unlimited access to Inter Cars experts' knowledge and advice.

The helpline makes it possible for mechanics to consult with qualified advisers any problems encountered during repair. They will answer any questions regarding car diagnostics and repair, and if necessary they will lead the user step by step through the whole process of checking the problem.

### Why call the expert?

- The helpline makes it possible to quickly consult a technical problem with a qualified adviser team.
- The experts help solve problems by indicating the best way of repair and warning against any risks,
- Due to the unlimited number of consultations, the repair time may be shortened, which will also satisfy the end user and strengthen the garage's position on the market.

**In 2021, under a pilot project, over 50 selected Inter Cars customers** availed themselves of the telephone service, and the number of garage owners and employees happy with the service has been on the increase.

### Establishing an exhibition hall and a training centre in Ukraine

In Mykolaiv, in the branch of Inter Cars Ukraine, we opened an exhibition hall and a training centre dedicated to automotive repair supplies, which are the first in the region. The facility is to be a place where customers are provided with technical information. So far, a training centre has only existed in Kiev in the offices of Inter Cars Ukraine.

The objective of the new project is to acquaint the customers (garage managers and employees) with the Inter Cars product offer, and to show to them the practical possibilities of the latest car repair equipment. The building with a space of 300 m<sup>2</sup> houses an exhibition hall and a training centre. In the exhibition hall it is possible to see various tools and devices offered by Inter Cars. Each visitor may obtain information about the product offer and purchase any exhibited goods. The training centre offers free-of-charge trainings for customers.

## Inter Cars Training Centre in Romania

One of the main tasks of Inter Cars as the largest distributor of spare parts in Central and Eastern Europe is to help its customers to improve the services provided in garages, e.g. via:

- occupational development courses,
- individual consulting and technical assistance,
- access to current technical information.

ICTC (Inter Cars Training Center) is a YouTube channel in Romanian, which was created in response to the customers' demand for interesting content regarding automotive issues, and also to enable more effective communication with the target customer group. Short videos and clips are the most valued kinds of online content, as they provide information in a way that is easy to understand for all interested parties. Via this channel, we want to provide relevant information and raise wide-spread interest, thus contributing to development of knowledge and know-how among both specialists and the general public.



# 04

## Key facts and figures for 2021

# Employees

GRI [203-1] [203-2]

### In this chapter:

- ⊕ The basics of human capital management in Inter Cars Group
- ⊕ New HR strategy for 2021–2025
- ⊕ Employees and their development
- ⊕ Health and safety of employees
- ⊕ Innovative workplace



**3 819**

employees employed in Inter Cars Group

women: **1 139**

men: **2 680**

**822**

employees vaccinated against Covid-19 on the company's premises

**4 496**

training hours for onboarding of new hires

**32 000**

completed training hours

**1 704**

active user accounts in Worksmile, a well-being platform

### Strategic Goal No. 3 and 6

„Sustainable automotive for people and climate – 2020+ Sustainability strategy”

We create a friendly environment for sharing knowledge and implementing innovative business solutions with the participation of employees and external stakeholders.

We create the foundations for promoting entrepreneurship and supporting education and development of qualifications.

The UN Sustainable Development Goals that we support as a part of our accountability towards employees:



## 4.1. Managerial approach

### An employee's voice:

**Anna Figiel**

Inter Cars Group  
Human Capital Director

“As an employer, it is our ambition to create an employee-friendly work place, one where people want to work. This is the very factor that our employees name as one of our biggest advantages in satisfaction and commitment surveys. We have created a good setting, where good, friendly relations prevail, where we support and can count on each other. Our employees appreciate that as a business we are a trustworthy and reliable partner, capable of providing both stability and growth. We can proudly claim that over 80% of our employees are committed. This is one of the criteria that gave us the distinction

of “Human Capital Investor” in 2021. Additionally, we have consistently been receiving the distinction of “Top Quality HR” for several years, along with other businesses.

As a company, we are growing not only for our shareholders, investors, employees or clients – we are growing together with all these people and thanks to them. We achieve our business goals, but also goals related to empowering our employees – we grow together. We are aware that some areas within our organisation need improvement, such as the flow of information, providing feedback or adjusting benefits. We wish to keep working on them, so that we, as an employer, are more and more eagerly recommended – even though our NPS has already risen by 4% in our largest market, with some of the Group's markets seeing rises by 100%.

The values that guide us as a business are shared by our employees – nearly 90% of them

fully agree with our values. These are simply their own values. Our employees have named them themselves, because these values have been present in the culture of our organisation from the beginning.

”

### The fundamentals of management:

Fundamental documents governing the area of employment:

- **Code of Labour**  
Regulates the employment relationship and describes principles applying to all employees;
- **Human Capital Management strategy**  
Describes the goals of human capital management, vision, culture and values of the Company;
- **Capital Group's personnel policy**  
Describes the internal principles of creating the map of work positions, including the valuation criteria, the remuneration and benefits policy, including the manner of setting internal brackets and their span, the bonus policy, the principles of remuneration and raise reviews, competence requirements and the

manner of describing them, the description of the system of employee assessments, the principles of the standard of organisational structure and onboarding;

- **Inter Cars Group risk map**  
Describes the risks identified in the Human Capital Management ISO process;
- **Labour regulations**  
Govern the organisational issues related to employment and any issues stipulated in the Labour Code;
- **Remuneration regulations**  
Describe the principles of remuneration from the perspective of the Labour Code;
- **Regulations of the Employee Benefit Fund**  
Describes the principles of creating and using the resources of the employee benefit fund;
- **Safety policy**  
Specifies our approach to the issue of work safety and ergonomics;
- **Anti-mobbing policy**  
Describes the principles of combating mobbing and harassment, the manner of obtaining help and conduct in such cases.

## Bodies active in employee related areas

### GRI [103-2]

- **Council of Employees** – a body representing employees, chosen by the employees in a general election. The council is composed of three people and convenes at least quarterly. The representatives are people with whom solutions for all employees can be consulted. The council issues opinions with regard to any changes in employee related areas.
- **Social Committee** – a committee elected to perform social benefits and examine applications relating to the Employee Social Fund.
- **Evaluation Committee** – a committee composed of managers (M4 employment tier and higher), convening quarterly. Following recommendations from the HR Department, the committee examines applications for the evaluation of work positions in the Polish market. This process allows for the objective evaluation of work positions.
- **Occupational Health and Safety Committee** – a committee composed of representatives of the employer and employees. It meets at least once a quarter. Its tasks include reviewing working conditions, periodically

assessing the health and safety conditions, giving opinions on measures taken by the employer to prevent accidents at work and occupational diseases, formulating conclusions regarding the improvement of working conditions.

## Trustworthy employer

Inter Cars Group is a reliable employer who guarantees stability and safety of employment, timely remuneration payouts and real market remuneration. Our employees appreciate the company's stability and credibility, but also value the Group's unique organisational culture and values that they stand for – as shown by the latest employee satisfaction and commitment survey. As a company, we go to great lengths to maintain work-life balance.

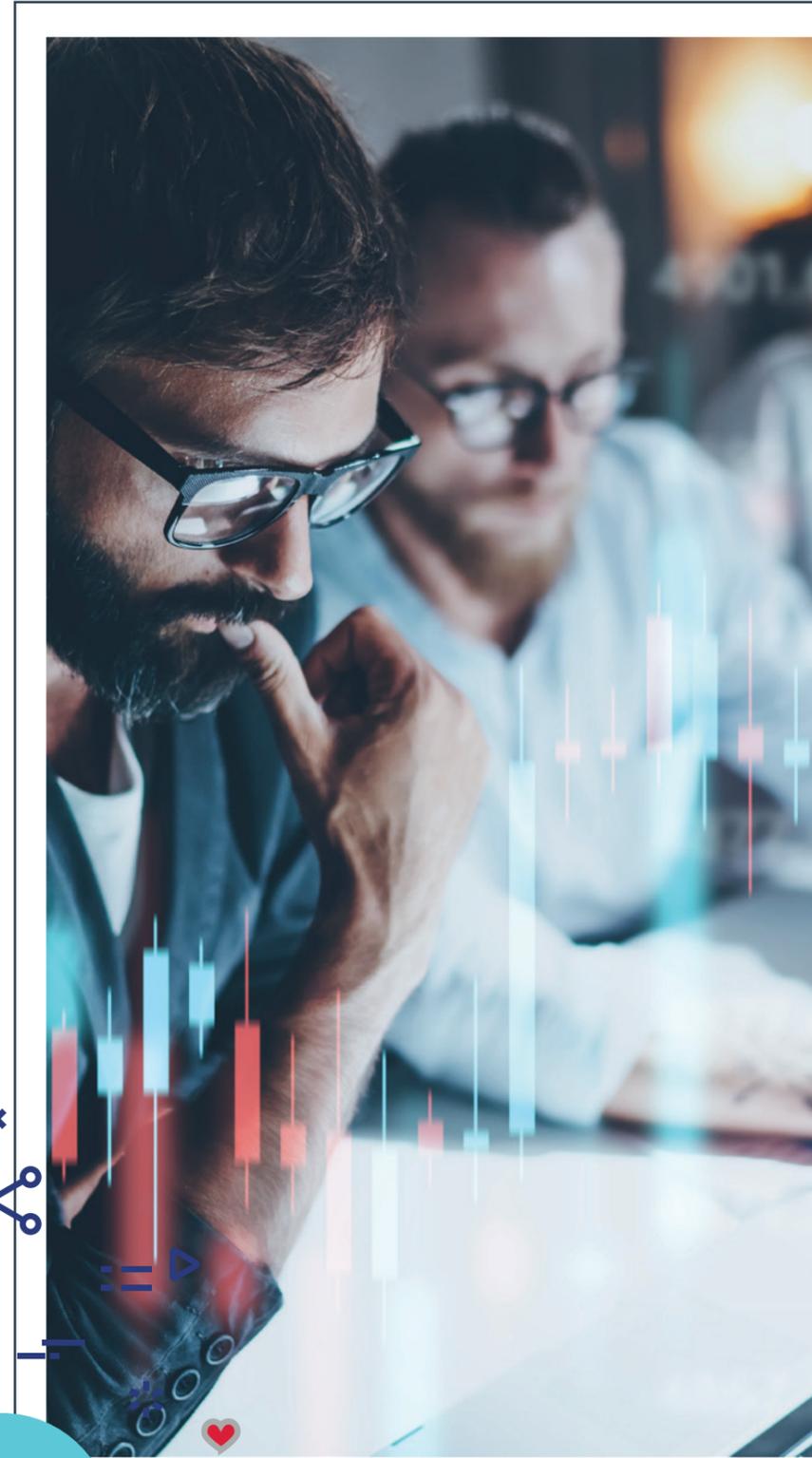
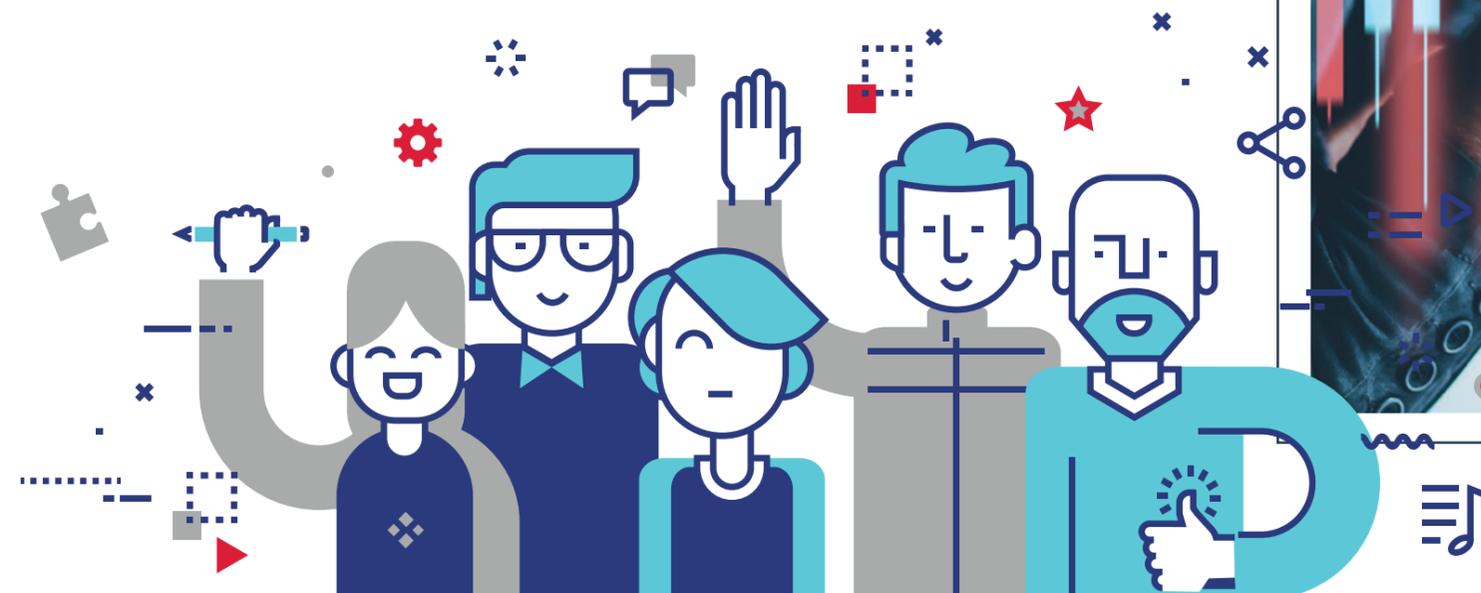
Our employees are the main reason for our great standing in Europe. Many of you have worked here since the first days,

earning consecutive promotions, reaching positions with your own teams to manage or growing to become experts in your own niches. Information about awards and distinctions for HR related activity is presented in the chapter "About the Group".

## Data on employees and other individuals working for the organisation

### GRI [102-8]

- At the end of 2021, Inter Cars Group was employing, presented as full-time jobs, 3,579 employees, of which 39.70% were in Poland and 60.30% in foreign companies.



## Number of Inter Cars Group and Inter Cars SA employees divided by gender and contract type in 2021

(as of December 31, 2021)

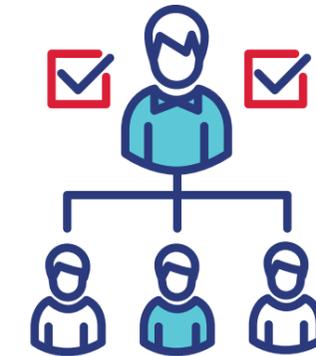
Total number of employees divided by gender and contract type	Number of employees					
	Inter Cars Group			Inter Cars SA		
	Women	Men	Total	Women	Men	Total
<b>Employment contract holders</b>						
Specific time positions	712	1 844	2 556	64	77	141
Non-specific time positions	415	809	1 224	247	349	596
<b>Total number of employment contract holders</b>	<b>1 127</b>	<b>2 653</b>	<b>3 780</b>	<b>311</b>	<b>426</b>	<b>737</b>
<b>Employees with other types of contracts</b>						
Task-specific contract holders	10	6	16	5	5	10
Mandate contract holders	2	21	23	2	21	23
<b>Total number of all employees</b>	<b>1 139</b>	<b>2 680</b>	<b>3 819</b>	<b>318</b>	<b>452</b>	<b>770</b>

## Number of Inter Cars Group and Inter Cars SA employees divided by gender (full time jobs) in 2020 and 2021

(as of December 31, 2021)

Number of employees presented as FTEs	Number of employees					
	Inter Cars Group			Inter Cars SA		
	Women	Men	Total	Women	Men	Total
Number of employees presented as FTEs	1305	2274	3579	304	417	721

Most of the employees of Inter Cars Group are men – 70%. Women amount to a smaller fraction of all employee in Inter Cars Group – 30%. However, their share in Inter Cars SA is higher, at 41%. Men constitute a large proportion of employees in foreign companies, at 59%.



## Division of employees according to employment type (employees)

(in 2021 in Inter Cars Group and Inter Cars SA\*)

Number of employees divided by employment type:	Number of employees					
	Inter Cars Group			Inter Cars SA		
	Women	Men	Total	Women	Men	Total
full time	1072	2601	3673	299	411	710
part time	55	52	107	12	15	27
<b>Total</b>	<b>1127</b>	<b>2653</b>	<b>3780</b>	<b>311</b>	<b>426</b>	<b>737</b>

\* Applies to employment contract holders.

## New HR strategy for 2021–2025



### GRI [103-3]

Speaking of the company's policy, in the context of the approach taken towards employees, we consider them one of the most valuable assets, elements of capital, with which we are achieving a competitive edge. This approach is hardwired into our vision and strategy. Our goal is to create an environment of motivated people and, consequently, make our company an even friendlier place for employees.

### The Human Capital Management strategy for 2021–2025 stems from the company's strategy, its modifications and new goals that apply to HR and are embedded in it.

Following this approach, we are creating an environment of motivated individuals, a company that is friendly towards employees and business partners, with committed people who treat it as their own cause. All interested employees are given a chance to grow through the selection of ambitious tasks and within an environment that accepts possible failures, which serve as stepping stones for improvement, both for the individuals and the organisation. We act passionately and achieve goals working as a team, where

everyone contributes their knowledge and experience, while using their potential which stems from national diversity, age, gender and personality. We are striving to be ranked in the list of Best Workplaces in Poland maintained by the Great Place to Work® Institute.

Last year, we created a position of responsibility for achieving the Human Capital Management strategy within the entire Capital Group – the Human Capital Management Director for Inter Cars Group. Another step was to invite the representatives of all our markets to participate in international cooperation, with the aim of implementing the same solutions and standards. We are in the process of achieving these assumptions and implementing the same policy in the main offices of all markets. We have been implementing this approach since 2020.

We select employees on the basis of competences and workplace requirements. We pay no attention to anyone's gender, religion, nationality or age. What matters are aspects related to competences, experience and skills. This is a major part of our organisational culture, thanks to which we have acquired extensive resources such as various points of view, personalities, experiences, cultures and nationalities. We aim to use this potential as a cornerstone of our offerings, our diverse organisational culture and projects.

## Managing diversity

Diversity remains an important aspect of managing employee capital. Principles that support diversity and equal treatment encompass all career stages in our company – from recruitment, through the employment relationship itself (employment conditions, access to trainings and developmental activities, promotion possibilities), until the end of collaboration.

### GRI [405-1]

### Composition of supervisory bodies and staff of Inter Cars Group divided by gender of employees and age groups, in 2021.

	Percentage share in each category	
	Women	Men
<b>Supervisory Board</b>		
<30 y.o.	0%	0%
30–50 y.o.	0%	50%
>50 y.o.	0%	50%
Total % by gender	0%	100%
Foreigners	0%	0%
<b>Management Board</b>		
<30 y.o.	0%	0%
30–50 y.o.	0%	100%
> 50 y.o.	0%	0%
Total % by gender	0%	100%
Foreigners	0%	0%

Employees	Women	Men
<30 y.o.	8%	16%
30–50 y.o.	23%	43%
> 50 y.o.	3%	7%
Total % by gender	33%	67%
Foreigners	0%	2%

During recruitment, Inter Cars maintains the principle of equal access to work for everyone. The core of our recruitment is to achieve the best match between the candidate's profile and the workplace's requirements. Likewise, identical principles apply to our apprenticeship and traineeship programs, where everyone has the same access to such programs and is treated in the same way. Through our dedicated managerial training programs we develop competences in the effective use of potentials of diverse teams. This is one of many initiatives supporting sustainability and the creation of inspiring, responsible workplaces. Diversity not only applies to gender, age or origin, but also to one's individual style of activity, communication or location of performing work.

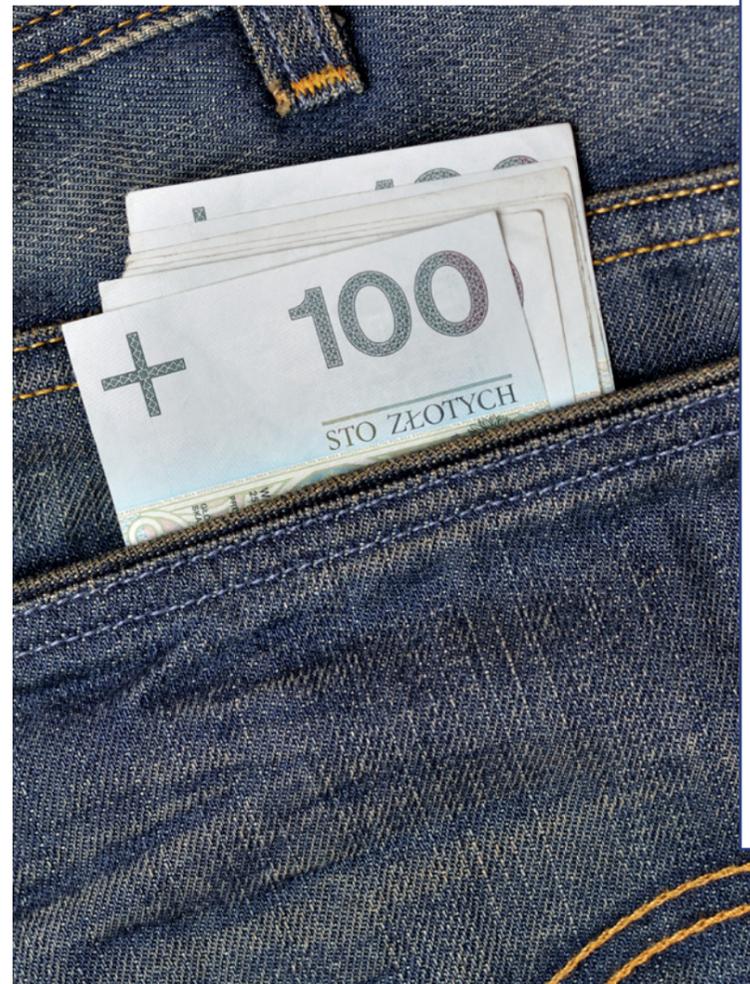
## Remuneration and career path policy

GRI [102-36] [103-3]

Regarding remuneration policy, Inter Cars SA Group follows a clearly established standard. Wages are set according to market standards and this remuneration is determined on the basis of wage reports prepared by Willis Towers Watson. The wage levels are determined in relation to the local market.

Taking this approach, we pay at least as well as 50% of employers in a given country. We determine the ranges of wages for particular workplaces for all markets in the same manner, using the same ranges for every workplace level. The recommended bonus levels are the same for all countries, but due to transition periods, certain countries where we are present use slightly different bonus models.

All our pay packets are set in relation to workplace levels. We created in an internal career map, divided it into three sets and filled in with managerial, specialised (support) and warehouse operation functions, respectively.



GRI [405-2]



## Women's average basic remuneration in relation to men's in Inter Cars Group

	Inter Cars Group		Inter Cars SA	
	Relation of women's basic remuneration* to men's in 2021	Relation of paid women's remuneration** to men's	Relation of women's basic remuneration* to men's in 2021	Relation of paid women's remuneration** to men's
Management Board	-	-	-	-
Directors	93,18%	82,08%	92,01%	53,44%***
Heads / Managers / Experts	77,63%	79,26%	90,54%	83,95%
Specialists (including independent specialists)	88,17%	88,43%	92,11%	83,50%
Other employees	89,36%	85,69%	-	-
Supervised and/or seasonal employees	131,69%	132,01%	-	-

\* Basic remuneration – basic wages specified in the employment contract

\*\* Paid remuneration – wages plus bonuses, overtime and other allowances

\*\*\* Currently, only men are employed at the two highest grades of executive positions in Inter Cars SA, while at the third and fourth grades women are employed part-time, which has a significant impact on the indicator in question. If the ratio were calculated on a full-time equivalent basis, the ratio of women's to men's basic salaries would be 139.9%, and the ratio of women's to men's salaries would be 85%.

## GRI [202-1]

**The amount of remuneration of the lowest-level employees by gender in relation to the minimum wage**

Location and company name	Women	Men
<b>Polska</b>		
Inter Cars Fleet Services	1,43	nie dotyczy
Inter Cars Marketing Services	1,91	1,89
Inter Cars SA	1,42	1,38
ILS	1,32	1,49
Q Service	1,46	nie dotyczy
Q-Service Truck	1,46	1,88
Lauber	1,14	1,13
Feber	1,68	1,29
Intermeko Europe	1,86	2,10
<b>Europe</b>		
Cleverlog-Autoteile GmbH (Germany)	3,13	nie dotyczy
Inter Cars Bosnia and Herzegovina	2,61	4,01
Inter Cars Bulgaria	3,15	2,69
Inter Cars Czech	2,00	2,31

Inter Cars Estonia	2,27	2,44
Inter Cars Greece	1,93	1,89
Inter Cars Croatia	1,15	1,15
Inter Cars Hungary	1,72	1,67
Inter Cars Italy	1,32	1,32
Inter Cars Lithuania	2,46	2,06
Inter Cars Latvia	2,20	2,20
Inter Cars Romania	1,06	1,13
Inter Cars Serbia	2,53	2,72
Inter Cars Slovenia	1,27	1,49
Inter Cars Slovakia	1,93	2,25
Inter Cars Ukraine	2,22	4,40
Inter Cars United Kingdom	not applicable	1,95
Inter Cars Malta	1,38	1,38

Both in the parent company and in the remaining companies of the Group, the level of remuneration of the lowest-level employees is in line with the requirements in this area applicable in a given country.

## Career map

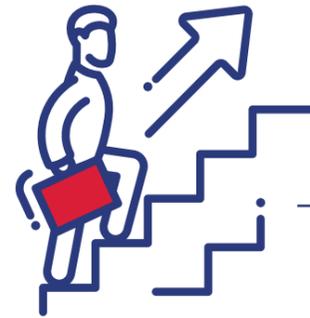
## GRI [404-2]

Soft competence requirements are created in a similar way to how remuneration wages are set for specific functions. Along with the career map, we create development offerings within career paths. So far, we have had four such paths: a vertical path, a path of development within one's function, a horizontal path (between areas) and HiPo, for identifying high potential employees.

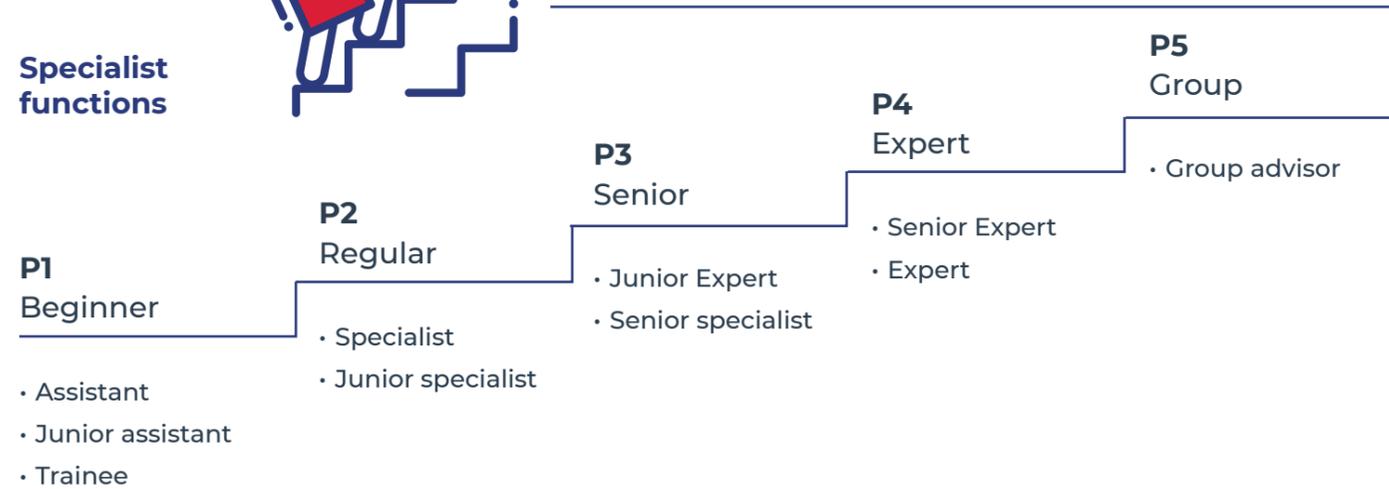
**Model HiPo** consists of four basic areas of key importance for achieving future success:

- commitment to loyal and long-term collaboration;
- aspirations for promotions and development;
- leadership skills for effective work on a key managerial position;
- expert skills for effective work on a key specialist position;

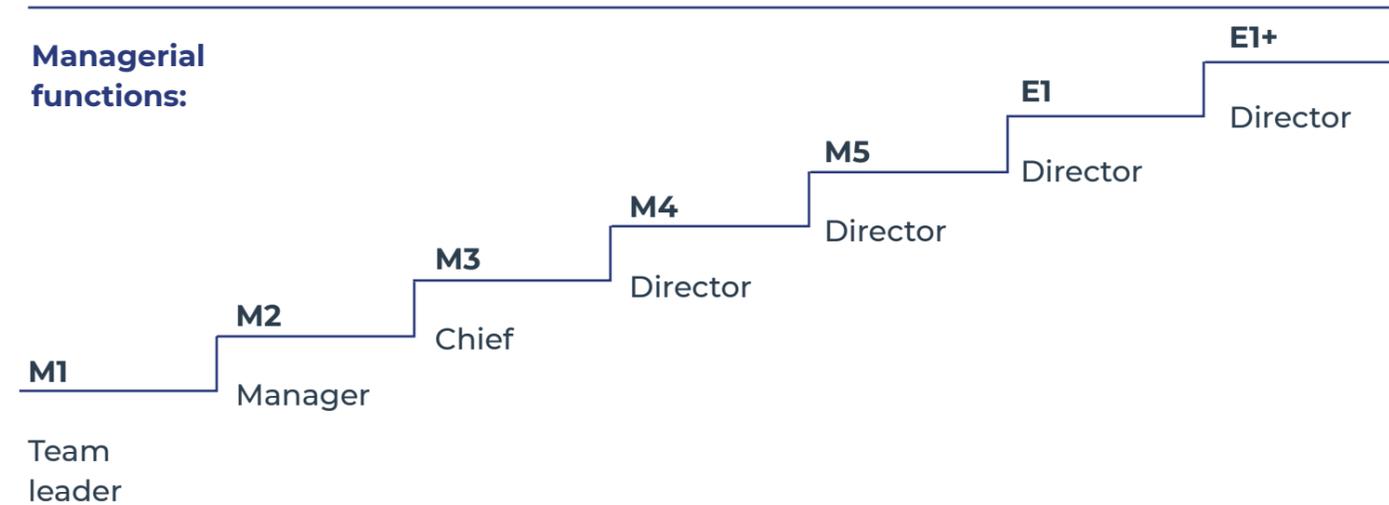
Apart from high work performance that a HiPo program candidate should achieve, they should also possess the four features detailed above.



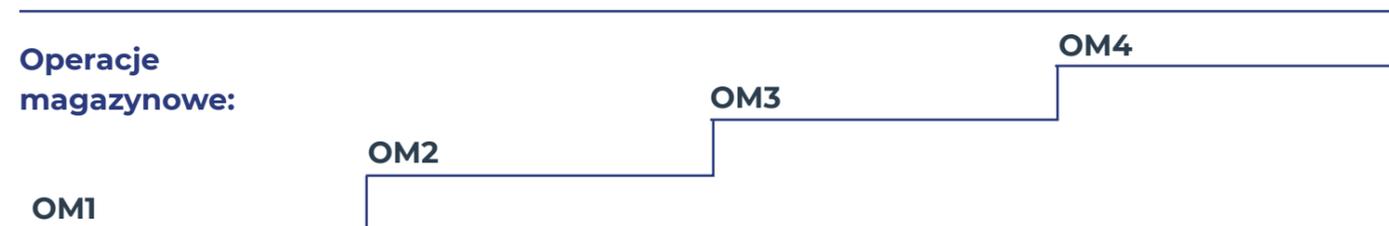
**Specialist functions**



**Managerial functions:**



**Operacje magazynowe:**



We are currently developing an offering of career paths, to be completed in 2022. We have simplified the map of specialist functions, expanded professional development possibilities and specified new competences. In 2021, we made major efforts to introduce identical solutions across all countries and to form a good standard for all markets, at respective HQ levels. We are building a single goal and one team through a common culture and values.

**GRI [404-3]** All employees in Inter Cars Group are subject to regular evaluations on the basis of set goals. The annual evaluation aims to summarise the previous year. During the process, an employee is informed which of their competences have been appreciated by their superior and which need to be improved. The annual evaluation process is also a good chance to reiterate an employee's achievements, activities and behaviours and how they affect individual and team success. It is also the appropriate time to discuss development possibilities within Inter Cars Group, new tasks, projects, ideas, available training and how their current total remuneration corresponds to what Inter Cars can offer for the specific function.

Onboarding

Proper training and introduction of new hires is very important for the company to function optimally. Which is why the process of onboarding, the first step of all our new team mates in Inter Cars, is of such significance. The process consists in learning about the organisation, passing the necessary information and skills, which have been standardised for employees across all areas and in every market where the organisation is present. The goal of onboarding is to present candidates with a professional and uniform image of the company across all markets and familiarise new hires with the same tools and training, regardless of the country.

In 2021, 281 employees and collaborators working for Inter Cars SA participated in onboarding, each of them having gone through 16 hours of training.

Standardisation of onboarding improves its effectiveness, allows new employees to acquire knowledge in the use of IT tools, global security, general IT safety principles and personnel policy in a given company. Allowing employees to learn the specific nature of work and responsibilities in particular departments and the global policy of managing human capital in Inter Cars SA is yet another important element. The program also includes a visit to a logistics centre, to better understand the core of our business and all processes. The process takes place over two days of training, 8 hours daily, with group participation.

#### GRI [401-1]

In 2021, Inter Cars Group recorded an increase in the number of new hires by 54%, compared to 2020. For Inter Cars SA, the increase in relation to 2020 was 36%.

### Total number of newly hired employees (individuals), divided by gender, in Inter Cars Group and Inter Cars SA in 2021

(as of December 31, 2021)

Total number of employees divided by:	Number of employees (individuals)	Number of newly hired employees	Percentage of newly hired employees (individuals)	Number of employees (individuals)	Number of newly hired employees	Percentage of newly hired employees (individuals)
	Inter Cars Group			Inter Cars SA		
Women	1 127	230	20,41%	311	58	18,65%
Men	2 653	726	27,37%	426	87	20,42%
<b>Total</b>	<b>3 780</b>	<b>956</b>	<b>25,29%</b>	<b>737</b>	<b>145</b>	<b>19,67%</b>

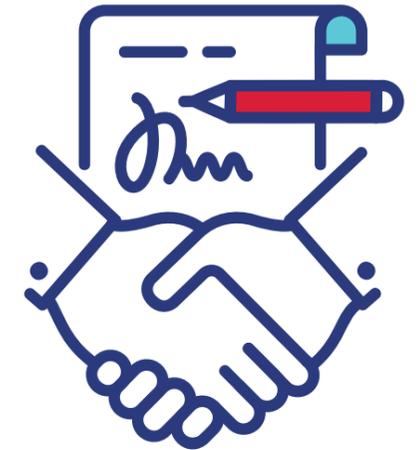
### Total number of newly hired employees (individuals), divided by age, in Inter Cars Group and Inter Cars SA in 2021

(as of December 31, 2021)

Total number of employees divided by age groups:	Number of employees (individuals)	Number of newly hired employees (individuals) in each group	Percentage of newly hired employees	Number of employees (individuals)	Number of newly hired employees (individuals) in each group	Percentage of newly hired employees
	Inter Cars Group			Inter Cars SA		
<30	844	385	45,62%	169	67	39,64%
30-50	2 626	529	20,14%	511	66	12,92%
>50	310	40	12,90%	57	12	21,05%
<b>Total</b>	<b>3 780</b>	<b>954</b>	<b>25,24%</b>	<b>737</b>	<b>145</b>	<b>19,67%</b>

In 2021, Inter Cars Group recorded a decrease in the number of separations by 27%, compared to 2020.

For Inter Cars SA, the decrease in relation to 2020 was 23%.



**Total number of separations (individuals),  
divided by gender, in Inter Cars Group and  
Inter Cars SA in 2021**

(as of December 31, 2021)

Total number of separations divided by:	Number of employees (individuals)	Number of separations (individuals)	Percentage of separa- tions	Number of employees (individu- als)	Number of separations (individuals)	Percentage of separa- tions
	Inter Cars Group			Inter Cars SA		
Women	1 127	150	13,31%	311	28	9%
Men	2 653	323	12,17%	426	46	10,80%
<b>Total</b>	<b>3 780</b>	<b>473</b>	<b>12,51%</b>	<b>737</b>	<b>74</b>	<b>10,04%</b>

**Total number of separations (individuals),  
divided by age, in Inter Cars Group and Inter  
Cars SA in 2021**

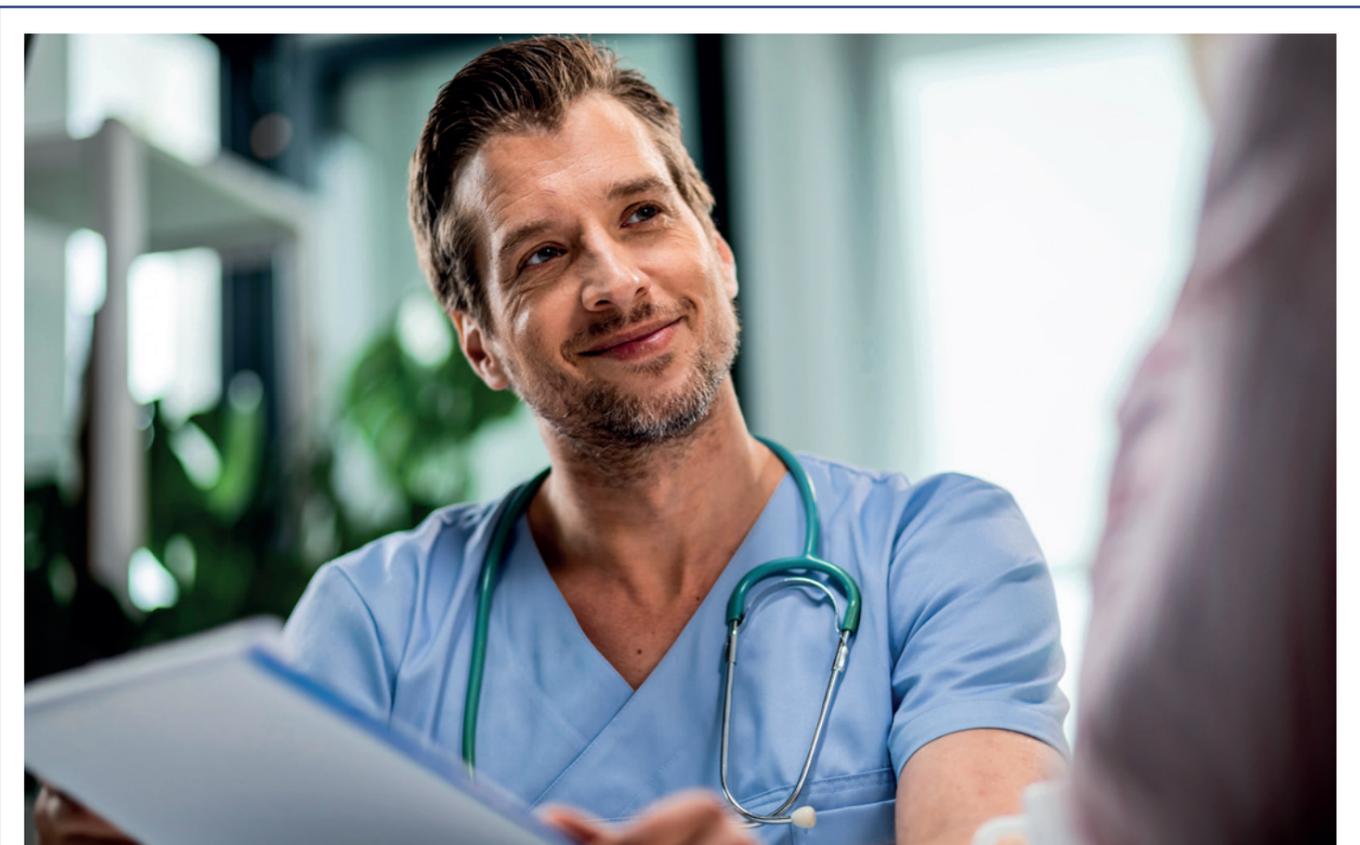
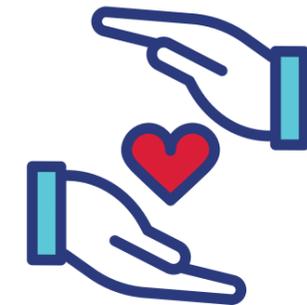
(as of December 31, 2021)

Total number of separations divided by age groups:	Number of employees (individuals)	Number of separations (individuals) in each age group	Percentage of separa- tions	Number of employees (individu- als)	Number of separations (individu- als) in each age group	Percentage of separa- tions
	Inter Cars Group			Inter Cars SA		
<30	844	174	20,62%	169	24	14,20%
30–50	2 626	243	9,25%	511	43	8,41%
>50	310	54	17,42%	57	7	12,28%
<b>Total</b>	<b>3 780</b>	<b>471</b>	<b>12,46%</b>	<b>737</b>	<b>74</b>	<b>10,04%</b>

4.2.

Health and Safety

Inter Cars is its people – employees, who for over 30 years have been building, together with us, the position of a market leader. We appreciate their commitment and passion poured into work every single day. We are lucky to be working with automotive aficionados and enthusiasts of new tech. This fuels us to pursue every effort to make them satisfied with their terms of employment and keep their efficiency as high as possible.



## Occupational Health and Safety

### GRI [103-2] [403-1]

All OHS efforts by Inter Cars are not only aimed at making sure the current labour law regulations are satisfied, but most importantly, that they serve to create a safe and friendly work environment for all employees, where they can pursue their tasks without fear for their own health and safety. We believe it is critically important to assure our employees that all efforts taken by the organisation are done to allow them to carry out their daily tasks safely, with all potential hazards eliminated. The safety management system covers the identification of hazards across all areas of our business, including those stemming from collaboration with carriers, real estate managers, sub-contractors, along with managing any related risks. We have developed and implemented certain principles for specific entities, such as internal and external regulations, workplace instructions, occupational risk evaluation for specific workplaces, including administrative and office functions, blue-collar and managerial jobs.

### GRI [403-4]

Pursuant to the provisions of law, the company Inter Cars SA, as an employer employing more than 250 employees, appointed the Occupational Safety and Health Commission as its advisory body and consultative. The commission is composed of both the employer's representatives, including OHS service employees, a doctor who provides preventive health care, and employees' representatives.

The chairman of the commission is the representative of the employer appointed by him. The task of the Commission is to review working conditions, periodically assess the health and safety at work, give opinions on measures taken by the employer to prevent accidents at work and occupational diseases, formulate conclusions on the improvement of working conditions and cooperate with the employer in the performance of his obligations in the field of health and safety at work. These meetings are held during working hours at least once a quarter.

Additionally, Inter Cars SA cooperates with a service provider and expert opinions in the field of health and safety and fire protection. In cases agreed with the employer, the Commission uses the expertise and opinions of specialists from outside the workplace, prepared at

the employer's expense. In accordance with the law, Inter Cars SA is obliged to consult with employees on all activities related to occupational health and safety, in particular those related to changes in the organization of work and equipment of workstations, the introduction of new technological or operational processes as well as chemical substances and

preparations, if they may pose a threat to the health or life of employees, assess the occupational risk occurring in the performance of specific works and inform employees about these risks, assign them personal protective equipment, protective clothing and footwear and train employees in the field of occupational health and safety.



## GRI [403-8]

The OHS management systems apply to all employees of Inter Cars Group and any individuals performing non-full-time jobs in the group's premises.

100% 

Percentage of formal employees and non-employed individuals, whose work or functions are controlled by the organisation, covered by the OHS system.

100% 

Percentage of formal employees and non-employed individuals, whose work or functions are controlled by the organisation, covered by the externally audited OHS system.

100% 

Percentage of employees, whose work or functions are controlled by the organisation, covered by the externally audited or certified OHS system.

Good  
practice

## Safety audits

[403-2] Every year, comprehensive audits are carried out, consisting of verifying the entire organisation in terms of safety and fire safety in all locations; additionally, warehouses in Czosnowo, Zakroczym and Brwinów are audited twice a week. To improve their efficiency, such audits are carried out in previously separated, smaller warehouse zones, which makes it easier to examine working conditions, any existing inconsistencies and the way employees perform their tasks. The audits are carried out by an auditing committee consisting of: the lead auditor, namely an OHS inspector and, alternatively, the specific department's warehouse manager, a technical (administration) department employee and a team leader responsible for the zone. The execution of post-audit recommendation is regularly monitored. To improve safety, every year we analyse the OHS conditions for the previous year. This allows us to identify any hazards, evaluate risks and examine any incidents.

## OHS training

## GRI [403-5]

The safety of our employees is of paramount importance for us. This is why the onboarding process begins with an OHS training – a mandatory session for all new hires, taking place twice a month.

Administration and office employees participate in introductory, online OHS training via Teams. For blue collar functions, the introductory OHS training takes place on-site, most often in the company's HQ in Zakroczym. We have two large training rooms, holding about 70 people, with all sanitary precautions satisfied.

As provided for in the current regulations, we regularly update our employee's OHS knowledge. Periodical training for blue collar functions take place once a week, as scheduled, at least 1 month before the expiry of the term of the current training.

Periodical training for administration and office staff is carried out on an e-learning platform. We have also designed framework training for foreign subsidiaries. Apart from the legally required training that employees must take before commencing work, or re-take due to upcoming expiry, we also provide:

- dedicated training for functions such as forklift truck operators, a job where both operators and individuals present near operating equipment are subject to serious health and life hazards;

- first aid training – for volunteers and individuals designated by their respective cell managers; carried out at least every second year;
- evacuation leader training – individuals designated by building administrator for coordinating evacuation activities.

Inter Cars Group employees undergo training and instruction sessions pursuant to the labour code's regulations for the entire country, supplied by an external company. Employees should report their concerns on hazards and risks to their superiors.

## Preventing and mitigating OHS impact factors directly related to the nature of the business

### GRI [403-7]

We maintain a register of near misses (i.e. incidents where there were no victims, but the risk was present). The register aims to collect information that would serve to plan and implement efficient, preventative measures, because at the root of every work accident there are minor cases of negligence, incorrect behaviour, conditions, etc., which should be monitored and analysed. This allows us to learn of any systemic mistakes, supervision failures and human behaviour shortcomings, and to ultimately eliminate them. This, in turn, reduces the number of major incidents.

Training presentations are continually updated and correct behaviours are shown and compared to incorrect ones, along with their consequences.

In order to plan and perform effective, preventative measures, we maintain a record of near-misses, being aware that every accident has its roots in cases of minor negligence and disregard for correct behaviours. Recording and analysing these incidents allows us to identify and eliminate systemic errors, improper supervision and human errors, ultimately leading to fewer major accidents. Each incident (and accident) is also related to creating accident alerts and sending them to the interested

parties, displaying them on monitors in office and warehouse facilities and the so-called “5 minutes for safety” sessions, where post-accident alerts are discussed. We never stop updating training presentations and are planning to introduce OHS boards to superior workplaces in warehouse facilities – which would also cover, amongst others, accident reports, information, principles and recommendations related to safety.

## Caring for the health of employees

### GRI [403-3] [403-6]

Since 2020, Inter Cars have introduced numerous measures aimed at ensuring that our employees are safe in the wake of the Covid-19 pandemic, carrying them into 2021, too:

- wearing face masks while moving across common areas was made mandatory;
- the number of posters and signs calling for keeping distance, wearing face masks and maintaining hand hygiene was increased;
- internal principles regarding the organisation of work while combating the Covid-19 pandemic were

implemented;

- workplaces, communication routes, meeting and training rooms were adapted to sanitary requirements;
- sufficient quantities of liquid disinfectant were provided;
- remote work for employees whose job allowed that was introduced;
- online training for employees whose job allowed that was introduced;
- the number of online meetings was increased;
- communication routes for individuals requiring support in relation to pandemic-related questions were introduced;
- the warehouse area, the place for eating food was expanded for blue collar employees, due to the necessity of maintaining social distancing;
- a work break schedule was introduced, including a sufficiently long break between shifts (start and end of work), to avoid too many employees meeting at the same time, in one place.

Caring for the health of our employees, as soon as the possibility of getting vaccinated against Covid-19 appeared in our organisation, we took steps to make it a reality. We surveyed our employees about their willingness to get vaccinated, approached a healthcare provider and ran a list of employees wishing to get vaccinated. This way, in the shortest

time possible, we managed to protect our employees against Covid-19. 882 employees received two vaccine doses within the program.



## A doctor's office for office employees in Młociny

Aiming to ensure the health and comfort of our employees, we converted one of the conference rooms in our Młociny (Warsaw) office complex into a doctor's office. The room satisfies the requirements of Art. 22 of the law dated April 15, 2011 on medical activity and the guidelines of the Ministry of Health dated March 26, 2019 on the special requirements to be satisfied by rooms and equipment of an entity providing medical services.

The employees may use the services of a specialist physician collaborating with Inter Cars on Mondays.

## Medical services plan

With the health of employees in mind, Inter Cars Group amended the stipulations of the healthcare plan. Since August 01, 2021 healthcare provided as part of the

plan by a healthcare provider have been co-financed by the company.

Additionally, every employee may expand their individual medical plan for their family. The cost of expanding an employee's individual plan with their family members is covered by the employee, via a deduction of a subscription fee from their remuneration.

For employees, healthcare provides a feeling of comfort and safety, provides better quality of treatment, reduces the waiting time for a visit with a specialised physician and reduces the otherwise high cost.

Labour medicine examinations are handled and coordinated by a healthcare provider that performs a full range of medical services, including all types of legally required checks and consultations. A system of online referrals facilitates and speeds up signing up for specific medical examinations. All data related to employees' health is confidential and only accessible by the healthcare provider's staff.

## A short history of sports

Since the very first day, Inter Cars has been supporting the spirit of sport among the organisation's employees. Initially, these were competitions with

the participation of our employees, collaborators and clients. Participants could select from football, running, tennis and selected athletic disciplines.

For many years, year after year, we used to hold tennis, table tennis and football tournaments. With time, football tournaments would evolve into Inter Cars President's Cup. Teams from all geographical markets where our business is present have participated in these tournaments. Sadly, the pandemic has made it impossible to hold such a massive, international event. Football tournaments are now held locally, with the participation of teams manned by our employees. These events have very loyal followers who never fail to fill venues to the brim, year after year. This year, football matches were taking place on turf fields. This was due to global recommendations to hold all sports activity outdoors, in fresh air (as far as possible). In turn, all participants of the tournament could safely enjoy the true joy of football competition. Sports enthusiasts have always enjoyed being a part of our company and never missed a chance to participate in various sports events – after all, “passion and commitment” are among our values



## Well-being Initiatives

[403–6] The well-being platform Worksmile is a place where various challenges are organised – for and by the employees themselves. The challenges belong to specific categories, all geared towards fueling passions, but it is also a breeding ground for friendships. The platform offers dozens of activities: physical exercises, dieting, mindfulness – all can be done at home. In short, a space where we jointly build an active and healthy competition, share information and root for each other.

Every week, the platform provides valuable content on the ways of supporting mental and physical health: condition, coping with stress, handling various situations etc.

Worksmile lets you follow your sports performance, share achievements, follow progress, partake in competitions, be a part of the company's sports community and to integrate with work colleagues.

### In 2021 we registered:

1704 active user accounts,

87,000 login entries,

17,600 activities  
in the walking category,

10,500 activities  
in the cycling category,

5,400 running activities.

The total number of all activities is over 45,000 and we all spent a total of 2,890,000 minutes on these activities. Together, we burned 24,090,000 calories and covered 141,000,000 steps, at a total distance of 491,950 kilometres. To boot, we saved over 100 tons of CO<sub>2</sub>.

The most active participants of the platform receive awards, medals and company gadgets.

## Good practice

### Response to changes in workplace

The Digital Workplace Team organised a webinar entitled “Replacing discomfort with adventure, or how to take care of yourself in a world of constant changes”. Amongst others, the webinar presented information on how to take advantage of the ongoing changes and use them to build new skills, and where to seek help if you feel overwhelmed.



### 4.3. Investing in employee growth

GRI [103-2]

The growth of every employee remains the most profitable investment for the organisation. Training gives us new skills and helps grow skills that we already have.

During annual evaluations, together with their subordinates, managers can choose the most suitable training for them, such as: specialist, managerial and developmental. Every individual can choose two types of training, depending on their current role (managerial or specialist role).

Taking into account specific criteria, employees can choose to receive training in:

- ✓ improving skills (to grow their strengths);
- ✓ supplementing competences (to improve their weaknesses);
- ✓ development (to acquire new skills), to prepare for a new role.

GRI [404-2]

## Training for employees held in 2021:

- Meetings with sense in action learning;
- Wellbeing within a team;
- Start with why – a garage for conscious leaders;
- Team management, leadership and motivating employees;
- Efficient collaboration and constructive feedback;
- Effective negotiations;
- Self-discipline psychology;
- Exerting influence and reasoning;
- Exerting influence, persuasion, reasoning and building authority within a team;
- Future trends. How to get ready for inevitable changes;
- Innovations in management. Systemic thinking as a manager's tool;
- Innovations in business: systemic thinking and change management;
- Emotional intelligence in communication;
- Coping with stress and emotions;
- Manager's commitment – what it means and how to work on it;
- Creative approach to solving problems;
- Analytical thinking in manager's work;
- Analytical thinking;
- Collaboration in interdisciplinary teams;
- Agile collaboration within a team, not only for agile teams;
- Public appearances and storytelling.

GRI [404-1]

Average number of training hours per employee in 2021 and 2020 (% change) divided by gender in Inter Cars Group.

	Total number of training hours divided by gender					
	2021			2020		
	Women	Men	Total	Women	Men	Total
Total number of training hours divided by gender	9 386,5	22 893	<b>32 279,5</b>	4 844,75	14 510,25	<b>19 355</b>
Number of employees (values identical to the data in index GRI 102-8)	1 149	2 763	<b>3 912</b>	1 149	2 763	<b>3 912</b>
Average number of training hours divided by gender	8,2	8,3	<b>8,3</b>	4,2	5,3	<b>4,9</b>

The average number of training hours in Inter Cars Group per employee in 2021 was 8.3, showing a dramatic rise by 67% in relation to 2020.

Our target organisation culture aims for open and direct relations, regardless of one's function. In this model we respect each other, maintain less formal relations, while sticking to principles and rules that govern how we act, with equal treatment of everyone.

We wish for a situation in which all our employees are committed and able to manage their respective areas of responsibility from the perspective of an owner, striving for effects and sensibility of the taken actions taken, always seeking the best solution and taking into consideration the view of all internal and external stakeholders.

We want to keep learning and growing and consequently share constructive feedback with each other. We accept that mistakes can be made if they can be used as a learning opportunity. We are open to sharing information and knowledge and we make efforts to keep comments transparent.

We look for innovative solutions, products and approaches to solving problems, and

we flexibly adapt processes to meet goals.

We appreciate our diversity and use the underlying potential: multiculturalism, experience, age, different characters and passions – to build teams, introduce changes and design new solutions.

### Learning foreign languages

For over a dozen years Inter Cars has been investing in foreign language lessons for employees. We know that foreign languages are very useful at work and that growing language competences translates into tangible profits.

For learners up to B2 proficiency level, the company finances 2 lessons per week, in the company premises, 3-6 students per group. For higher level learners, instead of traditional language lessons, we offer one-day workshops for developing specific language competences. The company may also co-finance individual lessons or courses in other language schools of the employee's choice, up to 240 PLN monthly.

Co-financing of English lessons by the company is possible for employees

who obtain a relevant permit from their superior and who successfully undergo audits in the six months prior to beginning of the lessons. Internal audits are used to verify the progress of learning.



## Non-payroll benefits for employees

### GRI [401-2]

All employees of the Group are always treated as equal partners and with due respect. No matter if they have been hired recently or are long-term employees. All employment contract holders are offered non-payroll benefits on the same terms.

Benefit plans are created in a similar way to how remuneration wages are set for specific functions. We create them on the basis of data for particular markets. Thus, a compromise is achieved, between what employers offer in a particular country, what we can offer as a company and what our employees expect. Employee's expectations are gauged on our engagement surveys, carried out in all countries where the Group is present. Solutions by other companies are determined on the basis of studies carried out by WTW (Willis Towers Watson).

With regard to benefits, the company's business car fleet policy remains the same for all markets, with other benefits determined on the basis of solutions and expectations of individual countries.

## Flexible working time

Inter Cars appreciate flexibility – also with regard to working time. This may mean work division, earlier end or later start of work, work from home, remote conferences etc. Determining working hours and whether it is possible to change the times is consulted with the superior and taking into account the company's working hours for clients.

## Support for foreign language learning

Chapter 4.3 goes into more details on foreign language lessons and employee growth

## Sports cards

Inter Cars offers access to a sports cards programme. Employees may join the programme with an accompanying person.

## Training

Our employees have access to a wide range of training. The offer covers training to prepare for work on specific positions and training to develop one's knowledge and skills.

## Insurance

Inter Cars employees are offered various life insurance plans. Employee's family members, including spouses and partners,

may be covered by preferential insurance conditions.

## Healthcare

Inter Cars highly values its employees' health and well-being. Our employees have access to privately operated medical services providers and their specialist physicians, on preferential terms.

## Access to Worksmile – the well-being platform

The Worksmile platform is described in the initial part of the chapter.

## Long-term lease for natural persons and Inter Cars employees

IC Car Benefit is a car lease program for employees and collaborators of Inter Cars Group. At the beginning of 2021, we decided to reactivate the long-term lease programme for all Inter Cars Group employees and collaborators. Each of them can now enjoy a new car, without worrying about repair costs, insurance or courtesy cars for the time of mechanical or car body repairs, and with no down payments.

## 4.4.

# Innovative workplace

## Digital Workplace Team

The Digital Workplace team's motto is collaboration and learning the needs of IC employees. This allows us to successfully transform the digital workplace. By supplying modern IT solutions, pursuing education and creating standards, we are also improving the efficiency and safety of working in Inter Cars.

The trend of using increasingly better techniques of stealing data and carrying out hacking attacks has been on the rise for many years. It is no longer enough to improve the users' awareness e.g., on recognizing phishing campaigns, but it is also necessary to protect everyone's passwords and introduce MFA (Multi-Factor Authentication). It is the job of the Digital Workplace Team to maintain the digital safety of our community.

## Chain virtualization in Inter Cars

As a business operating in many international markets, we devote a lot of attention to good, effective communication between our employees. In 2021, a decision was made to fully replace Skype for Business with Microsoft Teams. The change was applied to over 10,000 accounts and had been gradually prepared one year earlier.

- During 2021, over 100 Teams groups were created, to efficiently and safely share work.
- At the end of 2021 we had over 142,000 conference meetings completed.

MS Teams not only serves to improve communication – the tool is also a great asset for digital work organisation. The app allows to combine, in a single place, multiple other apps used for daily work.

Inter Cars provides easy and safe access to the company's internal assets via modern VPN solutions, allowing employees to work remotely. In 2021, with the support from Digital Workplace, the whole organisation fluently moved to a new VPN solution, Global Protect, whose indisputable benefits are Multi Factor Authentication (MFA) and Single Sign On (SSO) – both dramatically improving the safety and comfort of work.



The need to allow communication and remote work, leading to financial and ecological savings due to reduced travel needs, positively affected the company's growth and allowed it to build a competitive edge.

### Multi Factor Authentication

– a method of protecting access to digital resources, e.g., mailbox, in which unauthorised individuals who acquired the user's identifier and password cannot login to these resources.

### Single Sign On (SSO)

– users can perform a one-off log in to a chain service and obtain access to all authorized resources compliant with this service.

## Protection of employees' personal data

The transition to Office 365, a virtual platform, has improved our work and raised the security of our data. In 2021 a process of synchronisation of files from folders such as the Desktop, Documents and Images into OneDrive was begun. Keeping files and working on documents in SharePoint, or via OneDrive, prevents their loss and ensures their safety.

# 05

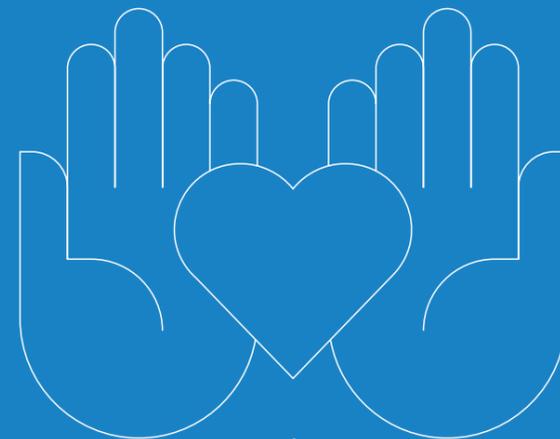
## Key facts and figures in 2021

# Society

GRI [203-1] [203-2]

In this chapter:

- ⊕ Forming the Inter Cars Foundation; Activity Fields
- ⊕ Promoting Entrepreneurship among Young People
- ⊕ Supporting Local Communities



### PLN 626 000

the total of financial and tangible donations made by the Inter Cars SA Group

### PLN 385 000

sum provided as sports sponsorship

### PLN 207 000

donations made by the Inter Cars SA Group to the Inter Cars Foundation

### PLN 55 000

fundraising result for the Noble Gift charity

### 2 350

number of people who underwent Young Staff initiative training

### 14 June 2021

date of entering the Inter Cars Foundation into the National Court Register

### Strategic Goal No. 6

„Sustainable automotive for people and climate – 2020+ Sustainability strategy”

Our social action aims to create development opportunities for young people, people with disabilities, and to support automotive-related issues.

UN Sustainable Development Goals which we support as part of our responsibility towards society:



## 5.1. Managerial Approach

**Joanna Pieśluk**

ESG Manager Inter Cars SA

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*Social action is an integral part of the operations of Inter Cars, both in Poland and in other countries in which we are active. In order to maximise a positive social impact of the operations of the Inter Cars Group, in 2021 we set up the Inter Cars Foundation. Our responsibility towards society and the natural environment is manifested by running business in a way that does not allow social nor natural capital to decay.*

*We run business ethically, observing norms in all the areas concerned. Our value system is underpinned by respect for the needs of society and the natural environment.*

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In line with the applicable responsible business strategy of the Inter Cars Group, we lay the foundations for promoting entrepreneurship, as well as advancing education and the development of staff professional qualifications by addressing the needs of the job market in our industry.

In our business, in relation to social responsibility and charity, in 2021 we mainly focused on children and young people, both their physical and intellectual development, as well as on saving their health and their lives. We also helped children and young people going through hardship or financial distress.

### Management Basis:

GRI [103-2]

- **The Foundations Act**  
It sets out the principles for forming and operating a foundation, and it also defines the purposes of foundations.
- **The Public Benefit and Volunteer Work Act**  
So-called "third sector constitution", it sets out the principles for cooperation with the public administration and it introduces the concept of a public benefit.
- **Resolution of the Management Board of Inter Cars on the consent to form a Foundation of 27 April 2021.**  
A decision to set up the Foundation, approve its statutes and transfer financial and tangible donations as a percentage of the consolidated net profit of Inter Cars SA Group for the preceding accounting year.
- **Statutes of the Inter Cars Foundation**  
The Foundation's most important internal document validating its goals and principles.
- **Resolutions of the Inter Cars Foundation Council and of the Management Boards**
- **Code of Conduct and Good Market Practises of the Inter Cars SA Group**  
A document adopted in 2017 by the Management Board of Inter Cars, publicly accessible on our service: [investor.intercars.com.pl](http://investor.intercars.com.pl). It is a collection of rules and values we want to implement in our daily work, at every echelon of our organisation. The Code is binding on all the employees across the entire Group .
- **Anti-Fraud Policy in the Inter Cars Group and Policy Addendum**  
They govern reporting of fraud suspicion and the principles for running internal investigations, as well as the issues of donating and counterparty verification.
- **Risk Map of the Inter Cars SA Group**

## 5.2.

## Inter Cars Foundation

GRI [103-2] [103-3]



The Inter Cars Foundation was set up in May 2012 as part of the implementation of the sustainability strategy of Inter Cars SA. The organisation's mission is to advance the development of accessible, safe and responsible mobility for people and climate.

Through our internally developed programmes and partnership cooperation with other organisations, we export innovations and values underpinning the development of Inter Cars – passion and commitment, partnership, credibility, loyalty and leadership by example.

### Fields of Activity

With a desire to make a considerable and a lasting change, the Foundation's team is working on programmes devised in partnership and dialogue with experts from four fields of activity.

## 01

We advance the **development of the skills of the future** which are indispensable for society and the innovative economy, also with respect to mobility and the automotive industry.

## 02

We promote **care for the natural environment**, primarily in mobility.

## 03

We are active in **healthcare** while addressing mobility-related social problems.

## 04

We foster measures aiming to improve **traffic safety**.

### Employee Volunteer Work

Volunteer work is among the Foundation's important tools to pursue its goals. In particular, we wish to focus on the development of the employees and partners of Inter Cars through their participation in related tasks. We support

their passion and commitment to solving local problems and pursuing the mission of the Inter Cars Foundation. Each employee may come up with an initiative they would like to follow.

Our fields of interest in volunteer work:

- development of the skills of the future;
- care for the natural environment;
- healthcare and promotion of a health-conscious attitude;
- traffic safety improvement;
- counteracting social and economic exclusion;
- educational activities;
- raising sustainability awareness;
- popularisation of physical education, sports and recreation.

### Foundation Funding

The Statutes of the Inter Cars Foundation name Inter Cars as its Founder. Inter Cars has provided funds for the Foundation's initial capital. A decision of the Founder's Management Board also stipulates the amount of financial and tangible donations the value of which depends on the consolidated net profit of the

Inter Cars SA Group for the preceding accounting year. The Founder also gratuitously provides office space for the Foundation's operations.

In 2021 the Foundation did not receive funds or goods from other sources.

### Organisational Structure

## Foundation's Council:

**prof. Piotr Płoszajski**  
Chairman

**Katarzyna Oleksowicz**  
**Agnieszka Soszyńska**

## Foundation's Management Board:

**Jacek Piotrowiak**  
President

**Julia Makowiecka**  
Vice-President (until 15 February 2022)

## 5.3. Promoting Entrepreneurship

### Young Staff (Young HR)

A programme launched in 2012 which targets trade schools and automotive vocational high schools. It focuses on equipping schools with modern equipment for diagnosing and repairing car defects. It also provides teachers and students with up-to-date knowledge and skills necessary to educate future staff for the automotive industry.

Thanks to the support from the Young Staff programme teachers and students have access to such e-learning platform-based trainings as those which improve the development of occupationally active mechanics. The number of log-ins to the e-learning platform is rising successively, and so is the time spent on completing tasks and exercises, which confirms such programmes are useful for students. This solution worked well particularly during the Covid-19 pandemic.

Because of the pandemic and the related limited social interaction, the present in-house training for teachers and students has changed its pattern. Teachers are invited to join open trainings for occupationally active car mechanics if only the epidemic situation in Poland enables in-house training. In turn, student trainings were transferred to the internet and they were transmitted from a studio arranged by Inter Cars' training department. In 2021, nineteen trainings took place in which approximately 2350 persons participated.

By end of the 2020/21 school year, 28 establishments in Poland participated in the programme in which **OVER 12 293** students acquired knowledge in car mechanics through classes preparing for work in automotive occupations.

- driver mechanic
- warehouse logistics worker
- logistics technician
- forwarding technician
- road transport technician
- mechatronic, mechatronic technician
- car electrician
- car mechanic
- motorcycle mechanic
- auto body repairer
- car technician



In the calendar year of 2021, Inter Cars SA donated garage equipment totalling around PLN 360 000 to 24 schools.



## Young Staff Programme – an Offer for Schools:

- Providing extra necessary equipment and tools for school garages to diagnose and repair cars.
- Servicing and repairing equipment provided by Inter Cars SA to school garages.
- Gratuitous participation of practical vocational training teachers in trainings for occupationally active car mechanics.
- Gratuitous and tailor-made online training for teachers and students during the Covid-19 pandemic.
- An opportunity to pursue individual projects, including organisation of internships, educational trips and Show Car trainings (suspended due to the government's decisions restraining social interaction).
- For more on the programme, please go to at: [www.mlodekadry.intercars.com.pl](http://www.mlodekadry.intercars.com.pl).

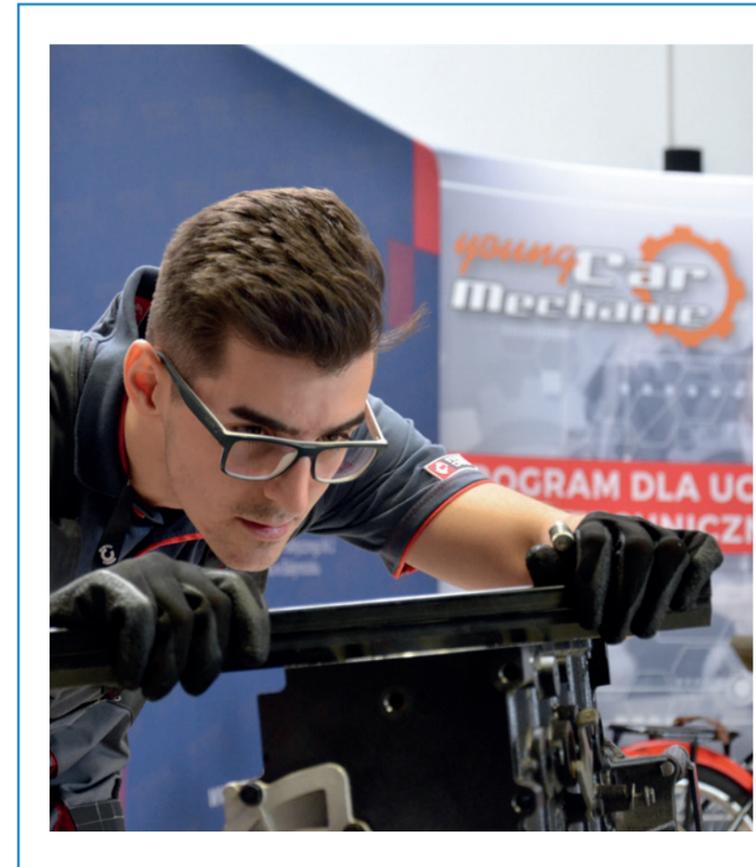
## Program ERASMUS+

Since 2019, Inter Cars and its partners have been working on an international Young Car Mechanic project funded by ERASMUS+. It aims to promote quality vocational education for the automotive industry through a multi-stage skills contest organised by employers for vocational schools and vocational high schools. The project is scheduled for completion in 2022.

## Young Car Mechanic

A flagship project of the Young Staff programme is a Young Car Mechanic contest that has been organised for five years, in cooperation with international partners. The project enables identifying young talents, it serves to exchange experiences and good practises among Polish and European schools, and it also popularises the occupation of a car mechanic. In the school year of 2020/2021, 728 participants from 25 schools cooperating with Inter Cars as part of the Young Staff programme, joined the Polish elimination round of the contest.

The ten best students from various schools completed practical tasks during the Polish finale (22–23 May 2021, Częstków Polski). The international finale took place between 21 and 22 August 2021 at the Inter Cars Training Centre for the seven laureates of the national contest editions. The laureates included representatives of Bulgaria, Estonia, Lithuania, Latvia, Ukraine, Poland and



Hungary.

## Euroskills contest

Between 22 and 26 September 2021, the greatest European trade skills contest, EuroSkills Graz, took place in Austria. Its participants competed for the title of the European Champion. The Polish representatives competed in 16 disciplines. In the discipline of “Car Technology”, our country was represented by Bartłomiej Januszewski. – a laureate of the Young Car Mechanic contest in 2018 and 2019, a graduate of the Mechanical Schools Complex in Białystok (schools participating in the Young Staff programme) and a student of Białystok University of Technology. Robert Rydzewski of the Automotive Schools Complex in Bydgoszcz (participating in the Young Staff programme) was an expert in this discipline. Both of them were supported by Inter Cars SA in the two-year preparations for the contest. Both of them pursued specialist training, internships, and they used work equipment and clothing provided by Inter Cars SA.

## 5.4.

Support for Local  
Communities

## GRI [103-2]

We have been forging lasting and positive relations with our stakeholders for years. We strive to effectively integrate our vision with social and environmental challenges. Through the Inter Cars Foundation and our charity projects, we take up initiatives addressing socially important problems. In our charity work, we have for years focused mainly on children and young people, their development, both physical and intellectual, as well as care for their health and lives. We have also been supporting those going through hardship and financial distress. Our sponsorship activities are sports-oriented, whereas the projects are mainly pursued near the locations in which we are active. In 2021, the subsidiaries of Inter Cars supported local communities so as to cater for the needs identified in their closest proximity. More on the support to be elaborated later on in this chapter.

Implementation of key charity and sponsorship projects is subject to an approval from the Company's Compliance Director and Attorney-at-Law.

 Social Action

### Noble Gift

Noble Gift is an initiative supported by Inter Cars since 2014. As the Foundation was formed, it was natural for us to continue the commitment and the direction set by the Founder. The first initiative of the Foundation was taking part in another edition of Noble Gift. On 6 December, on the occasion of St. Nicholas Day, we launched a dedicated e-Skarbonka (e-Moneybox) owing to which the numerous members of the Inter Cars community – the employees and the customers – could support the operations of the Wiosna Association, the campaign's organiser. The Inter Cars

Foundation doubled every donated zloty, which altogether allowed us to collect PLN 55,000.

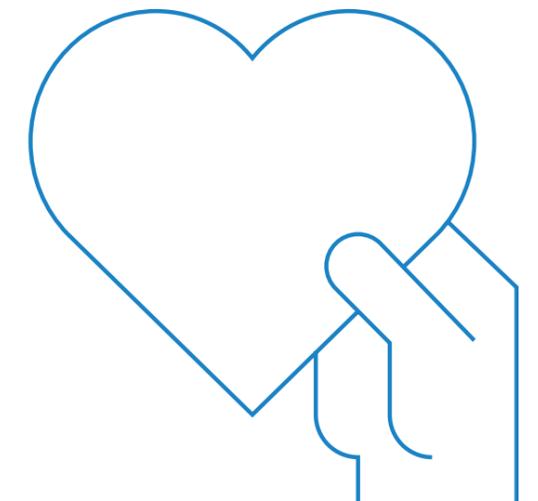
The largest direct aid system in the world, created by the WIOSNA Association.

### #HelpToHelp

The action #HelpToHelp is a programme related to the Covid-19 pandemic that the aftermarket industry launched collectively and at the initiative of Inter Cars in 2020. It was continued also in 2021. Assistance for garages was based on three pillars: security packages, online webinars and gratuitous marketing content which was to encourage drivers to visit garages and have their cars serviced during the pandemic.

At the beginning of February 2021, Inter Cars and Kleber, a tyre manufacturer, supported medical facilities. The institutions which were donated to in the action included Fundacja Pomocy Osobom z Niepełnosprawnością Intelktualną DOM, Gdyńska Fundacja "Dom Marzeń" (both of which are foundations for people with mental disabilities), Professor Jan Bogdanowicz Children's Hospital and Wojewódzka Stacja Pogotowia Ratunkowego i Transportu Sanitarnego Meditrans (a regional ambulance and medical transport station). A total of 44 tyres were donated to medical facilities.

The Voluntary Fire Department in Ruda Malaniecka also received support from Inter Cars in the form of truck batteries.



## Healthcare and Life Quality

### Bartosz Ostałowski is Inter Cars Ambassador

Bartosz Ostałowski is the world's only professional sports driver who drives his car with his foot. At the age of nineteen, Bartosz lost his two hands in a motorcycle accident. However, he never gave up, and his persistence and passion allowed him to pursue his dreams. He has an international race licence (FIA) and he successfully competes on an equal footing with able drivers in the Polish Drift Championship and in European leagues. In the season of 2019, he ranked third in DMP general classification and thus he won the title of Poland's second Vice Champion in drift. His determination and talent are appreciated all over the world. Bartosz proved that the impossible does not exist and he inspires others to overcome their own barriers. .

Bartosz has been Inter Cars ambassador for many years. His career epitomises all the values that our organisation identifies with. In 2021 he took part in numerous events organised for customers and he was involved in a VR-based 360 video production on his video channel (No Hander by Bart Ostałowski).

### A „Four Kings” wheelchair rugby association

For ten years we have been supporting the Association in organising the International Club Wheelchair Rugby Tournament Mazovia Cup.

The Association was set up in July 2010 and it aims to run a Warsaw's-based wheelchair rugby club and to promote sports of people with disabilities. To this end, numerous events and happenings are organised such as showcase matches in various parts of the city, at motor fairs, at schools, on the occasion of children's day, or flash mobs.

The Association holds lectures in elementary and middle schools, thus integrating schoolchildren with a community of people with disabilities. The Association is also an organizer of the International Tournament Mazovia

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Cup which has been regularly held since 2011 in Legionowo near Warsaw, at Arena Legionowo. This event is highly regarded at home and abroad.

We also channeled a portion of our 2021 funds to support the rugby team, „Four Kings”.

### Polish Society for the Fight against Cystic Fibrosis



In 2021 we became the Main Partner of the 6th Run for Breath, a project by the Polish Society for the Fight against Cystic Fibrosis. This event aims to draw attention to the problems of those suffering from this disease, and also to raise funds necessary for their daily life. Inter Cars became one of the campaign's partners who financially supported its organisation.

We also joined the Christmas campaign for cystic fibrosis sufferers, „Mikołajki dla Mukoludków 2021”. The eighth edition that we partnered on, was a huge success – as many as 1026 charges received Christmas assistance.

### Inter Cars for Croatia

At the beginning of 2021, our Croatian community experienced tragic events. Another earthquake hit our friends' homeland. The severely injured included Inter Cars employees. Five people working at the offices in Sisak and Kutina literally no longer had roofs over their heads. In three cases, their homes were seriously damaged so that they were inhabitable until the damage was repaired. We always help each other at Inter Cars, that is why we joined the action and organised a friendly fundraiser for them.



## Inter Cars Latvia for the Latvian Child Support Foundation

Latvian Child Support Foundation is a public benefit organisation active since 1994. The Foundation has for years been providing care to elementary boarding schools at nine various locations around Latvia. Our branches serve children with varying mental disabilities, orphans and children from underprivileged families. Since the end of 2019, the Latvian Child Support Foundation is also a provider of social services and it ensures everyday social rehabilitation for children with communication difficulties and behavioural disorders and their carers. More information on the Foundation's website: [www.lbaf.lv](http://www.lbaf.lv). Inter Cars Latvia has been supporting LCSF since 2019..

One of the subsidiaries based in Czechia donated funds to a children's home in Strážnice.

## Inter Cars Latvia for SOS Children's Villages

SOS Children's Villages Association is a charity organisation supporting children who have lost parental care and helping families in crisis at SOS Family Help Centres since 1997. Since 2018 they have also been supporting foster and adoptive families and their guardians. So as to provide care to the children and families in crisis, SOS Children's Villages in Latvia completed numerous projects: SOS Children's Villages and young people's homes, as well as SOS projects empowering families in 13 various locations in Latvia. Families receive support from social workers, psychologists, psychotherapists, special education teachers, lawyers and other specialists whose services may not be provided by local communes' social divisions on account of scarce funds. Annually, the organisation helps over 1200 children. More information on the website of SOS Children's Villages: [www.sosbernuciemati.lv](http://www.sosbernuciemati.lv).

Inter Cars Latvia has been supporting SOS Children's Villages since 2015.

## ▼ Tangible Donations

As part of Inter Cars Foundations' agenda, in 2021 we launched a project of tangible donations in the form of spare car parts. In this way, in December we donated a set of truck tyres to the State Fire Service Department in Nowy Dwór Mazowiecki. This project will be continued in the future.

## ▼ Sponsorship Activities

Inter Cars Group's sponsorship strategy is aimed at comprehensive and long-term projects, chiefly sports-centred, including people with motor disabilities.

### Junior Peace Race

In 2021, as part of a sponsorship agreement, we co-organised the Junior Peace Race (Mały Wyścig Pokoju – MWP), in which almost 200 young cyclists took part. The history of MWP dates back to as early as 1960, and this prestigious event is meant for young participants ages 11–14 who are only just starting their sporting adventure. This event organised by the Stajna Rowerowa Foundation aims to popularise road cycling among children

and young people. The race route crosses the Kampinos National Park, with the start and finish near Inter Cars office in the commune of Czosnów.

## Inter Cars Stajnia Rowerowa Bike Team



The Group of "Inter Cars Stajnia Rowerowa Bike Team" comes from the Legia Cycling Club 1928 which is an heir to the tradition of the cycling section of CWKS Legia Warszawa. One of the section's founders was Józef Lange, the first Polish olympic medalist from Paris, 1924.

After years-long cooperation with Inter Cars, a group of "Inter Cars Sonik Bike Team" was formed. Today, drawing on the experience amassed over the years spent in the cycling world and with the help of many friends, the team exists as "Inter Cars Stajnia Rowerowa Bike Team" with new headquarters. Inter Cars actively supports the team, ensuring that the young cyclists can develop their passion.

## ▼ Fighting Poverty

We financially supported a winter vacation camp for children from underprivileged families organised by the Congregation of Sisters of the Passion of our Lord Jesus Christ in Warsaw. We also co-funded the 13th edition of the Football Tournament, "Gramy dla Hani", an event which aimed to raise funds for the treatment and rehabilitation of a girl suffering from quadriplegia and refractory epilepsy. A total of 32 teams took part in the tournament.

## 06

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the report6.1.  
Making of the report

GRI [102-10] [102-44] [102-45] [102-46] [102-48]  
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It is with great pleasure that we present yet another non-financial report of the Inter Cars SA Group, this time regarding 2021. We prepared this document in accordance with the best global standards – international guidelines for reporting non-financial data, Global Reporting Initiative Standards (GRI), Core Option. This report also meets the formal criteria arising from Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information provided by issuers of securities and on conditions

under which information required by legal regulations of a non-member state may be recognised.

This report gives an account of the operations of the Inter Cars SA Group from 1 January 2021 to 31 December 2021, unless another period has been specified. Both the financial and non-financial data concern the Inter Cars SA Group (and the selected financial figures of Inter Cars SA).

During the reported period, there were no significant changes in the size, structure, ownership or supply chain of our Company. The report has not been adjusted for information from the preceding report. This report does not involve any significant changes in the scope of reporting or the measurement methods versus the preceding report. It bears on the operations of the Inter Cars SA Group and the operations' effects.

In this report, we provided material information on the Company's strategy, management, performance, and its prospects. The information has been presented from an economic, social and environmental perspective. We also provide our understanding of business responsibility and of how other aspects of our business, not just financial, affect the ability to create and sustain value. We believe that this report takes account of how aspects of our business, other than financial, affect the ability to create and sustain value.. The report is issued on an annual basis. The previous, 2020 report,

was published in April 2021. The report has not been subject to external independent verification.

Numerous teams and individuals across the organisation have contributed to drafting this document.

In accordance with GRI Standards, we performed a tri-partite process:

**Identification**

At stage one, we identified the key issues regarding the Company's responsibility and its operations. We also analysed other sources, including press releases in the reporting period, topics raised in intra-company communication, the current business strategy and the 2020+ Sustainability strategy. We also took account of topics central to non-financial reporting in our industry.

**Prioritisation**

We surveyed external parties, i.e., customers and investors, as well as internal stakeholders, which are our employees. The outcome helped us to identify the most important topics which should be included in this report.

**Validation**

Along with the Management, we verified and clarified the topics identified. The Management Board identified the scope of impact the topics have on the Company and its environment. This directly translated into the aspects reported. Topics identified as material have also been reflected in this report's structure.

**GRI [102-47] [103-1]**

The topics identified to be material have been shown in the structure of this Report, and include:

**Inter Cars SA Group**

- business ethics
- human rights
- counteracting corruption and bribery
- business strategy and business model

**Environment**

- carbon footprint
- energy, waste and water resources management

**Products and customers**

- value chain
- supply chain
- product quality and safety
- maintaining relations with clients and business partners' technological innovations

**Employees**

- remuneration and benefits policy
- equal opportunities principles
- occupational health and safety
- investing in human resources

**Society**

- local community
- supporting sports and people with disabilities
- Operations of the Inter Cars Foundation

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Disclosure	Name of disclosure	Comment	Page No.
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Disclosure	Name of disclosure	Comment	Page No.
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<b>GRI 409: Forced or Compulsory Labour 2016</b>			
GRI 409-1	Operations at significant risk for incidents of forced or compulsory labour and measures taken to contribute to the effective abolition of such incidents	No such risk was identified.	
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Signatures of the members of the Management Board:

.....  
**Maciej Oleksowicz**

President of the Management  
Board of Inter Cars SA

.....  
**Krzysztof Soszyński**

Vice-President of the  
Management Board  
of Inter Cars SA

.....  
**Piotr Zamora**

Member of the  
Management Board  
of Inter Cars SA

.....  
**Wojciech Twaróg**

Member of the  
Management Board  
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**GRI [102-53]**

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