

An aerial photograph showing a lush green forest. In the upper left corner, a portion of the Earth is visible, showing blue oceans and white clouds. A single white car is driving on a two-lane asphalt road that runs horizontally across the middle of the image.

Inter Cars Group 2022 Sustainability Report

Report presenting non-financial information
of Inter Cars S.A. and the Inter Cars Group

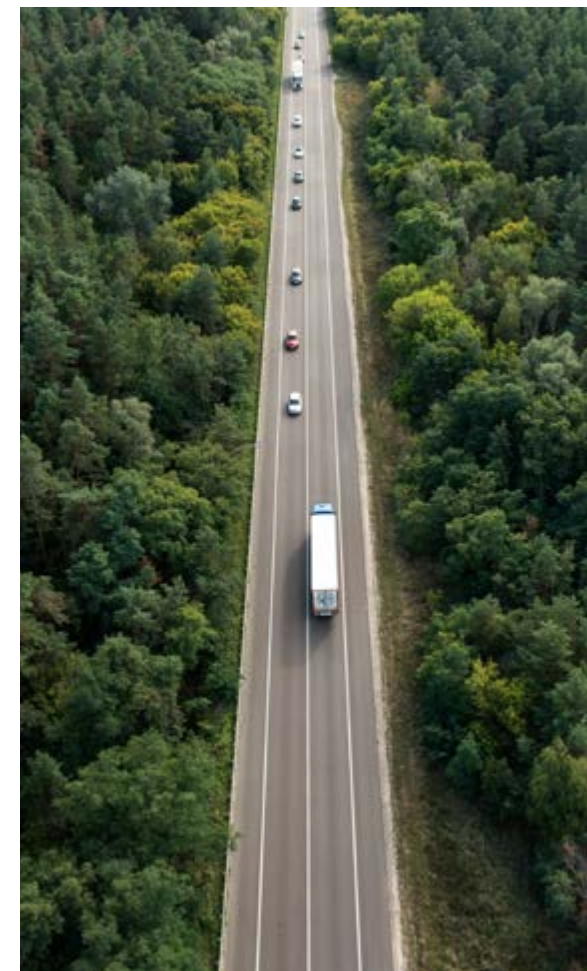
27 April 2023

Sustainable automotive for people and climate



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01.

INTRODUCTION

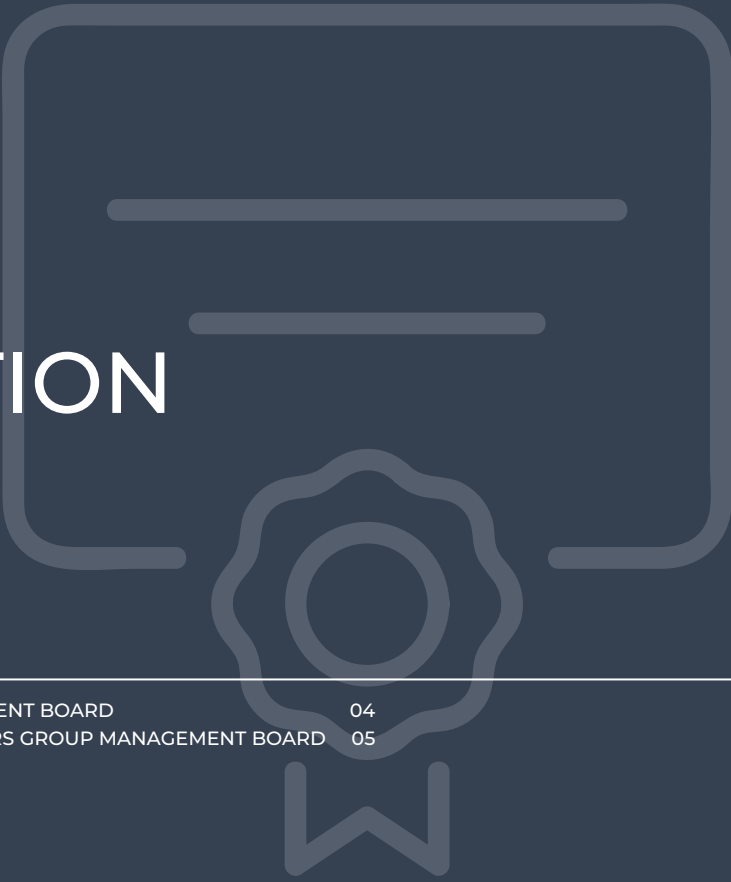


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Maciej Oleksowicz
President of the Management Board
Inter Cars S.A.

To whom it may concern,

I am hereby presenting to you the Inter Cars Group's 2022 sustainability report. 2022 was a rather unique year - both for the world and for our company. The war in Ukraine has resulted in a temporary suspension of our business activities in that country. We responded almost immediately - both as humans and as a company. We have been supporting our Ukrainian colleagues by ensuring that all

those who decided to leave, were offered assistance in finding employment in Poland or in other countries in which we operate. In total, we earmarked over PLN 2.7 million for supporting Ukraine. The Inter Cars Foundation was providing assistance to war refugees in Poland. In cooperation with the ILS European Center for Development and Logistics, we set up a 24-hour hotline helping all the interested parties to find a safe place to stay. We organized summer camps for refugees' children and provided Ukrainian families living in Poland with computers to aid their children at school. Our volunteers participated in a number of charity campaigns, preparing special packages for our Ukrainian friends. Detailed information about those efforts is presented in the report. I would like to assure you that we will be continuing our relief efforts as long as necessary.

With the war in Ukraine set aside, 2022 was a good year for us from a purely business-related point of view. We continue to benefit from the continued, natural growth of the automotive repair market and the high demand for aftermarket parts. All this has allowed our revenues to increase nearly 25% YoY, reaching a record amount of over PLN 15 billion. Customers associate the Inter Cars brand with guaranteed access to high-quality components, as well as vehicle repair and maintenance services offered at competitive prices. We are also prepared - from the logistics-, knowledge- and business-related points of view - for the technological changes taking place in the aftermarket industry.

The way we are doing business is as important for us as the scope of our operations. We are placing an ever-increasing emphasis on ESG. In 2022, we initiated a review of our sustainability strategy. We wish to prepare the Group for the looming regulatory changes, such as the European Green Deal, simultaneously getting ready to meet our ambitious commitments related to environmental protection, social engagement and governance. We make sure that our stakeholders participate in this process and that it is supervised by our top executives.

We are also observing an increase in expectations concerning sustainable, environmentally-friendly products and services. That trend is particularly prominent among the younger generation. Transformation of the automotive industry is essential for complying with the Paris Agreement objectives. We are fully aware of this and, attempting to minimize the negative environmental impact of our company, we are constantly setting ourselves new, increasingly ambitious targets. In 2022, in order to improve the coordination of all activities undertaken in this area, we appointed an Environment and Climate Manager. Climate neutrality is our ultimate objective, and the new ESG strategy will determine the company's decarbonization targets.

Initiatives we are taking with regard to remanufactured parts constitute an integral part of the ESG strategy as well. For many years now, we have been proving to drivers and mechanics alike that a properly remanufactured part is as

good as a new component. I am pleased that our activities in this particular area are gaining more interest among various parties. Remanufactured parts allow us to divert used components from landfills, simultaneously reducing the use of raw materials and energy. The environment, the economy and the consumers benefit in a truly significant number of ways, and we are able to offer a new lease of life to our parts. Striving to facilitate the process, we have launched the Inter Cars Marketplace platform enabling our verified partners to offer second-hand spare parts for sale.

I am pleased to note that the public appreciates our ESG-related commitments. This is evidenced by prestigious awards we have received - such as the CSR Leaf from "Polietyka" weekly or the title of a Climate Aware Company. Those distinctions clearly confirm that we are heading in the right direction.

Although our company is growing on a continuous basis, it retains the nature of a family business in which relations between people remain of the utmost importance. Our open approach promotes direct contacts, exchange of experience and a culture based on open discussions which serve as a source of inspiration and new ideas. I do believe that by expanding the qualifications of our employees we are facilitating the company's future growth. The saying stating that "If you are not moving forward, you are moving backwards" is very much true in our industry. We also do our best to maintain good relations with the environment we operate in.

Over the years, we have managed to win the trust of our trade and institutional partners. I am glad to conclude that such an approach has been successfully consolidating our trustworthiness.

Our social engagement is also boosted by the activities of the Inter Cars Foundation. Last year, it offered a number of highly interesting programs for young people, expanding their qualifications and teaching them how to be responsible for the environment. These initiatives included, inter alia, the following: the “Accelerator” internship program, “Operation Clean River” or the “Be.Eco” educational project. Several thousand students and teachers took part in those undertakings. The Foundation allows us to put the newly acquired qualifications to good use, benefiting society and fostering lasting, positive change. A detailed description of the activities of the Inter Cars Foundation is included in one of the chapters of the report.

I am fully aware of the importance of reliable and transparent sustainability reporting. Therefore, I would like to offer my sincere thanks to the team involved in the preparation of this document. The process of collecting data was a joint effort of our employees working at our Group’s key departments all over Europe. I encourage you - the readers of this report - to submit any comments and remarks you may have. You may rest assured that all of your opinions are very important for us.

Yours faithfully,

Maciej Oleksowicz
President of the Management Board
Inter Cars S.A.

A COMPREHENSIVE ECOSYSTEM FOR THE MOBILITY ERA. AN INTERVIEW WITH MEMBERS OF THE INTER CARS GROUP MANAGEMENT BOARD



Krzysztof Soszyński
Vice-President of the
Management Board
Inter Cars S.A.

What role do you think the Inter Cars Group will play in the green transformation of the automotive sector?

The green transformation of the automotive sector is a must. According to my analysis, we are already observing an evolution in this particular area. Legislative changes or preferential treatment of low- and zero-emissions vehicles are not sufficient. The current lack of adequate charging infrastructure, the cost of purchasing or renting low- and zero-emissions vehicles, the availability of rare raw materials required for manufacturing batteries, or the “cleanliness” of power available in our wall sockets - all these are factors impacting customers’ decisions to purchase/rent a new vehicle. A rapid change could lead to an economic crisis and severe social consequences. When adopting such an evolutionary approach, we need to make sure, in the transitional period, that our vehicles remain in a good technical condition, and that their emissions-related components are maintained with due diligence. When we look at the vehicles that are already present on our roads, we come to the conclusion that the environmental cost associated with their production has already been incurred. It is worth building

the drivers’ awareness of this issue and encouraging them to keep their vehicles in a good technical condition.

In the long term, the popularity of low-emissions cars, and especially electric vehicles, will be increasing. They may be a natural choice for many young people buying/renting a vehicle for the first time in their life. Even more experienced drivers will be increasingly opting for EVs when buying a new ride. According to the Santander Consumer Multirent report entitled “The times of electric cars are coming”, one in four Polish drivers would be willing to consider buying an electric car. 55% of the respondents consider the fact that such vehicles do not pollute the environment to be their key advantage. The other benefits include the ability to charge the vehicle at home, low level of driving noise and a quiet motor - although the last feature will definitely not be considered an advantage by a number of true petrol heads.

Electromobility undoubtedly solves a number of environmental problems we are facing currently, and driving a zero emissions vehicle is in line with the expectations of many drivers, especially those from the younger generation. The number of charging stations, the range of vehicles and the increasing share of RES in energy production - all these factors systematically reduce the amount of emissions associated with charging EVs. Above all, however, we need to solve two problems: firstly, access to raw materials required in the process of manufacturing batteries needs to be ensured. According to Bloomberg, the demand for lithium will increase five times by the end of the decade,

which may translate into significant price increases. Another problem will only become obvious in a few years’ time - when the first EVs will be old enough to make it to scrap yards. It will then be necessary to introduce systemic regulations addressing the problem of batteries being disposed of on an unprecedented scale.

I do not share the opinion that users of vehicles with combustion engines are “on the other side of the barricade.” We keep repeating that combustion engine vehicles that have already been produced... well, they have already been produced. This means that the raw materials and the emissions associated with their production can no longer be saved. The environment has already borne this cost.

That considered, keeping them in good repair is the most reasonable solution. The time for replacing them will come later on. In the past, two-stroke engines were very popular. Today, they are only used in a few oldtimers. They have been forgotten.

In order to have a full picture, we need to mention the process of remanufacturing parts, as I consider it to be one of the most important and environmentally friendly solutions available in the automotive industry. The technologies that are currently available make it possible to offer a new lease of life to used parts, despite the fact that they are worn out to a certain degree. Importantly, the amount of raw materials and energy used in the process is much lower than in the production of new components. Properly remanufactured parts meet all the parameters of new

components and offer additional benefits: they are cheaper, and they reduce demand for new parts whose production is expensive and energy intensive.

So, the process of remanufacturing vehicle parts is a practical form of promoting circular economy. I am pleased that our company is moving in that specific direction.

We are passionate about the automotive industry. We simply love cars, and many of us do not consider them as mere objects. I do not claim that cars have souls, but I know for sure that each vehicle deserves to be repaired. This applies equally to relatively new cars, electric vehicles and their older counterparts with internal combustion engines. It is not all about being sentimental - we are doing this driven by economic factors and by our care for the environment. Therefore, we are prepared for change. We do not forget about our "roots", however - we are also offering parts for state-of-the-art electric or hybrid vehicles, as well as for those with more traditional engines. While training mechanics who cooperate with our company, we expand their knowledge on both high-voltage systems and clutch replacement procedures. Both of these segments of the automotive markets share our uncompromising approach to quality - we believe that quantity will never replace quality, regardless of the type of component we are talking about.

We help garages prepare for this disruptive change. We rely on our excellent relations with parts manufacturers - also those producing components for low-emissions vehicles - and transfer the knowledge we obtain from them to mechanics. Such an approach benefits the parts manufacturers as well, as the larger the number of garages being capable of using their components, the higher the sales of those parts will be.

And if the process of servicing and maintaining electric vehicles are more popular and cheaper, drivers will be more inclined to buy them.

What role may the Inter Cars Group play in bringing about more inclusive and responsible mobility?

Today, our mobility depends, to a large extent, on whether we have our own car. Of course, it would be ideal for everyone to get about in a zero-emissions vehicle powered by renewable energy sources. However, it should be borne in mind that, before this vision becomes a reality, cars with combustion engines will continue to be driven on the roads for decades to come, and their owners will not switch to EVs quickly - if only due to economic reasons. This means that vehicles with different types of hybrid drives will remain on the market for a long time to come. We make it possible to maintain all types of vehicles in a good technical condition by making the highest quality parts available at a reasonable price and by offering access to specialized garages not only in large cities, but also in smaller towns and villages.

It is worth remembering that the purchase of a new car is a huge financial effort many families make once every few years. The ability to repair the vehicle they currently own or decide to purchase on the used car market at an affordable price actually increases the level of safety for all road users.

Especially such vehicles as ambulances, fire engines and buses need to remain in a good state of repair. Our company has been contributing, for years now, to maintaining mobility and developing those of its aspects which go beyond the concept of a vehicle used solely as a means of transportation.



Piotr Zamora
Member of the
Management Board
Inter Cars S.A.

Are there any opportunities for digitizing aftermarket part sales? Is the aftermarket capable of supporting sustainable growth?

One of the inherent advantages of digitization is that it promotes, almost naturally, sustainable growth in many different areas. A digital aftermarket company enjoys quick access to data, is capable of better understanding and responding to customer needs and to huge changes affecting communication, warehousing and transport operations, with protection of the environment playing an important role in the mix as well. Everything happens faster and more efficiently, in many cases remotely or automatically. For our Group, digitization is one of the most important ways of achieving ESG objectives quickly. IT systems in use now are capable of optimizing numerous areas - they offer better data storage, management and project planning solutions and allow us to monitor performance monitoring and eliminate unnecessary activities and processes, thus improving our operational efficiency. Smart lighting systems, digital customer-oriented services - all these are elements of a sustainable approach ensuring better use of the resources available.

In the coming years, we will continue digitizing additional aspects of our operations, and a growing number of decisions will be taken automatically or semi-automatically, based on reliable, precise data. We are working, inter alia, on harnessing artificial intelligence to analyze customer behaviors.

All this is beneficial not only for ethical or ideological reasons, but also for business-related reasons, as investments in IT technology translate into a measurable cost reduction in the medium and long term.

What are the plans of Inter Cars in relation to green funding (green funding vs. Inter Cars investment plans)?

We are aware that a growing number of financial institutions, including banks that are crucial for our business activities, condition their financing decisions on whether the borrowers comply with ESG-related criteria. We are adopting these new criteria with a great degree of understanding, as they correspond to the system of values, we deem to be our own. The said system assumes that sustainability criteria will be respected and that both social and regulatory expectations will be met in a responsible manner.



Wojciech Twaróg
Member of the
Management Board
Inter Cars S.A.

What is the scope of cooperation between the Inter Cars Group and garages?

The cooperation between Inter Cars and garages is naturally associated with accessories and spare parts. We provide thousands of components to our customers every day - we need to remember that garages are our most important customers. Over the period of three decades, we have earned the reputation of a trusted and efficient partner who is capable of delivering almost any part that is needed. But it needs to be borne in mind that we are doing much more. We have gained a very thorough knowledge of the needs of garages. We are aware that parts are not all they need. Regardless of their size, garages must also deal with other challenges. That is why we have created a comprehensive support system, with vehicle parts being just one of its crucial elements.

The automotive industry is developing very quickly and we are helping the garages to keep up with that pace of change. Mechanics may participate in technical workshops we organize to familiarize them with state-of-the-art solutions used in the industry.

Garage owners are also invited to attend business courses where best business practices are presented and advice on how to solve typical formal problems and how to attract and efficiently serve new customers is provided. Each year, several thousand people take part in these training courses, and the ratings we receive are excellent.

We cannot forget that garages need new staff as well. Therefore, we support vocational schools, trying to inspire young people and show them that the profession of a car mechanic may really be interesting.

We also help the garages solve many problems they commonly encounter on a daily basis, including those related to the acquisition of proper equipment or lawful waste disposal. That is why we offer our highly attractive Bio Service program. In the process, we relieve garage owners of the great burden of completing a number of formal procedures. We know from our customers that this allows them to save a lot of time and effort.

Efficient completion of all the activities described above clearly requires very close cooperation with customers. Therefore, we organize regular meetings with the Branch Council, encouraging customers to keep in touch with us. We also collect information on the needs of our customers and their opinions on our offering and potential ways of expanding the range of products and services we offer. We do not focus on purely mechanical aspects only - we also discuss important social topics, such as volunteer programs that are becoming increasingly popular among small companies as well.



02.

INTER CARS GROUP

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KEY FIGURES

AND FACTS 2022

1st place

in Central and Eastern Europe

2nd place

in Europe

7th place

worldwide

**in the distribution of spare parts
for passenger and commercial vehicles**

24.9% increase in sales

in 2022

PLN 171 million

economic value retained
by the Inter Cars Group

The **Inter Cars Group** has been, for many years now, a leading Polish distributor of spare parts for passenger cars and trucks. The company offers over five million products, including, inter alia, spare parts for passenger and commercial vehicles, batteries, tires, lubricants, as well as components for motorcycles, farming and industrial equipment, garage tools, accessories for drivers and marine products. In addition to parts, we also supply garages with everything they need to repair vehicles: software, training and financing. The Group is also developing seamlessly on many European markets. It is the sales leader on the Central and Eastern European markets, ranking second in all of Europe and seventh worldwide. Inter Cars is also the largest European seller of parts for heavy goods vehicles.



2.1 BUSINESS MODEL

[GRI 2-1]

The Inter Cars Group is made up of Inter Cars S.A., acting in the capacity of the parent company (hereinafter referred to as the “Company”) and 35 other entities, including 33 subsidiaries and 2 indirect subsidiaries. In addition, the Company holds interest in two subsidiaries.

The full organizational structure of the Group, as at the date of this report, is presented in the **Consolidated Financial Statements** for the period from 1 January to 31 December 2022, available at our Investor Relations website. In 2022, no significant changes took place in the Group’s organizational structure that would be meaningful for its sustainable growth. All changes have been listed in the financial statements.

Inter Cars S.A. is the Group’s parent company. Its headquarters are located in Warsaw. The company has been listed on the Warsaw Stock Exchange since 2004. In addition to Inter Cars S.A. and 23 distribution subsidiaries, the Group comprises also, inter alia, the following:

ILS

The company is responsible for the provision of a comprehensive range of logistics services related to warehousing and handling of goods, for Inter Cars Group entities and external companies.

Feber

The company is a vehicle manufacturer producing, inter alia, dump trucks and specialized semi-trailers. It also runs a vehicle rental operation and specializes in accident repairs.

Lauber

The company specializes in remanufacturing vehicle parts. The process it offers allows customers to avoid purchasing costly new components and scrapping old parts. The quality of remanufactured parts does not differ from that of brand-new components. Lauber’s activities also contribute significantly to reducing CO₂ emissions associated with the production of new parts.

Q-Service Truck

The company runs a specialised automotive garage for inspections and repairs of utility vehicles. It is also an authorized Isuzu dealer, an authorized ZF repair garage and is responsible for distribution and for building the Ford Trucks dealer network in Poland.

Inter Cars Fleet Services

The company specializes in fleet repair services.

Inter Cars Marketing Services (ICMS)

An entity established to integrate and improve the effectiveness of all communication- and image-activities within the Inter Cars Group.

As at 31 December 2022, Inter Cars S.A. held a 50% share in **Intermeko Europe**, a joint-venture established to monitor the quality of products in a laboratory environment. It also owns 1/3 of shares in **Partslife International Kft.**

The companies covered by this Sustainability Report are described in the “Reporting methodology” chapter on page 95.

[GRI 2-6]

Our value chain includes the distribution of spare parts and accessories from various parts manufacturers, through logistics centers, warehouses, subsidiaries to vehicle garages, parts stores, business customers (including fleet customers) and private customers.

Our business model has been designed to support the mobility of private drivers and entrepreneurs, so that they can deliver their products and services to all sectors of the economy. We understand our responsibility as a commitment to deliver spare parts, accessories and equipment to independent garages, but also to provide financing, train the personnel, share our knowledge and make our programs and tools available to independent after-market players. Such a comprehensive approach serves as a basis for all our business activities.

OUR STRATEGY

We combine large-scale operations with an organizational structure consisting of small, specialized units. This allows us to act in an agile and flexible manner and to successfully compete with smaller companies. Our overarching strategic objective consists in creating value for our shareholders by optimizing the use of the intellectual and tangible resources at our disposal, and implementing specific development programs related to the services we provide.

OUR STRATEGY

Growth of the range of spare parts: Striving to continuously expanding our offering, we introduce new and broaden the existing product lines, adapting them to market expectations in terms of the quality of parts offered, pricing and technical support provided by their manufacturers.

Logistics: The competitive advantage of the Inter Cars Group is also based on continuous improvement of the supply chain and logistics services rendered.

The growth of the distribution chain in Poland and abroad: Inter Cars operates 618 distribution points, including 244 branches in Poland and 374 all over Europe. We provide them with organizational and logistical knowledge, the capital and IT systems required, a full range of products and our trademark.

Development of partnership programs: Our partnership programs boost the value of our goods offering and focus on garage equipment, training, technical assistance, development of sales-supporting IT systems and continuous expansion of the network of independent Q-Service Castrol, Q-Service Truck garages, as well as a network of parts manufacturers, such as Bosch Car Service and Premio.

Development of Motointegrator.pl and the fleet program: Using a specialized online platform, we connect drivers with garage and offer the parts we carry.

MAP OF LOCATIONS

[GRI 2-1]



Inter Cars S.A. Headquarters



Feber Headquarters



Lauber Headquarters



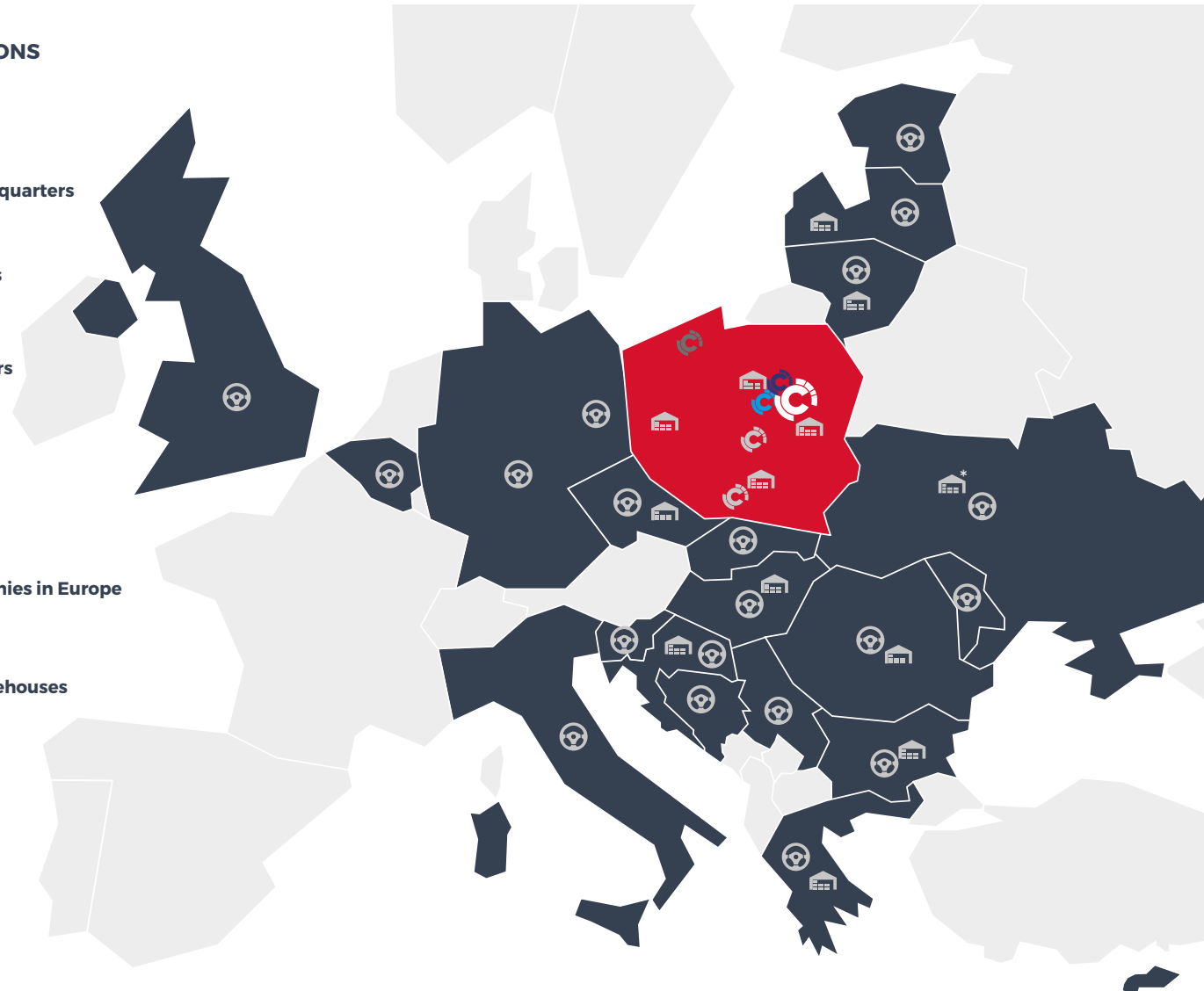
ILS Headquarters



Distribution companies in Europe



Main Inter Cars warehouses



- Belgium • Bosnia and Herzegovina • Bulgaria • Croatia • Cyprus • Czech Republic •
- Estonia • Greece • Lithuania • Latvia • Moldova • Germany • Romania • Serbia •
- Slovakia • Slovenia • Ukraine • Hungary • United Kingdom • Italy

* warehouse destroyed in 04.2022

KEY FINANCIAL DATA

[GRI 201-1]

Direct economic value generated and distributed [millions of PLN]		
	Inter Cars S.A.	Inter Cars Group ¹⁾
Direct economic value generated (revenues)	10,502	15,379
Revenues from sales and their equivalents	10,327	15,285
Net product sales	-	86
Net goods and materials sales	10,269	14,887
Net vehicle sales	-	259
Income service sales	58	53
Other operating revenues	52	66
Financial revenues	123	28
Economic value distributed (costs)	10,139	15,004
Operating costs	9,528	13,641
Amortization and depreciation	39	155
Consumption of materials and energy	32	266
External services	1,698	2,609
Royalties	43	-
Inventory change	-	6
Cost of products sold	-	(163)

Other costs by category	22	138
Value of goods and materials sold	7,694	10,630
Other operating expenses	52	166
Financial costs (excluding interest paid to creditors)	24	43
Employee wages and benefits	144	486
Total expenditure on employee wages and benefits	122	397
Social security premiums and other benefits	22	89
Payments to providers of capital	114	119
Dividends paid to all shareholders	20	20
Interest payments to creditors	94	99
Payments to government	274	545
All of the organization's taxes (excluding deferred taxes)**	274	545
Related penalties	-	-
Community investments	3	4
Voluntary donations	3	4
Economic value retained*	363	375

* The retained value shown is the remaining after distributing the economic value generated between the company's stakeholders. This amount is not equivalent to net profit shown in the Profit and Loss Account, as it also includes dividends paid (as distributed economic value).

** This item includes VAT payments

1) Under GRI 201-1, data related to the Inter Cars Group have been consolidated using assumptions that are consistent with those used in the Consolidated Financial Statements for the period from 1 January to 31 December 2022, available at <https://investor.intercars.com.pl/pl/raporty/raporty-okresowe/>

OUR MISSION, VISION AND VALUES

[GRI 3-3]

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.

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 optimize 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 organization as if it was

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 organizational innovations aiming to deliver the highest quality products to our clients
- improving business processes
- shaping the company's positive image externally
- optimizing client service time
- continued staff improvement
- continued improvement of the Quality Management System aiming to satisfy our clients' needs and expectations.

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.

Values

Our business is based on a system of values we have adopted. It allows us to achieve a competitive advantage in the long term and ensures that the company may be trusted - both by its employees and customers.



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 behavior 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.

MEMBERSHIP IN ORGANIZATIONS, BUSINESS AWARDS AND DISTINCTIONS

[GRI 2-28]

Inter Cars S.A. is a member of the **Association of Automotive Parts Distributors and Producers** (Stowarzyszenie Dystrybutorów i Producentów Części Motoryzacyjnych - SDCM). Krzysztof Soszyński, Vice President of the Management Board of Inter Cars S.A., is the President of the Management Board of SDCM. The Association itself is a member of CLEPA (European Association of Automotive Suppliers) and FIGIEFA (European Federation of Automotive Aftermarket Distributors).



We are not working for the sake of prizes, but we are, of course, very pleased when independent experts and expert bodies appreciate our efforts. In 2022, we were pleased to receive a number of awards and distinctions, including:

Business and innovation awards:

- Forbes Diamond for Lauber
- 1st place in the ranking of “Diamonds of the Polish Economy”
- 4th in the ranking of “Poland’s 100 Largest Family Companies by the “Forbes” magazine
- distinction in the “Best in Cloud 2021” competition organized by Computer-world,
- the Innovator 2022 title awarded by “Wprost” weekly
- 1st place in the Store Trust Ranking by Ceneo.pl
- a good place on the List of 200 Companies by “Rzeczpospolita” daily



HR and Governance Awards:

- a top 10 place in the Best Polish Employers ranking by “Wprost” weekly
- title of the “Best Managed Company Poland 2022” in a ranking by Deloitte
- “Top Quality HR” - a certificate granted by the Polish HR Management Association

CSR/ESG Awards:

- “Silver CSR Leaf” by “Polityka” weekly
- Inter Cars S.A. is one of the leaders among Climate-Aware Companies

BEST PRACTICE

Maciej Oleksowicz, President of the Management Board of Inter Cars S.A., has been named one of the top managers in the **ranking of listed company CEOs** by ICAN Management Review. The ranking has been compiled based on data made available by the companies themselves, in their annual financial statements. The criteria assessed included the overall return rate, change in nominal capitalization value and other financial indicators. Maciej Oleksowicz was ranked third within the group of CEOs of companies making up the mWIG40 index.



2.2 CORPORATE GOVERNANCE

[GRI 3-3]

From the day on which its shares were admitted to trading on the regulated market, Inter Cars S.A. has been complying with the corporate governance rules in effect on the Warsaw Stock Exchange. The Management Board of Inter Cars S.A. adopted the principles set forth in the “Best Practise for GPW listed Companies 2021” which entered into force on 1 July 2021 pursuant to Resolution No 13/1834/2021 of the Supervisory Board of the Warsaw Stock Exchange of 29 March 2021.

The document titled “Best Practise for GPW listed Companies 2021” is a set of corporate governance principles and rules of conduct that affect the shaping of relations between the listed companies and their market environment. All issues related to the functioning of the management bodies which are of key importance for the Inter Cars Group, i.e. the Management Board and the Supervisory Board, have been provided for in accordance with the above-mentioned standard.



Specific regulations establishing the corporate governance of Inter Cars S.A. are available on our Investor Relations website.



Reports on compliance with corporate governance principles in effect at Inter Cars S.A. are available online.

STRUCTURE OF MANAGEMENT BODIES

[GPW G-PI]

The General Meeting of Shareholders is the highest management body of the company. It elects, inter alia, the members of the Supervisory Board. Detailed competencies of the General Meeting of Shareholders are laid down in the Articles of Association of Inter Cars S.A. The rules governing participation in the General Meeting of Shareholders and the related voting rights are specified in the Rules of Procedure of the General Meeting of Shareholders. The said Rules contain also provisions concerning the procedure of convening and dismissing the General Meeting of Shareholder, its opening, the agenda of meetings and the manner in which members of the Supervisory Board are elected.

All matters brought before the General Meeting of Shareholders must first be submitted to the Supervisory Board for consideration.

[GRI 2-9]

The **Management Board of Inter Cars S.A.** is the company’s management and executive body. Declarations may be made and documents may be signed on behalf of the Company by two members of the Management Board acting jointly, or one member of the Management Board acting together with a proxy. The Management Board’s term in office is four years. In 2022, the composition of the Management Board remained unchanged; as at 31 December, it was made up of:



Maciej Oleksowicz
President of the
Management Board



Wojciech Twaróg
Member of the
Management Board



Krzysztof Soszyński
Vice-President of the
Management Board



Piotr Zamora
Member of the
Management Board

[GRI 2-10]

Members of the Management Board are appointed and dismissed by a resolution of the Supervisory Board, for a common 4-year term in office. The Management Board is composed of three to nine members. The number of the Management Board members is determined by the Supervisory Board.

A member of the Management Board may be also dismissed or suspended by the General Meeting of Shareholders. A member of the Management Board may but does not have to be a shareholder. The Supervisory Board elects the President of the Board and, potentially also the Vice President of the Board, by means of its resolution, from among Management Board members.

In selecting the members of the Management Board, the Supervisory Board is guided primarily by the interest and needs of the company and, therefore, emphasis is placed on competencies, expertise, professional experience or knowledge of the industry in which the company operates.

[GRI 2-9]

The Supervisory Board of Inter Cars S.A. exercises continuous supervision over the company's operations in all areas of its activity. The Chairperson of the Supervisory Board is elected by the General Meeting of Shareholders, and the term in office of the Supervisory Board is five years.

Scope of authority of the Supervisory Board:

- appointment of the Company's Management Board,
- assessment of the Company's financial statements,
- audit of the Management Board's report,
- evaluation of the Management Board's applications concerned with distributing profits and covering losses,
- submission, to the General Meeting of Shareholders, of reports on the aforementioned audits,
- appointment of a statutory auditor to audit the financial statements,
- determination of the Management Board remuneration rules.

In 2022, the composition of the Supervisory Board of Inter Cars S.A. remained unchanged.

As at 31 December 2022, the Supervisory Board was composed of:

- Andrzej Oliszewski, Chairman
- Jacek Klimczak
- Radosław Kudła, Independent Member
- Piotr Płoszajski
- Jacek Podgórski, Independent Member
- Tomasz Rusak

[GRI 2-10]

The Supervisory Board may be composed of five to thirteen members appointed by the General Meeting of Shareholders. The General Meeting of Shareholders designates the Chairperson of the Supervisory Board. The Supervisory Board may elect the Vice Chairperson of the Supervisory Board from among its other members. The number of members of the Supervisory Board is determined by the General Meeting of Shareholders. The term of office of the Supervisory Board is 5 years and is served by all members jointly. Members of the Supervisory Board may be appointed for subsequent terms of office.

When selecting members of the Supervisory Board, the General Meeting of Shareholders shall be guided primarily by the interests and needs of the company and, therefore, an emphasis shall be placed on competencies, expertise, professional experience, knowledge of the sector in which the company operates or on the member's independence, as defined in generally applicable laws.

[GRI 2-11]

The Chairman of the Supervisory Board is not a member of the senior management of the Inter Cars Group. The President of the Management Board of the company acts in the capacity of a proxy of other Inter Cars Group companies, i.e. Armatus and Q-Service Truck.

[GRI 2-9]

The current composition of the Management Board and the Supervisory Board ensures diversity in terms of educational background, expertise and professional experience. Detailed information on the areas of responsibility of individual Management Board and Supervisory Board members and their biographical notes are available on the Investor Relations website.

An **Audit Committee of the Supervisory Board** has been operating within the company's structure since 2017, supervising financial reporting, internal control, internal audit and risk management systems. The Committee is also exercising supervision over financial audit processes.

The Audit Committee of the Supervisory Board is composed of at least three members, including the Chairman of the Audit Committee, appointed by the Supervisory Board from among its members.

As at 31 December 2022, the Committee was composed of:

- Radosław Kudła – Chairman
- Andrzej Oliszewski
- Jacek Podgórski

As of 28 September 2022, Piotr Płoszajski ceased to serve as the Chairman and Member of the Supervisory Board's Audit Committee. On the same date, Radosław Kudła was elected Chairman of the Supervisory Board's Audit Committee.

[GPW S-P1] [GRI 2-9] [GRI 405-1]

Diversity of management body members - age and gender - percentage of employees [%]				
Age	Management Board of Inter Cars S.A.		Supervisory Board of Inter Cars S.A.	
	Female	Male	Female	Male
Aged 29 or younger	0%	0%	0%	0%
Aged 30 to 49	0%	50%	0%	33%
Aged 50+	0%	50%	0%	67%
Total	0%	100%	0%	100%*

* Including two (33%) independent executive members.

[GRI 202-2]

Percentage of senior management members from the local market ²⁾		
	Inter Cars S.A.	Inter Cars Group
Percentage of senior management members from the local market	100%	83.18%

2) Senior management includes director positions from the Inter Cars Group career map: M4 Director, M5 Director, E1 Director, E1+ Director. "Local market" is understood to be the country in which a given company has its registered office. Data covering full-time employees.

ROLE OF TOP MANAGEMENT BODIES IN SUSTAINABILITY -RELATED ACTIVITIES

[GRI 2-12] [GRI 3-3]

The Company's Management Board is responsible for managing the Group's sustainable development and for making strategic decisions in this regard. The Management Board adopts and periodically reviews the sustainability strategy and analyzes the Company's activities with regard to ESG risks.

The President of the Management Board receives, on a regular basis, information on current projects and is also informed, at least once a month, about key issues related to the achievement of strategic objectives.

In 2022, several internal reports were submitted on the management of the organization's economic, environmental and social impacts. Information and reports received by the Management Board are analyzed on an ongoing basis and taken into account during strategic reviews and assessments of ESG risks.

The Company's Supervisory Board exercises continuous supervision over the Company's activities in all areas of its operations. Sustainability-related issues are discussed in its meetings as well.

[GRI 2-14]

The Management Board and the Supervisory Board are responsible for reviewing and approving the reported information related to sustainable development. Members of the Management Board carry out an internal

verification of the wording of Inter Cars Group's sustainability reports.

[GRI 2-13]

The Corporate Affairs Director and the General Counsel reporting to the President of the Management Board is directly responsible for supervising the implementation of sustainability-related projects. In order to efficiently manage the group's impact on sustainable growth, an ESG Team was established in 2021 to coordinate implementation of the sustainability strategy, as well as to oversee ESG-related communication and reporting. The ESG Manager reports to the Corporate Affairs Director and the General Counsel. The ESG Team addresses all aspects of ESG transformation and ESG risk management. The team works, on an ongoing basis, on minimizing the environmental impact of the company, strengthening its positive social impact and ensuring transparency of corporate processes and procedures.

In addition, in 2022, a separate **Environment and Climate Protection Team** was appointed within the company's organizational structure to coordinate the development and implementation of environmental and climate-related objectives in close cooperation with the entire organization. The Environmental and Climate Protection Manager reports to the Corporate Affairs Director and General Counsel. The ESG team cooperates closely with the top management and individual departments of the company while designing and implementing ESG-related activities in everyday operations, but also while implementing the company's integrated business strategy. Specific

operational departments engage in the work of working groups dedicated to various environmental, social and governance-related topics.

The Inter Cars Group continues to expand its ESG-related competence and the number of tasks pursued in this specific area. The target ESG-related governance structure will allow us to respond to the needs of the new ESG strategy that is being developed currently. The new structure will effectively monitor the progress made and will allow us to adapt to a changing market and regulatory environment. Owners of strategic ESG-related areas, as well as owners of transformational projects responsible for the implementation of the strategy will be designated. A transparent system of targets will enable us to effectively monitor the process of implementing the ESG strategy adopted.

[GRI 2-17]

Members of the Management Board and directors have access to ESG training organized by the ESG Team. That training focuses, inter alia, on Taxonomy disclosures, decarbonization-related activities, climate risks and sustainability reporting. In addition, representatives of top management and of the Management Board take part in industry events devoted to sustainable development, where they present the Group's position, and participate in discussions aimed at sharing experience and knowledge.

[GRI 2-18]

ESG-related activities of the Management Board are subject to assessment performed by the Supervisory Board which exercises permanent supervision over

the Company's activities in all areas of its operation. Sustainability-related issues are discussed in meetings of the Company's Supervisory Board. In addition, the Supervisory Board draws up and submits, to the General Meeting of Shareholders, annual reports assessing the situation of the Company, taking into account the internal control systems, risk management, compliance and internal audit functions, the manner in which the Company fulfills its disclosure-related obligations, as well as evaluating rationality of the Company's sponsorship and charity-related policies. When monitoring the effectiveness of internal control systems, as well as risk management, compliance and internal audit functions, those in charge of internal audit submit, to the Supervisory Board, at least once a year, a report assessing the effectiveness of those systems and functions.

MANAGEMENT OF ESG RISKS

Stable growth of the Company depends on a number of external and internal factors. In each area of our activity, we are striving to identify, on an ongoing basis, sustainability-related opportunities and risks, including environmental issues, which may have a significant impact on the continuity of the group's operations and on its ability to achieve the strategic objectives set.

The non-financial dimension of the risk management process is extremely important to us, as it covers economic and social issues, as well as environmental impacts affecting the entire value chain.

ESG risks are associated with the expectations that the environment we operate in may have towards our company. Such

risks may, inter alia, take the form of social pressure, legal requirements or expectations concerning our industry.

The key risks, presented in the table below, correspond to aggregated risk categories conditional on the occurrence of specific events. They may exert a significant impact on the business model, future performance and liquidity of the group.

In any event, the methods relied upon by the Management Board while mitigating specific types of risk are presented as well.

The internal control and risk management system in effect in the Group and its parent company is of the dispersed variety - it relies both on the financial division and on other organizational units, including the operational division. In selected areas of activity, specific elements of the compliance system have been implemented. This applies, in particular, to preventing fraud (e.g. corruption) and conflicts of interest. We shall continue to work on improving the risk management system and on enhancing its integration with analyzing ESG risks, including those related to climate, as described below.

STAGES OF THE RISK ASSESSMENT PROCESS:

1. → 2.

Identification of risks and assessment of their materiality

In order to properly assess a given risk, we regularly rely on internal and external sources of information, and our processes are designed to react quickly and efficiently in the event of a sudden increase in risk level.

Adequate reaction

An appropriate assessment of the potential impact of a given type of risk on the organization allows us to prioritize specific issues and to take the necessary action. We are aware that the value offered to our shareholders is affected by all risk factors.

4. ← 3.

Measures preventing new risks

Careful monitoring of risk factors enables us not only to respond to specific risks as efficiently as possible, but above all to prevent the emergence of new risks. Such an approach is based on the process of analyzing data and taking appropriate decisions.

Monitoring and reporting

We monitor all risk management-related activities on an ongoing basis and ensure that complete, up-to-date information is provided to all interested parties.

Climate risk management

[TCFD Climate Risk Management] [GRI 3-3]

Three types of climate risks are analyzed:

- those impacting our specific activities, including the supply chain,
- those potentially affecting the entire industry in which the Inter Cars Group operates,
- and those affecting the entire economy.

The climate risk analysis process is carried out on a regular basis. If the results of analyses conduct so, material risks are treated equally as strategic risks we respond to, for instance, through specific decarbonization initiatives.

In the case of material risks and opportunities, internal owners are defined who report to the Management Board for identifying and implementing effective risk management mechanisms, as referred to above.

Results of the risk management processes, including assessment and estimation of the likelihood and potential financial impact the risks may exert on the company, are presented to the Management Board of Inter Cars which is responsible for ensuring risk resilience and long-term strategic planning.

Climate risk management structure and responsibilities in the Inter Cars Group

[TCFD Corporate Governance] [GRI 3-3]

Climate risk management is the responsibility of the Management Board which accepts and verifies the results of specific assessments and the remedial actions undertaken. The table below shows also the activities of other Inter Cars Group entities.

Responsibility for climate risk management within the Inter Cars Group	
Position / Organizational unit	Area of climate-related responsibility
Supervisory Board of Inter Cars S.A. Group	The role of the Supervisory Board is to monitor the effectiveness and adequacy of the risk management system
Management Board of Inter Cars S.A.	The role of the Management Board is to supervise the risk management system and determine the level of risk tolerance. The Management Board is informed about the results of risk analysis processes as well as about climate-related opportunities. It makes key decisions in the context of mitigating and adapting to climate change
ESG Team	The ESG Team supports the Management Board, coordinates ESG risk management processes, initiates responses to ESG risks identified and supports the appointment of risk owners.
Environmental and Climate Protection Team	The team coordinates environmental and climate protection-related efforts, including by coordinating activities related to the seizing of opportunities and the achievement of environmental protection objectives.
Internal Audit Department	The Audit Department is responsible for the integrated business risk assessment model, including climate risks.



List of ESG risks defined

Risk area	Risk factors and their potential impacts	Mitigation methods
Climate	A detailed analysis of climate risks, performed in accordance with TCFD recommendations, may in the "Environment" chapter on page 45	
Corporate governance, regulatory and legal environment, business ethics	Changes introduced to European Union legislation concerned with the automotive market create some significant challenges for us, simultaneously offering opportunities to access that group of customers who rely, for their spare part needs, solely on car manufacturers. Those regulations also provide independent garages with access to technical information on an equal footing with authorized dealerships. Other regulatory issues that may affect the activities of the Inter Cars Group are related to environmental protection and climate change, the supply chain (environmental and ethical context), personal data protection, taxes, business ethics, competition protection and capital market regulations.	Transparency and compliance with the highest business standards are an important element of our organization's governance. By working intensively on maintaining our Compliance Program (covering, inter alia, the Code of Conduct and Good Market Practices of the Inter Cars Group), as well as by increasing ICT security, we counteract, inter alia, risks related to fraud, including corruption and bribery, conflicts of interest or hacker attacks.
Products and customer relations	The continuously changing customer preferences and regulations have a significant impact on the core activity of the Inter Cars Group, i.e. on the sale of vehicle parts.	By responding to the changing needs, offering a diverse portfolio of products (quality, price, remanufactured products), ensuring their availability (including in the context of disruption of supply chains during the pandemic), as well as by testing their quality parameters (own brand products), we exert an indirect impact on increasing the level of vehicle traffic safety and mitigate risks created by operating vehicles that are in a less than ideal condition.
Workplace and employees	Observing the labor market and taking into account our business objectives, we see that availability of workforce and, hence, recruitment-related opportunities will be a significant risk that may affect the activities of the Inter Cars Group as a whole. Additional workforce-related risks caused by the pandemic. The same applies to our business partners and customers.	Our priority is to lay the foundations for promoting entrepreneurship and supporting the education and professional qualifications of staff, responding to the needs of the changing labor market in the sector of the economy we operate in, for example through the "Young Staff" initiative, by offering attractive working conditions, supporting workers working remotely and by adjusting their career paths accordingly.

2.3 ETHICS AND HUMAN RIGHTS

[GRI 2-23] [GRI 2-24] [GRI 3-3]
[GPW G-P2] [GPW S-P6]

We comply with ethical principles and respect human rights in all areas of our activity, as evidenced by our decisions and compliance with the minimum guarantees set forth by the EU Taxonomy. Our approach to ethical issues and due diligence in the field of human rights is governed by existing policies and codes - strict compliance therewith is a condition that applies to all employees of the Inter Cars Group. The principles set forth in the documents listed above are designed to prevent negative effects related to human rights and workers' rights, primarily in the course of our direct operations. The key documents governing the above-mentioned areas include the following:



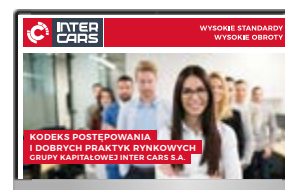
The Code of Conduct and Good Market Practice of Inter Cars S.A. Capital Group

[GPW S-P5]

The Code sets forth general principles we adhere to in our day-to-day operations. The document sets out, inter alia, the rules and desired attitudes concerning the following:

- values,
- safety and security,
- equal opportunities and equal treatment,
- relations with customers,
- business relations,
- contacts with the media,
- relations with competitors.

The Code serves as a declaration of compliance with the various categories of human rights related to the activities of the Group (in particular the workers' rights). Furthermore, it unequivocally expresses total lack of acceptance for corruption and bribery, as well as regulates issues concerning cooperation with public authorities, protection of the environment and personal data.



The Code is available on the [Investor Relations website](#).

Inclusion of business conduct-related ethical expectations in contracts concluded with some direct suppliers of the Inter Cars Group is a manifestation of our due diligence in the field of human rights, shown in our supply chain. Under the contracts concluded, Inter Cars Group companies having their registered offices in Poland provide their suppliers with the "Code of Conduct and Good Market Practices". The suppliers are required to become familiar and comply with its provisions. The compliance clause requires suppliers to comply with the human rights and with other principles specified in the Code. Direct vendors are verified by means of a self-assessment questionnaire - Business Partner Assessment Questionnaire. The requirements applicable to suppliers are described in the "Products, services and customers" chapter on page 32.

Conflict of Interest Policy in Inter Cars Capital Group

[GRI 2-15]

The document defines conflicts of interest and specifies how they may be identified. Employees of Group companies are obliged to avoid situations in which the interests of their or their relatives may be in conflict with the interests of the company. In such cases, they are obliged not only to inform their superiors of the conflict of interest identified, but also to refrain from taking decisions concerning a given matter. If necessary, the direct supervisor may decide to exclude a given person from all decisions concerning the issue concerned.

As far as conflict of interest management procedures are concerned, the Management Board and the Supervisory Board decided to comply with the provisions of Chapter 5 "Conflicts of interest and transactions with affiliated entities" of the document titled "Best Practise for GPW listed Companies 2021". In addition, the Rules of Procedure of the Management Board contain provisions on the prevention, identification and resolution of conflicts of interest.

In accordance with generally applicable legal regulations, conflicts of interest part (including membership in management boards or supervisory boards of other organizations, holding shares in suppliers' enterprises and other stakeholders) are disclosed to stakeholders in our periodic reports and via the website focusing on investor relations.

Anti-abuse Policy of the Inter Cars Capital Group

The document describes, inter alia, ways of combating fraud, attempts to offer and receive financial benefits, presents specific examples of fraud, sets out procedures for reporting suspected fraud cases and for conducting internal investigations. It also lays down rules for accepting donations and verifying our business partners. It defines the concept of a public servant (its very broad definition covers, inter alia, representatives of political parties, public authorities and state companies, as well as persons holding any types of judicial offices) and strongly prohibits making, promising, offering and approving any payments to persons falling under such a definition.

Information Confidentiality Policy in Inter Cars Capital Group

[GPW G-51]

It lays down the rules for processing and storing confidential information and sets forth the procedures to be followed in the event of a breach of confidentiality of information.

Workplace Mobbing Prevention Policy in Inter Cars Capital Group

It defines what mobbing is and sets out the rules for reporting suspected mobbing practices and for conducting internal investigations that are initiated if any such notifications are received.

Occupational Health and Safety and Environmental Protection Policy in Inter Cars Capital Group

Specifies the company's health and safety and environmental rules.

ANTI-CORRUPTION

[GPW G-P3] [GRI 3-3]

In accordance with the Code of Conduct and Good Market Practices, we do not accept corruption or bribery as valid methods of doing business and actively combat these phenomena.

Communication and training on anti-corruption policies and procedures³

[GRI 205-2]

Each new employee is trained on the Group's anti-corruption policies and procedures during their onboarding training. In addition, e-learning courses focusing on this area are available to all employees. Policies implemented under the "Compliance Program" which concern, inter alia, anti-corruption issues, are made available to all employees via an Intranet site.

When establishing cooperation with external parties (including suppliers), the wording of the "Code of Conduct and Good Market Practices" is provided to them, and it is verified whether cooperation with a given entity does not involve a risk of corruption, whether relevant contractual provisions prohibit the use of corruption practices and whether termination of the agreement is possible in the event of a breach thereof. In the case of entities the company already cooperates with, the General Counsel conducts an ongoing corruption risk assessment.

TAX STRATEGY

[GRI 207-1]

Inter Cars S.A. focuses on transparency in tax reporting and on maintaining on-going contacts with tax authorities. Proper fulfillment of fiscal obligations and timely settlement of public liabilities are one of the key values of the Company.

The Company's approach to tax settlements is based on thorough verification of fiscal outcomes of its business activities and on making strategic decisions based on compliance with the position presented by the National Revenue Administration (KAS), inter alia, based on advance pricing agreements (APAs) with the Ministry of Finance.

The Company has developed an internal structure, infrastructure and applicable technological solutions (e.g. IT systems) and has introduced an authority delegation system enabling it to correctly perform the tax function. The Company has introduced internal procedures aimed at identifying and mitigating tax risks.



Information the tax strategy pursued by Inter Cars S.A. is available online.

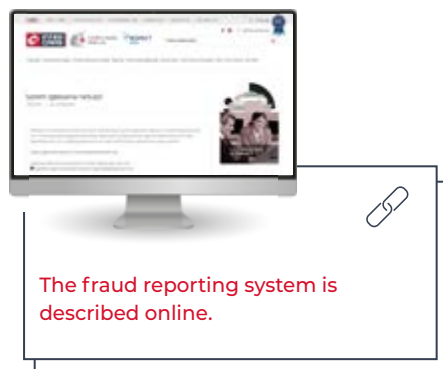
³) Disclosures provided under GRI 205-2 lack figures concerning communication and training on anti-corruption policies and procedures, as no such data is available. The Inter Cars Group does not record related data concerning staff and members of management bodies, by employee category. Neither does the Group compile any figures related to business partners who have been notified of anti-corruption policies and procedures in force in the organization, by types of partners.

FRAUD REPORTING SYSTEMS

[GRI 2-26] [GPW G-P4] [GRI 3-3]

In 2022, in order to ensure a correct understanding and observance of the he rules adopted, we implemented a special system for reporting fraud, described in the “Internal Reporting Regulations”, available on the Investor Relations website.

The system constitutes a part of the human rights due diligence process in effect in the Inter Cars Group, used by adversely impacted stakeholders to submit complaints and seek to have these reviewed. We have adopted a broad definition of fraud - it is considered to be a deliberate act or omission infringing upon the provisions of law or rules in force in the group and resulting in either benefits enjoyed by the perpetrator or damage suffered by the group. The system can be used to report, online cases of financial (corruption, fraud, financial crime) and non-financial (harassment, discrimination, personal data breach, environmental pollution or conflict of interest) non-compliance. By analyzing information received via the complaint mechanism, we are able to identify the adverse impact that our activities exert or may potentially exert on human rights and workers' rights. The system is available in two language versions - Polish and English.



It may be used by those employed in our group and by our business partners, customers or other people associated with the group in any manner whatsoever. Notifications may be submitted anonymously or with the identity of the submitting party disclosed. Regardless of whether the whistleblower has decided to disclose their identity or not, a secure mailbox should be created enabling safe communication with our company. We ensure that all notifications remain confidential.

All whistleblowers are guaranteed protection against repressive or other types of unfair treatment. We do not reveal the identity of whistleblowers and we ensure that those reporting problems in good faith are not held responsible in a financial or disciplinary manner and that they are not harassed in any way whatsoever - by their superiors nor by their colleagues.

Similar guarantees are also offered to those who decide to report cases of abuse by other channels, such as by traditional or electronic mail to compliance@intercars.eu, by telephone or orally.

All notifications are verified on an ongoing basis. If irregularities are identified, specific corrective actions are taken. The General Counsel of the Company is a party authorized to receive notifications and to initiate and conduct any related investigations. The effectiveness of all compliance- and abuse-related activities is monitored - relevant annual reports are drawn up and are verified by the internal audit function and are submitted to the Supervisory Board.

[GRI 2-16]

Serious concerns and doubts may also be submitted to the Management Board or the Supervisory Board by e-mail. In 2022, three cases were reported in this way, mainly concerning HR matters.

INFRINGEMENTS IDENTIFIED

In 2022, no court judgments were issued stating that the Inter Cars Group, its top management or the Group's companies had infringed any human rights, workers' rights, fair competition laws, tax laws or anti-corruption laws. The OECD National Contact Points have not received any reports relating to the Group or its companies. Over the past 2 years, the Business and Human Rights Resource Center has not made any allegations concerning the Inter Cars Group or its companies.

As part of the assessment of compliance with the minimum guarantees, we verified whether any court-confirmed infringements took place during the reporting period, identifying non-compliance with the minimum guarantees, in accordance with recommendation of the Platform on Sustainable Finance. An explanation of the term “minimum safeguards” and the remainder of the Taxonomy disclosure may be found in the “Environment” chapter on page 64.



Infringements consisting in non-compliance with Taxonomy Minimum Safeguards		
	Inter Cars S.A.	Inter Cars Group
Number of human right violation cases	0	0
Number of worker rights violation cases	0	0
[GRI 406-1] Non-discrimination	0	0
[GRI 206-1] Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	0	0
Tax regulations breaches	0	0
[GRI 205-3] Cases of confirmed anti-corruption infringements	0	0
[GRI 205-3] Court cases concerning corrupt practices brought against the organization or its employees	0	0
Issues raised by the Business and Human Rights Resource Center (over the past 2 years)	0	0
Cases instigated against Inter Cars by OECD National Contact Points	0	0
Total	0	0

[GRI 2-27]

In 2022, no significant⁴⁾ cases of non-compliance with the provisions of law and regulations were identified within the Inter Cars Group, for which financial or non-financial penalties were imposed. No fines have also been imposed for cases of significant non-compliance with laws and regulations taking place during the current or previous reporting period.

[GRI 418-1]

In 2022, the Inter Cars Group did not receive any justified complaints concerning customer privacy violations. Inter Cars S.A. identified 9 cases of leakage, theft or loss of customer data. In response to these cases, the company has implemented, inter alia, organizational security measures consisting in implementing guidelines for employees and providing appropriate training. Specific technical measures have also been implemented in the Group's IT systems. Whenever required, applicable notifications have been filed with the President of the Personal Data Protection Office.

2.4 OUR APPROACH TO SUSTAINABLE DEVELOPMENT

“Sustainable automotive for people and climate” is the slogan that we follow while making daily decisions affecting our business growth. We understand that the scale of our operations and the sector we operate in are linked with considerable responsibility for the impact we exert on the environment and society, including our employees, associates and business partners. In implementing our sustainability strategy, we consistently strive to remain an innovative, inclusive and environmentally friendly company.

DIALOG WITH STAKEHOLDERS

[GRI 2-29] [GRI 3-3]

Transparently, honestly and reliably. We treat our stakeholders the way we would like to be treated ourselves: we make sure

that our communication channels, deadlines and other aspects of our operation are adapted to meet their expectations, we provide them with reliable information on our successes and the challenges we need to face together. Striving to establish a two-way flow of information, we make sure that we hold a dialog with them wherever and whenever possible.

The current division of the group of our stakeholders has been worked out during a series of internal meetings with representatives of selected business areas. The stakeholder map is aligned with our business strategy as well as with the mission and vision of the organization and strives to monitor and manage the impact of the group on its internal and external environment.



4) Significant (material) cases of non-compliance - non-conformities materially affecting the situation of stakeholders.

Stakeholder map		
Stakeholder group	What are the objectives for or reasons behind engaging stakeholder groups?	How does the organization seek to establish a constructive dialog with a given stakeholder group?
Employees	Highly motivated and qualified employees play a key role in creating the Company's capital, offering high quality customer service and generating long-term value, including that of economic character. We intend to provide them with a satisfactory working environment promoting their growth and making their voice heard. We strive to offer competitive salaries, good safety standards, clearly defined career paths and a suitable incentive system.	Employee training, development of talent and skills; dialog with employees, satisfaction surveys. Permanent contact with the use of: The Intranet, mailing campaigns, webinars, employee questionnaires, internal meetings, individual conversations, "What's new?" publications and social media. Regular satisfaction surveys performed once a year.
Clients	We want to provide our clients with a diverse portfolio of readily available, high-quality products and services.	Dialog with customers: "we listen and we respond", satisfaction surveys. Maintaining permanent, direct contact, conducting regular customer surveys (monthly, quarterly, annual and ad-hoc).
Suppliers	We strive to establish partner-like relations, treat them fairly, have transparent cooperation rules and ensure favorable cooperation conditions.	Maintaining dialog and building long-term relations with suppliers, building a common understanding of the needs of the independent aftermarket. Regular industry meetings, surveys and questionnaires.
Shareholders	As a listed company, we are dependent on our shareholders. The capital acquired through the issue of shares allows us to achieve the Company's strategic objectives. Shareholders may influence the Group's activities via the General Meeting of Shareholders. We strive to ensure that the Group's operations and the manner in which we run our business are transparent for our Shareholders. We also want to make sure that the outcomes of our business activity are consistent with social expectations and values. Therefore, the Company publishes its financial results and organizes regular meetings with the Management Board.	Informing shareholders, on an ongoing basis, about sales results. Submission of periodic financial and non-financial reports enabling to assess the Group's standing. Monthly reports, including monthly sales reports, information for the General Meeting of Shareholders, meetings with investors: conferences and individual meetings.
Financing organizations	We are predictable for partners providing us with funds required for our development. We share financial information in a transparent manner and allow our partners to hold meetings with the Management Board.	Provision of detailed and transparent information on financial and operational performance. Monthly sales report. Quarterly, semi-annual and annual publication of results, meetings, surveys and on-going, direct contacts.
Public and regulatory institutions	Ensuring that requirements and regulations are complied with, supporting the establishment of new market rules, including good practices.	Holding a constructive dialog with regulators, submitting reports resulting from regulatory requirements, holding meetings or participating in industry conferences. Regular and ongoing contacts.
Local communities	Investing in local communities, improving quality of life and health. Strengthening the local economy to build a socio-economic context of our activities.	Cooperation with local communities. Establishing long-term partnerships with health, education and social welfare institutions. Industry meetings and ongoing contacts with long-term partners.
Industry organizations	Fair access to market and technology; building awareness of customers and regulators. Caring for the business environment and the independent market.	Holding a constructive dialog with stakeholders. Regular industry meetings, consultations, surveys and questionnaires.

MATERIALITY MATRIX

[GRI 3-1] [GRI 3-3]

While working on this report we held, in January 2023, a dialog session with our stakeholders, organized in accordance with the principles set out in the AA1000 standard.

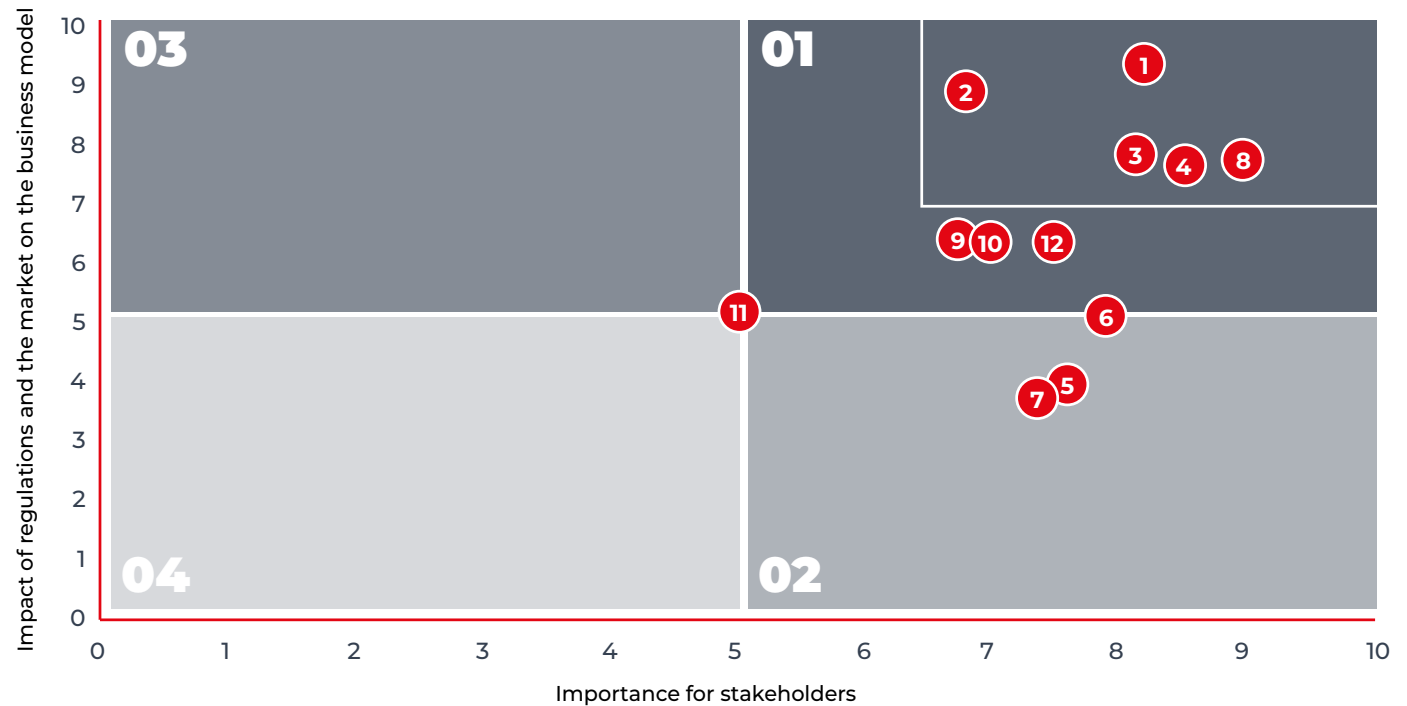
It was attended by several dozen participants: representatives of employees (employment agencies), customers, contractors, suppliers, shareholders, banks, local communities as well as industry and non-governmental organizations.



The session was devoted to discussing environmental and social impacts of the group in order to identify material topics which, in the opinion of stakeholders, need to be given priority. The results of this session have been taken into account in this report. Additionally, as part of the

materiality analysis process, a survey was conducted among 173 employees of the Group and a number of individual interviews with representatives of the most important operational areas of the Group were held as well.

The meetings allowed us to identify a list of key impacts. Having analyzed and prioritized these, we selected topics that are of the greatest significance for the Group. Additional information concerning the materiality analysis process is available in the “Basis of the report” chapter on page 96.



- | | | |
|------------------------------|-----------------------|-----------------------|
| 1. Quality of products | 5. Water | 9. Human rights |
| 2. Circular economy | 6. Air pollution | 10. Ethics |
| 3. Supply chain | 7. Biodiversity | 11. Equal treatment |
| 4. CO ₂ emissions | 8. Working conditions | 12. Social activities |

INTER CARS GROUP SUSTAINABILITY STRATEGY

In 2017, we decided to systematize the Inter Cars Group's approach to sustainable development. That is when we drew up the first ESG strategy in the history of our company. The strategy was built around seven strategic objectives, focusing primarily on environmental and social aspects.

In 2020, based on changes in the regulatory and market environment and taking into account the expectations of our employees and customers, we reviewed and updated the ESG Strategy. We also started to use our **"Sustainable automotive for people and climate"** slogan.

STRATEGIC OBJECTIVES



SUSTAINABLE AUTOMOTIVE FOR PEOPLE AND CLIMATE - OBJECTIVE OF THE 2020+ STRATEGY

PEOPLE

Our company was established based on the automotive passion of its founders, branch-owners, employees and suppliers. It respects the passion of our customers, mainly those who run garages, as well as drivers.



Employees

[III.] We are creating 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 work colleagues. The group of our employees is large and highly diverse, as we operate in several European countries. We are trying to take appropriate action and improve the tools at our disposal - all with the intention of turning our company into an efficient, modern and innovative workplace.



Garage employees

[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.

Talking about employees, we are thinking not only about our Inter Cars colleagues, but also about all those who - just like us - consider their job to be their passion. Our

customers' garages depend on access to well-qualified staff that is fully prepared to service and repair vehicles driving on our roads, and being capable of adapting to new trends.



Customers

[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.

We serve primarily business customers (B2B), i.e. vehicle garages. For us and for our branches, the owners of these small and medium-sized companies are our work colleagues.

In order to enable them to operate as efficiently as possible, we not only supply them with spare parts and equipment, but also help them, on an on-going basis, carry out their activities by transferring know-how.



Business partners

[VII.] We maintain continued dialogue and collaboration in our value chain, using the underlying diversity of Inter Cars Group to formulate common principles of conduct in areas that we deem crucial.

As promoters of responsible, fair and trust-based cooperation, we promote relevant principles and good practices both within the company and in our branch network, as well as among suppliers and

other business partners, with a particular emphasis on sharing experience.



Communities

[I.] We are building our leading position by calling the directions of changes in the industry and by presenting an active stance regarding responsible business in automotive.

As industry leaders, we feel responsible for shaping relevant trends, including those relating to sustainable development. We are convinced that the automotive industry may only operate sustainably if a strong and independent aftermarket exists. We allow spare part manufacturers and garages to develop and compete with independent companies.

The independent aftermarket guarantees access to good quality parts, simultaneously offering competitive vehicle service and maintenance opportunities. It is therefore of particular importance to develop an appropriate level of awareness in this regard, including among our consumers.



Local communities

[VI.] Our pro-social activities are aimed at creating opportunities for the development of youth and the disabled, and at supporting automotive-related topics.

Although we focus on our economic activity, we also remember that we live in smaller or larger communities,

where there are people and groups in need of our support. We believe that social engagement is a must for each responsible enterprise.



CLIMATE

[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.

Over 30 years of its operation, our company has witnessed the dynamic economic development of Poland and other Central and Eastern European countries. Development of the automotive sector and the transport networks in that region was strongly linked to the collapse of the communist regime, the regaining of freedom and the right to decide about one's own fate. The communities in which we operate have achieved a great deal in this regard. We feel, in a sense, the co-authors of this success.

Today, we are facing new challenges. The increasing impact of human activity on the environment and the accompanying climate change call for a highly responsible approach, both from the state authorities and from the private sector. We feel responsible for the development of our company, but also for the well-being of our customers and employees.

We are convinced that the future of our company is increasingly dependent on specific actions and decisions concerned with environmental protection and with combating the effects of climate change.

The rapid weather changes and natural disasters caused partly by human activity are a new risk factor affecting many sectors of the economy, including the automotive industry, and in particular for the spare parts segment. The relatively warm winters which affect the seasonal nature and the volume of tire and battery sales are a good example of such a phenomenon.

We notice, in the automotive industry, changes reducing greenhouse gas emissions and mitigating the negative environmental impact of transport, and we participate in the process of imple-

menting such changes. We try to ensure that they are implemented in a sustainable manner, with their socio-economic impact taken into consideration as well.

By making the right decisions, we can contribute to improving the quality of the environment in which we live and reducing the effects of climate change.

Together with our customers, employees and business partners, we will strive to ensure that the next thirty years are a period of 'green deal' - for us and for future generations.

ESG STRATEGY REVIEW

Ongoing regulatory and market changes continuously create new challenges for us. We are already obliged today to make disclosures in line with the European Union taxonomy. As a listed company, we will also be required to align our reporting to the requirements of the CSRD Directive.

On the other hand, consumers are attaching an ever-growing emphasis to sustainable and planet-friendly products and services. Transformation of the automotive industry is crucial in order to achieve climate neutrality, in line with the Paris Agreement.

Being aware of the role that Inter Cars plays in the transformation of ESG in the automotive aftermarket sector in Poland and abroad, the Management Board of the Inter Cars Group decided to start work on a new comprehensive ESG strategy for the years 2023-2030 forming an integral part of the company's business strategy.



The strategy will be based on the best market practices and will take into consideration upcoming regulatory changes. By holding a dialog with our stakeholders, we will develop a matrix of

key areas of great significance for our ESG approach.

Enjoying active support of the Management Board, our working groups will define detailed commitments of the company and indicators allowing us to measure progress in their implementation. These will be related to three specific areas: environment, society and governance.

Key Inter Cars managers will be participating in the work on the new strategy. Their knowledge and dedication are crucial for us, as they will allow us to come up with an action plan exerting a real impact on the environment, society and our organization.

Joanna Pieśluk
ESG Manager



03.



PRODUCTS, SERVICES AND CUSTOMERS

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3.1.	SOURCING AND MANUFACTURING PRODUCTS	30
3.2.	WAREHOUSING AND LOGISTICS	35
3.3.	DISTRIBUTION AND SALES	36

KEY FIGURES AND FACTS 2022

610,000 products
in stock [SKUs]

EUR 3.65 billion
value of purchased goods

1,600 suppliers

244 branches in Poland
374 in Europe

300,000
regular customers

37,798 components
subjected to quality control at the Intermeko laboratory

4,176 participants
of training sessions for customers in Poland

**The UN Sustainable Development Goals we support
under our responsibility to customers, products and
services:**



3.1 SOURCING AND MANUFACTURING PRODUCTS

Good, trust- and experience-based cooperation with manufacturers of tens of thousands of automotive parts and a stable supply chain form the very foundation of our competitive advantage.

We are a brand that is well-established on the global spare parts market, and the procedures we have developed over the years allow us to provide our customers with prompt access to virtually any replacement component. We also offer remanufactured parts, reminding customers that such a solution is beneficial not from the financial, but also from the environmental point of view.

Our logistics centers and warehouses, combined with an efficient and proven distribution system, ensure timely reception and shipping of the products we offer.

AUTOMOTIVE PARTS MARKET

The car parts market is divided into two main segments - OEM parts and aftermarket components. The aftermarket is divided into the following:

- market for parts that car manufacturers sell under their own brand;
- independent market offering both specialized manufacturers of OEM parts and manufacturers of replacement components whose quality is comparable with that of OEM parts; the independent market consists of distribution channels which are fully independent of specific car manufacturers (wholesalers, stores, independent garages, car centers, etc.).

Manufacturers of automotive parts supply their components to car manufacturers and independent distribution networks. 80% of the OEM parts produced are sourced from independent manufacturers and only 20% are produced by car makers themselves (these include mainly structural elements)¹⁾.

Most of the parts offered by car makers at authorized dealerships are sourced from independent manufacturers and are sold under the car manufacturer's brand. Those parts guarantee the same level of quality as replacement parts offered by independent garages. Replacement parts may be delivered to the end customer from three sources: directly from the distributor, from a store or from a garage.

BUSINESS SEGMENTS OF THE INTER CARS GROUP

The Inter Cars Group operates in the segment of brand-new parts (and, to a small extent, remanufactured parts) supplied primarily to vehicle garages.

We are able to benefit from the scale of our activity that has been divided into smaller, specialized business segments in order to improve the efficiency and flexibility of our operations and, consequently, to boost our competitiveness.

The main segments of our activities, comprising a single and coherent system, focus on the following areas:

- passenger cars,
- trucks,
- car body,
- tires,
- batteries,
- oils,
- garage equipment,
- accessories,
- agro vehicles,
- motorcycles,
- tuning,
- marine sector.



1) "Automotive Industry in Poland 2021-2022" report prepared by the Association of Distributors and Manufacturers of Automotive Parts, in cooperation with Santander Bank Polska and the MotoFocus.pl Group, under the patronage of the Polish Investment and Trade Agency, Warsaw, 2021.

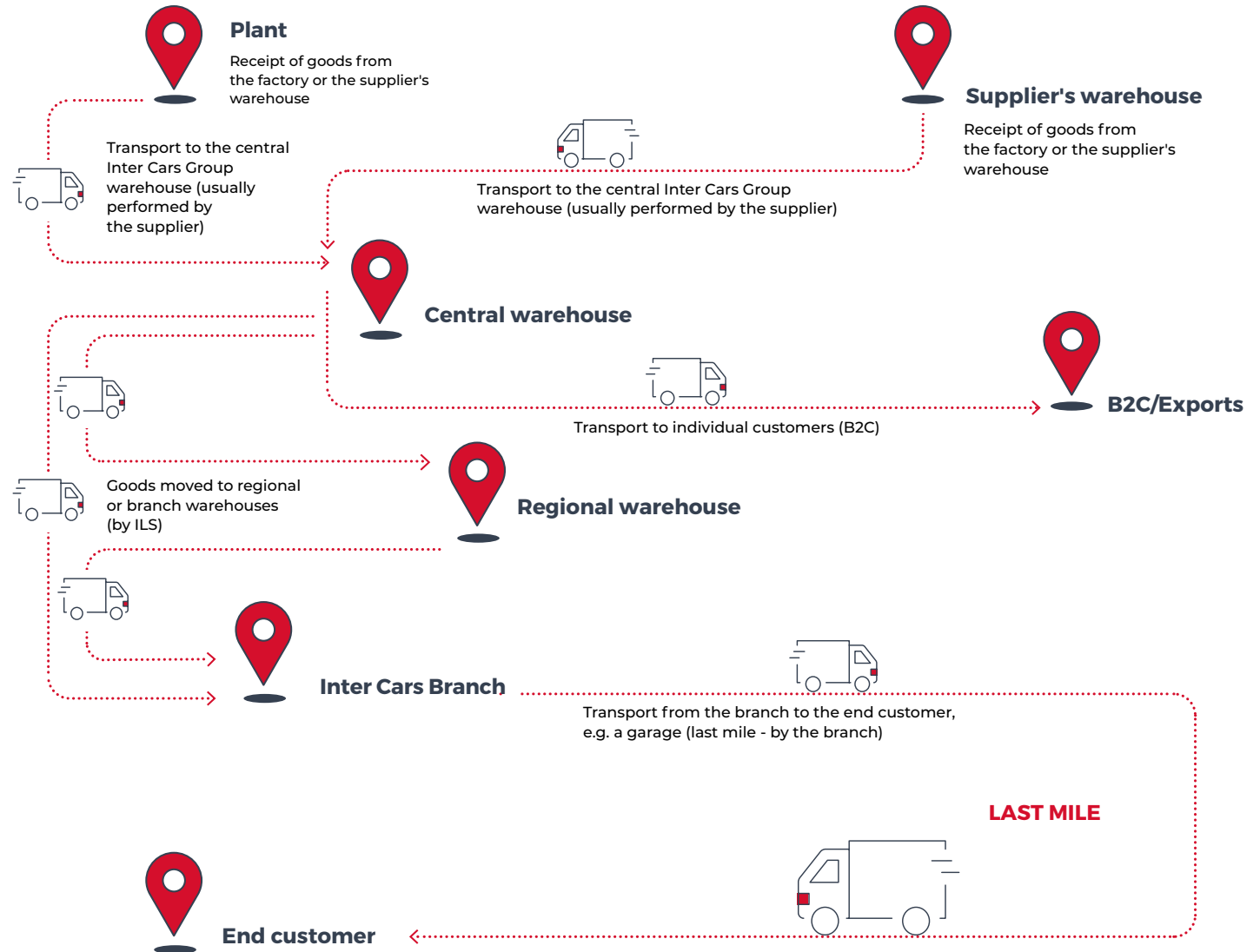
SUPPLY CHAIN

[GRI 2-6]

A sound supply chain and partner-like relations with spare parts manufacturers are absolutely crucial elements of our company's operations. At the Inter Cars Group, we believe that the way in which the system of purchasing, storing and distributing car parts operates is crucial to guaranteeing our competitive advantage. We never stop our efforts to streamline, speed up and simplify all procedures, making sure that our business partners and customers may rest assured that they can always rely on our services.

Our supply chain consists of several links connecting manufacturers or suppliers of products with the end customer, usually a garage.

Inter Cars Group supply chain diagram



together we **create**
support
deliver

[GRI 3-3]

In 2022, we continued our **“Together we create, support, deliver”** campaign aimed at both suppliers and customers and promoting the benefits of cooperation with our group. We strive to build the image of the Inter Cars Group as a company providing them with an opportunity to grow, expand their knowledge and be more competitive.

Our campaign focused on the following topics:

- TOGETHER in business - importance of succession,
- SUPPORTING women in the automotive industry,
- OFFERING vocational training and professional development,
- SUPPORTING garages in their environmental protection efforts.

Over the 2-year campaign we wrote 63 dedicated articles, organized 4 competitions and produced nearly 30 videos, including 2 VR features using 360-degree technology.

Our message has reached the audience of 100,000 people through a dedicated website, 4.7 million people on Facebook, and our videos on YouTube were displayed 2.4 million times.

REQUIREMENTS APPLICABLE TO SUPPLIERS AND THEIR ASSESSMENT

[GRI 3-3]

Our Group cooperates with nearly 1,600 suppliers from all over Europe, including France, Spain, Germany, Poland, Italy, USA and the Far East.

Inter Cars cooperates with suppliers who:

- operate in accordance with the **“Procurement of Goods Policy”** setting out the rules for purchasing, managing, standardizing and coordinating supply processes. Additionally, the said document facilitates the process of holding trade negotiations and managing suppliers at the Group level.
- meet the formal requirements set forth by the Inter Cars Group legal department.
- act in accordance with the **“Code of Conduct and Good Market Practice of the Inter Cars SA Group”**, pursuant to which:
 - we do not cooperate with partners who operate in an unethical manner, violating the rights of others, as well as breaching good customs or market practices;
 - we evaluate our business partners based on substantive, business-related and ethical criteria. In accordance with the principle of equal treatment, we do not apply any discriminatory cooperation criteria or conditions;
- we expect our business partners to comply with the law and good market practices. We prefer partners who set ambitious targets concerning our shared responsibility for the environment in which we all operate.

The last of the aspects listed above is verified when selecting new suppliers using the **“Business Partner Assessment Questionnaire”** in which we touch upon issues related to ethics and corporate social responsibility. We ask, inter alia:

- whether persons holding managerial positions are or were acting in the capacity of public officials,
- whether persons holding managerial positions are in any way linked with the Inter Cars Group,
- whether the organization has implemented a Code of Ethics,
- whether the supplier has implemented a quality management system,
- how corruption, conflicts of interest and money laundering are prevented, as well as how protection of the environment and workers' rights is ensured,
- what initiatives are taken under the supplier's social responsibility program.

Each new supplier receives a self-assessment questionnaire to be filled out.

QUALITY MANAGEMENT SYSTEM

[GRI 3-3]

In 2003, Inter Cars S.A. implemented an **ISO 9001-compliant quality management system**. Each year, we undergo a verification audit and every three years a recertification procedure ensuring compliance with the latest release of the ISO 9001:2015 standard.

System certification and recertification audits are conducted by DEKRA, one of the best-known and highly valued certification entities in Poland and worldwide. During the three-year period between recertification audits, DEKRA conducts annual verification audits, checking for compliance of the management system with the standard.

The ISO 9001 certificate that Inter Cars S.A. holds was expanded in 2013 to include ILS, and two years later to include Intermeko Europe as well. The last recertification of the quality management system in place in all three companies was performed by DEKRA in 2021, meaning that the current certificates are valid until August 2024.

ISO 9001 certificates of the respective companies are published on their websites.

The processes comprising the quality management system provide for the methods of performing specific activities, determine the scope of responsibility (process owner and leader), identify the purpose and scope of a given process and the related business roles, as well as specify process identification numbers. Such an approach makes it easier to

understand and ensure continuous compliance with applicable requirements, analyze processes in terms of added value, increase their effectiveness and improve them by analyzing and evaluating data.

Activities related to ensuring compliance and effectiveness of the system are overseen by the **Quality Management Officer**. The Officer's responsibilities include direct supervision over the documentation of the quality management system, cooperation with process owners and leaders related to drawing up and documenting processes, as well as coordination of the internal audit process. Additionally, the Officer supervises and assesses the work of internal auditors, oversees quality management training and provides personnel members with advice concerning the system.

The quality system allows us, inter alia:

- to test products offered by the company at an external laboratory operated by Intermeko Europe,
- rely on our own quality control system based on the QDA method,
- repeatedly test parts manufactured to ensure that the final product is, first and foremost, safe for the user and, additionally, meets strict technical standards,
- to use, for testing purposes, advanced metering equipment. We use, for instance, an X-ray spectrometer to test the chemical composition of materials used in the production of spare parts, and to accurately and quickly identify the grade of steel used,
- carry out random quality checks of products from ongoing shipments.

Quality checks

The quality of our products is controlled primarily by Intermeko Europe - a company specializing in performing geometrical measurements, strength tests, material tests and functional tests. The functional tests include, for example: damping force of shock absorbers, compression force of suspension springs or leak tests.

The testing covers mainly our own brand products, as this segment of the market offers the greatest possibilities for verifying the quality of components. Therefore, each new product undergoes thorough checks and tests and must be approved by the laboratory prior to being introduced to the market. The laboratory is also testing parts returned by individual customers as faulty (more information regarding the complaint handling process is provided on page 39 of this report).



Intermeko Europe sp. z o.o.

Component, spare part and accessory testing and assessment services

Headquarters and laboratory: Warsaw

For more information, please visit:
intermeko.eu/pl.

Number of items subjected to quality control tests	
Verification of geometric and identification parameters	32,190
Functional checks	5,608
Total	37,798

37,798 items checked in 2022. A total of 32,190 geometric parameter tests and identification checks have been performed. 5,608 functional checks, such as verification of damping forces of shock absorbers, compression forces of suspension springs and leak tests, were carried out.

Additionally, 751 random quality checks were performed. These involved items that had been previously approved for sale within the Group's chain. This is to ensure that top-quality products continue to be delivered on an ongoing basis and to verify that all guidelines and user expectations are complied with.



"Quality is important to us" - this slogan defines our commitment to drivers. Restoring vehicles to a good technical standard is, for various reasons, a solution that is much better

than purchasing a new car. More and more drivers and mechanics realize that repairing vehicles with the use of high-quality parts is beneficial both for the environment and for our wallets. The Inter Cars Group offers large quantities of parts for nearly all types of vehicles. We continue to learn all the time as well, by analyzing the market and following the latest trends. The quality of parts we offer is crucial for their safety. That is why the Quality Management System also focuses on examining even the smallest components returned with the use of the complaint process. Detailed expert opinions identify the causes of specific defects and improve our production and assembly processes. We are of the opinion that only good parts should make it all the way to our customers. Therefore, we do our best to anticipate market needs and expand the range of tests performed and research activities conducted.

Dariusz Zawadka

Laboratory and Quality Control Director
Intermeko Europe Sp. z o.o.

PRODUCTION OF OWN REMANUFACTURED PARTS

Lauber is one of the first companies in Poland focusing on remanufacturing vehicle parts. As its production volume has been increasing on a continuous basis, the company has joined the group of the largest producers of remanufactured spare parts in Central and Eastern Europe. The company's activities are carried out in accordance with the most stringent quality standards followed by the largest global players operating in this segment of the market. Lauber offers over 10,000 brand new and remanufactured components from the following product groups: alternators, starters, steering racks, brake calipers, power steering pumps and diesel injectors.

Lauber is a proud holder of a certificate issued by **APRA** (Automotive Parts Rebuilders Association).

The process of remanufacturing parts consists in restoring a given automotive component to a condition that corresponds to the parameters of a brand-new product. Remanufacturing is highly beneficial for the environment, as it reduces the amount of natural raw materials consumed by vehicle users and lowers the consumption of energy needed to convert these raw materials into the final product. The bottom line is that CO₂ emissions are reduced significantly and the products' life cycle becomes significantly extended. Such an approach allows the company to promote the principle of circular economy.

In 2022, Lauber sold over PLN 100 million worth of products, mainly relying on Inter Cars distribution channels.



Inter Cars Group companies:

Lauber Sp. z o.o.
Refurbishment of automotive parts

Registered office and production facility: Słupsk

To learn more about Lauber, visit: lauber.pl



For more information about the process of remanufacturing parts, please see the "Environment" chapter on page 56.



Remanufactured products offer the same value as new components but are greener and cheaper. The components subjected to remanufacturing are sourced from all over Europe, primarily from Germany, France, Italy and Scandinavia. The process of remanufacturing parts assists mechanics and saves their time as well. They do not have to attempt complicated and time-consuming repairs, and do not have to monitor the quality of that procedure as well. Replacing a faulty component with a product we have remanufactured is a much quicker and cheaper solution.

Wojciech Kilianek

President of the Board and Managing Director, Lauber Sp. z o.o.

IN-HOUSE PRODUCTION OF SEMI-TRAILERS AND TRAILERS

"Feber" Vehicle Production Plant is a part of the Inter Cars S.A. Group and offers tipper semi-trailers with the volume of 24 to 76m³, as well as regular semi-trailers for transporting scrap metal, Heitling tankers and container frame trailers.

Two thirds of the vehicles leaving the Sieradz plant are sold in Poland, while one third of the production volume is exported, primarily to Belgium, France, Finland, Germany, Norway and Sweden.

The vehicles are manufactured with the use of state-of-the-art technologies and components sourced from renowned,

global manufacturers. The high quality of the products offered their functionality and an attractive price are the key advantages appreciated by numerous users. The highest level of quality is confirmed by the e9 type approval certificate and by the 24-month guarantee period. A large network of authorized Q-Service Truck service shops offers excellent access to spare parts, as well as warranty and post-warranty maintenance. The company operates also a car rental business and specializes in post-accident repairs.

In 2022, **434 vehicles** with a total weight of **2,604 tons** were manufactured at the Feber plant.



Inter Cars Group companies:

Feber Sp. z o.o.
Production of semi-trailers and trailers

Registered office: Warsaw
Manufacturing plant: Sieradz

To learn more about Feber, visit feberczesci.intercars.com.pl

3.2 WAREHOUSING AND LOGISTICS

Delivering hundreds of millions of parts to many countries - punctually, safely and quickly - takes a huge logistical effort. Operations of this type are successfully performed by ILS - our subsidiary employing 389 staff. Its tasks include collecting goods from the supplier's factory or warehouse, transporting them to the Group's central warehouse, shipping them to branches' warehouses, and in some cases directly to specific garages as well.



Inter Cars Group companies:

ILS Sp. z o.o.
Logistic services

Registered office: Swobodnia
21 warehouses in Poland and abroad

For more information about ILS,
please visit ilslogistics.eu.

All logistics centers operated by ILS are modern, fully automated "A" class storage facilities. Some of them are among the most modern facilities of this type operated in all of Europe. After years of development and expansion of their logistics centers, the storage area available to the Inter Group in Poland and abroad amounts to 360,000 m².

The largest facilities include three main **Logistics Centers** - European Logistics and Development Center (Zakroczym, Czosnów), Western Logistics Center in Komorniki and the Southern Logistics Center in Sosnowiec.

We also manage an extensive network of the so-called midi-hubs, i.e. medium size warehouses located near large Polish cities (Białystok, Lublin, Szczecin, Łódź, Wrocław, Rzeszów, Gdańsk). We also operate large warehouses abroad - including those in Romania, Croatia, Latvia, Lithuania, Ukraine, the Czech Republic, Hungary, Bulgaria and Greece.

Our goods are distributed via:

- **11 warehouses in Poland**, including the European Logistics and Development Center in Zakroczym, with an area of 15 ha, over 65,000 m² with 13 km of conveyors
- **10 warehouses in Europe** (outside Poland)
- **360,000 m²** - total area of warehouses in Poland and abroad

In the central warehouse, we store all types of products - in total approximately half a million items. Our branches' warehouses store fast-moving products only - approx. 100,000 items. Such an approach allows us to maintain the proper size, quality and availability of our stock that is suited to the needs of local markets.

ILS - how does the system work?

1. Our partners deliver their goods to our central and regional warehouses. Regional warehouses accept mainly deliveries of bulk goods (tires, batteries, liquids, oils). Other types of products are stored in our central warehouses as well.
2. Some of the warehouses double as special-purpose facilities (e.g., the warehouse in Czosnów serves as a distribution center for bodywork parts).
3. Central and regional warehouses replenish the stocks of branches' warehouses - Inter Cars sales and storage locations operated by our distributors.
4. Additionally, slow moving parts that were not available in our distribution centers, are also delivered to the branches, on a daily basis, from our central warehouses.
5. Garages cooperating with our company may place orders with deliveries made up to several times per day.

ILS renders its services not only for the benefit of our group companies. The company offers warehousing, domestic and international transport, as well as sea and intermodal transport services that may be taken advantage of by external companies - not only those operating in the automotive sector, but also those from chemical, petrochemical and FMCG industries.

In December 2022, we launched a **new logistics center in Croatia**. The warehouse has an area of 15,000 m², of which 10,000 m² is occupied by the main storage with 4-level racks. The remaining 5,000 m² are used for storing nearly 100,000 tires.

12 million items are stored in the warehouse, of which almost one million may be shipped immediately to customers thanks to an advanced system of conveyors with ten sorters used for segregating goods. Correct operation of the warehouse and all of its processes is supervised by nearly 200 employees working there each day. The facility has 27 ramps and supplies 43 regional branches, retail customers and several export customers.



Sustainable development of the Inter Cars Group would not be possible without sustainable logistics, and logistics services have a particularly important role to play in the context of the

environmental impact we exert. The scale of ILS operations allows us to translate all environmental improvements - and we are looking for them on a continuous basis - almost immediately into specific and significant environmental benefits. Our decision to introduce non-disposable pallets for transporting products to our branches was a great example of such an approach. We do not forget about system-wide and infrastructural solutions as well. As the Inter Cars Group is developing on a continuous basis, new warehouses need to be constructed and the existing facilities have to be expanded. When planning such investments, we deem environmental aspects to be one of the most significant criteria taken into consideration. New investments will rely on a number of solutions mitigating emissions levels, reducing energy consumption and limiting the use of other resources.

Wojciech Aleksandrowicz
President of the Board and Managing Director, ILS

3.3 DISTRIBUTION AND SALE

Customer satisfaction is the underlining objective of all our activities. The history of our company’s development and the success it has achieved in the market prove that customer loyalty and appreciation may be won through the use of modern solutions that meet the needs of a wide range of customers. Our Group supports business, fleet and private customers.

Inter Cars Group customers and our offering		
Business customer	Fleet customer	Private customer
Garage and branch network	Company fleets	Private vehicle users
Network of independent garages	Repairs and maintenance	Online store with vehicle parts and accessories
Distribution of parts for passenger and commercial vehicles	Document handling	Motointegrator
Comprehensive range of garage equipment	Purchase and sale of fleet cars	
Mechanic training	Claim adjustment	
Software	Maintenance of heavy goods vehicles	
Investment financing services rendered in cooperation with financial institutions	Innovative fleet manager tool - history of each vehicle, a wide range of reports, easy and quick acceptance of repair costs	

Our competitive advantage is based on innovative solutions, such as the ‘one stop shop’ model, i.e. an approach allowing us to satisfy all of our customers’ needs.

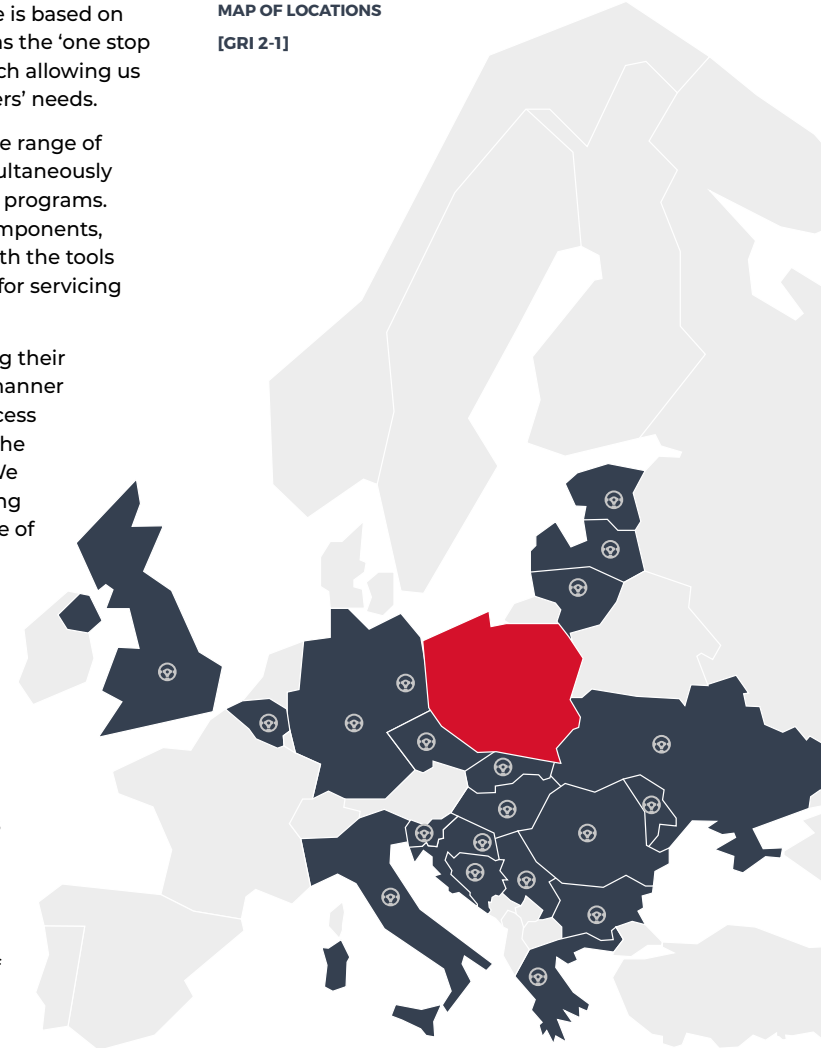
We continue to broaden the range of the products we carry, simultaneously expanding our partnership programs. In addition to parts and components, we also provide garages with the tools and equipment they need for servicing vehicles.

We assist garages in serving their customers in an efficient manner by providing them with access to our fleet programs and the Motointegrator program. We also offer specialized training and a comprehensive range of after-sales services.

DISTRIBUTION COMPANIES

The Inter Cars Group consistently increases its presence across Europe, with its spare parts distributed via 23 subsidiary companies. Our customers are provided with access to parts for passenger cars and trucks. In 2022, an increase in sales was observed in the majority of our markets.

MAP OF LOCATIONS [GRI 2-1]



DISTRIBUTION POINTS - BRANCHES

Inter Cars branches act as distribution points at which private and business customers may pick up the products they order. Each of them has a local warehouse. If necessary, the orders placed may be supplemented by purchasing additional items. Branch operators are a key group of Inter Cars Group business partners.

We provide them, inter alia, with organizational and logistical knowledge, capital, IT systems, full range and great availability of products, as well as our trademark. The branches are responsible for **last mile transports**, i.e., for delivering the products we distribute, including spare parts and accessories, to individual garages.

As at the end of 2022, our network consisted of **618 branches - 244** located in Poland and **374** abroad.

GARAGE NETWORK

93% of all garages operating are independent businesses. We know that they are often selected because of the high level of customer service, competent mechanics and a good price-to-quality ratio. We are expanding our system of cooperation with independent garages, inviting their owners to work with us. Our brand is well recognized due to its partner-like approach and the high quality of services offered. Cooperation with our Group facilitates access to technical expertise and provides a sense of belonging to a group of distinctive

service companies. It is also associated with marketing support that facilitates the process of acquiring and maintaining customers.

We develop a **network of independent services operating under the Q Service brand**. Q Servicer is an association of independent vehicle garages that retain their own identity - the name of the company and the name of the owner are always placed first. Network membership, however, makes it easier for them to acquire technical expertise, establishes common standards and provides marketing support allowing to secure and strengthen customer loyalty.



We treat all services being a part of our network our as our partners and listen to their needs. Our mutual relationship is based on trust, experience and a shared and coherent vision

concerning our development. The service shops participating in the network may count on a complementary signage package that strengthens the credibility, as well as on a number of other benefits, including investment programs supporting their expansion and allowing them to source new equipment, priority in receiving information on novel solutions, promotions, training courses, offers and advice.

Marta Ciesielska
Garage Chains Department Manager

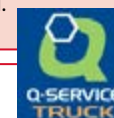
Q Service Castrol - a network focusing on the passenger vehicle segment. The brand was established by Inter Cars and Castrol combining their knowledge and experience.

In 2022, we opened a **five hundredth Q Service Castrol facility** operating in Poland. Currently, the network comprises **520** services.



Q-ServiceTruck is a pan-European network of garages focusing on inspecting and servicing commercial vehicles - trucks, trailers, semi-trailers and buses. Since November 2022, the network has been undergoing a rebranding campaign. The refreshed logo will be used in all countries where Q-Service Truck garages are present, i.e. Poland, Romania, Hungary, the Czech Republic, Lithuania, Latvia, Slovakia, Ukraine, Bulgaria. Expansion into additional markets is planned in 2023. At the end of the year, we also came up with a concept of cooperation with five strategic partners, i.e. Bosch, Castrol, MANN HUMMEL, PROMETEON and the ZF Group. Part manufacturers are the driving force behind the growth of specific garages, as they provide them with technical and marketing assistance boosting recognizability and awareness of the Q-Service Truck network in Europe.

At the end of 2022, the network comprised **217 Q-Service Truck** garages - with **76** of them located in Poland and **141** abroad.



We are serving fleet customers as well. Our **Inter-Cars Fleet Services Sp. z o.o.** company offers a comprehensive range of commercial fleet management services (including post-accident repairs and loss adjustment procedures), with document handling processes, as well as procurement and sale of fleet vehicles included. A fleet manager tool providing access to vehicle history, various reports and enabling to quickly accept repair costs is also available under the program. All costs are settled conveniently within the use of cash payments.

GARAGES SUPPORT AND DEVELOPMENT PROGRAMS

We strive to provide extensive support to mechanics and garages owners alike. We offer a comprehensive range of training programs, provide expert assistance by phone and guarantee fast and convenient access to five million vehicle components. Garage owners may also take advantage of software solutions tailored to needs of the environment they operate in and facilitating their operations. They may also participate in business training programs.

Motointegrator

Motointegrator is a platform created by Inter Cars helping drivers find a solution to the problem with a car at a professional garage. It makes it easier for garages to reach customers - the platform is a location allowing them to publish their offers and price lists. Drivers can quickly and efficiently find a specific garage and check the level of service provided. Specialized information concerning the automotive market is offered via the Motointegrator platform as well.



For more information, please visit:
motointegrator.com

Motointegrator in 2022:

- over **27,000 garages** participating in the Motointegrator program
- available in **13 European countries**
- **5.6 million** users
- over **12.2 million views** of the platform

Digitization of garages

Digitization of business processes is one of the solutions that may bring about numerous benefits for garages owners, mechanics and for customers. We offer a wide range of tools enabling each garage to meet the requirements of the 21st century market and become an e-garage. Examples of the solutions offered include the following:

- **Inter Cars e-Catalog** – a mobile platform allowing to order 1.5 million components in our database, prepare cost estimates for customers, create a basket of favorite products assigned to a specific customer or a vehicle, locate wiring diagrams and guidelines concerning specific repairs or technical inspections, as well as offering a number of other benefits.

- **eSOWA** – a modern IT system, updated on an on-going basis, facilitating the operation of garages and parts stores. It offers a number of different functionalities and facilitates customer service. It also helps more than 2,300 customers to manage their garages on an ongoing basis.

Training for garage staff

The garages cooperating with our network may take advantage of a number of training courses focusing on three key areas: technical issues, product knowledge and business-related aspects. All of them are intended to expand the knowledge of service staff, in accordance with the duties they perform and the positions they hold. The courses are hosted by experienced experts who present the participants with practical solutions and ways for improving garage operations and for expanding the range of services they offer.

Technical training allows to broaden the knowledge of the mechanics, equips them with new skills and expands their expertise. Our training course program is the most comprehensive solution of this type available on the market, with a very wide range of topics covered.

Product training is an opportunity to learn more about the latest solutions introduced by leading manufacturers cooperating with the Inter Cars Group.

Business-related training makes it easier for any garage owner to run their company in a more efficient manner. The courses serve as an opportunity to present solutions improving the effectiveness of service operations.

Training for garages in Poland

Types of training courses:	Number of stationary training courses	Total number of participants
technical and product-related	152 stationary and 94 online	3,900
business-related	27	276
Total	273	4,176

BEST PRACTICE

In 2022, together with VARTA, we prepared an exceptional, highly specialized training program focusing on the use of batteries in hybrid and electric vehicles, architecture of the electrical system, principle of operation of energy management systems and service procedures that need to be completed after battery replacement.

Acting in cooperation with ATE, we organized a series of training courses on braking system components. The courses comprised three sessions during which practical information on brake discs, pads and fluids was presented.

Expert hotline

Our specialized hotline improves and facilitates the work of mechanics. It allows them to obtain, from a team of highly qualified consultants, advice on any type of problem encountered while repairing a vehicle. The consultants answer questions concerning diagnostic and repair procedures involving passenger vehicles and provide, if necessary, step-by-step guidance to test a given system.

In 2022, nearly **3,000 customers** of our company took advantage of advice offered via the hotline.

BEST PRACTICE

Many refugees from Ukraine came to Poland with their cars that will eventually need to be serviced - sooner or later. That is why, in April 2022, we launched a hotline operated by experts speaking Ukrainian or Russian. They provide refugees with information on parts, accessories and fluids, and help them locate vehicle garage.



Inter Cars Show Car

We own two trucks with their semi-trailers capable of being transformed into spacious educational centers. Such mobile training centers - known as the Inter Cars Show Car - are able to reach almost every region of Europe and may be visited by people interested in acquiring new automotive knowledge and skills.

In 2022, one of our trucks toured Greece - training courses held in the truck were organized Tempe, Corinth and Iraklion.



These training courses are hosted by experts from well-known and renowned automotive companies. The Show Car offers provides them with an opportunity to organize outdoor stands to present their products and solutions, simultaneously ensuring good conditions for holding business talks.

In 2022:

- we organized **27 Show Car meetings** all over Poland,
- we conducted **164 training courses** attended by nearly **3,000 participants**.

Waste collection

We also support the garages by collecting their waste. For more information about our Bio Service program, please see the "Environment" chapter on page 62.

INTER CARS MARKETPLACE

Inter Cars Marketplace is a platform linking mechanics with representatives of companies operating in automotive and related industries. Its primary role is to supplement the existing business model of Inter Cars Group's distribution operations to include product groups that cannot be effectively offered through our existing channels. Thanks to the platform, we can expand the range of products offered. We may also promote the principles of circular economy and support companies dealing with end-of-life vehicles.

The aging of the European car fleets and the progressing electrification of transport are causing increasingly frequent shortages of spare parts. Secondhand parts make it possible to repair vehicles,

Inter Cars Marketplace in numbers:

- **6 markets** - in 2022 the Inter Cars Marketplace platform operated in Poland, Lithuania, Bulgaria, Romania, Croatia and Latvia,
- **10 million parts** are offered via the platform, with 300,000 of them being second-hand spare parts,
- **2,000 buyers**,
- **40 vehicle scrap yards** cooperating with the platform.

thus eliminating the need to scrap them and buy new ones. In order to ensure the safety of buyers, we have introduced strict criteria for sellers - we require them, inter alia, to provide the VIN number of the vehicle a given component has been removed from. The Inter Cars Marketplace platform is not restricted to offering vehicle parts only. It also offers all products and supplies needed to run a vehicle garage on an on-going basis, e.g. garage equipment and office supplies. In 2022, the platform started offering the ability to purchase electric bicycles and scooters which may be used by garages as courtesy vehicles.

In keeping with the platform's growth, we signed, in 2022, a partnership agreement with **Automotive Recyclers Forum** - an organization bringing together companies focusing on disposal and dismantling of passenger cars and other vehicles. The aim of the Association is to promote ways of using vehicles and their components that minimize adverse environmental impacts, while simultaneously enabling the reuse of all parts that may be recovered. Under the agreement, Association members may offer their parts via the



The Marketplace platform is available at:

pl.marketplace.intercars.eu

Marketplace sales platform, assuming full responsibility for their quality and after-sales customer service.

CUSTOMER COMPLAINTS

In order to ensure a high, repeatable and effective standard of service, we have worked out specific internal complaint handling procedures. We are of the opinion that a well-managed procedure may turn into an opportunity to strengthen our relations with a given customer. Complaints are filed and processed with the use of the "**IC Reklamacje**" app that is also available, since 2022, in a mobile version. It allows to quickly review the history of a given complaint, attachments added by customers, the data required, statuses of logistic operations and makes it possible to change those statuses. It also facilitates our contact with the customer, as it allows e-mails or text messages concerning the current status of the complaint to be sent automatically.

In the case of complaints submitted by individual customers, the returned parts are tested by the Intermeko Europe laboratory.

In 2022, in Poland:

- nearly **108,000** complaints received and processed by the Inter Cars Complaints Department, with 66% of them accepted,
- **90% of all complaints submitted** and handed over to our company's headquarters were processed or handed over for further investigation within 3-4 days being reported in the system.

04.

ENVIRONMENT



KEY FIGURES AND FACTS 2022

1,524,017 t CO₂e
GHG emissions - Scope 1-3

254,000 GJ
energy consumption

17,847 tons
mass of waste generated

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The UN Sustainable Development Goals we pursue by adopting our environmentally-aware approach:



4.1 MANAGERIAL APPROACH

We strive to mitigate our negative environmental impact at each stage of our value chain by raising environmental awareness of our customers and business partners.



Care for the environment has been, for many years now, an intrinsic part of the Inter Cars business model. We offer spare parts for vehicles, thus extending their lifetime. We also

take measures aimed at limiting our negative environmental impact. For instance, we are improving the energy efficiency of our storage facilities. We assist our customers and garage owners in collecting waste and in its proper disposal. Recently, we have been also working on a comprehensive decarbonization strategy that will lead to reducing emission throughout the entire value chain.

Jacek Piotrowiak
Director of Corporate Affairs,
General Counsel

[GRI 3-3]

Climate and environmental protection manager shall coordinate and achieve environmental and climate-related objectives in close cooperation with the organization as a whole.

We are striving to ensure that the negative impact our Group exerts on the environment is as low as possible. To this end, we have drawn up the following documents:

- **Occupational Health and Safety and Environmental Protection Policy in Inter Cars Capital Group**

Pursuant to its provisions, compliance with environment-related legal requirements is supervised by the person in charge of environmental protection in our Group. Their responsibilities include controlling the compliance of our actions with the applicable regulations concerning, inter alia:

- packaging,
- waste,
- recycling of end-of-life vehicles,
- waste electrical and electronic equipment,
- batteries.

The OHS and environmental protection policy obliges all employees to minimize the negative environmental impact of our company. This means that we are required, in particular, to reduce paper consumption, use water reasonably, segregate waste and save electricity while working.

- **Energy audits are performed once every four years, in accordance with the PL-EN 16247 standard**

The audits allow us to systematically control and analyze energy use and consumption patterns in our company. This, in turn, allows us to increase energy efficiency.

ENVIRONMENTAL MANAGEMENT SYSTEM IN LOGISTIC AND TRANSPORT OPERATIONS

[GRI 3-3]

- **ILS Environmental Policy**

The policy sets out the strategic objectives of ILS - reducing pollutant and noise emissions, rationally managing consumption of water, materials and energy, as well as reducing the amounts of waste generated. The Company undertakes, inter alia, to increase the environmental awareness of its employees, promote environmental activities among suppliers and use technologies that ensure minimization of the release of harmful substances into the environment.

- **ILS Environmental Certification**

ILS has been operating based on an ISO 14001:2015- compliant environmental management system since 2021. Its implementation was preceded, inter alia, by an analysis of the direct and indirect environmental impact of the company and a review of compliance of its activities with applicable environmental regulations. ILS also verifies whether entities collecting its waste hold the waste

recycling licenses required. In 2022, the company successfully completed its ISO 14001:2015 environmental management system recertification audit. The scope of the certification process covered logistic services - storage, packaging and managing all operations linked with supplying goods to customers. The audit was conducted out by a renowned certification company - DEKRA.

- **Requirements applicable to freight transport**

In 2022, ILS ceased its cooperation with those carriers whose vehicles fail to meet the latest and the strictest emission standards. 100% of the commercial vehicles we use comply with the latest EURO6 standard. We also promote suppliers operating green means of transport - in 2022, we started operating the first electric delivery van. LNG/CNG powered vehicles are being tested as well.

We are also consistently implementing measures reducing the distances we need to cover while performing our logistics tasks. We introduce high-volume “doppelstock” and “dopplerdecker” semi-trailers and eliminate empty runs. According to our estimates, these activities have resulted in reducing the distance we cover daily by 18,600 kilometers.

All carriers rendering services for the benefit of ILS are also required to provide their drivers with eco-driving training and to comply with the ban to park their vehicle on ILS premises with their engines idling.

4.2 CLIMATE RISKS

In 2022, the Inter Cars Group conducted its first climate risk analysis in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The manner in which ESG risks, including those related to the environment, are managed, is described in the "Inter Cars Group" chapter on page 17

CLIMATE CHANGE AND ITS IMPACT ON THE BUSINESS ENVIRONMENT

The Paris Agreement signed in 2015 was a pivotal point in the fight against the effects of global warming and significantly accelerated the process of shaping the climate ambitions of state authorities and private sector companies.

As the latest IPCC studies show, efforts the world is undertaking to mitigate the increase in the globe's average temperature are insufficient. The climate is changing in front of our very eyes, although the scale and the outcomes of these changes vary in specific regions.

Physical and transition risks

Physical risks relating to the direct impact that climate change exerts on the environment, infrastructure, as well as on human health and safety - the increasing occurrence and scale of extreme weather phenomena, such as storms, floods and forest fires, as well as gradual changes in temperature, precipitation and sea level. These risks may have significant financial and economic implications, affecting the value of the assets, the availability

of insurance coverage and the ability of enterprises and state authorities to take effective action.

The drought we experienced in 2022 is a good example of such phenomena. According to the European Union's Joint Research Center, it was the most extreme drought experienced over the past 500 years. It significantly disrupted transport operations, caused the death of a large number of people who were subjected to excessive temperatures and resulted in massive migration movements stemming from difficult living conditions, crop losses and fires. The drought has also significantly hindered the production of electricity (due to the insufficient amount of water resources used for cooling of energy generation facilities).

The effects of climate change should also be considered in the context of the so-called transition risks. Those risks are related to the potential financial and economic impact of the transition to a low-carbon, sustainable economy. Risks of this type result from the adoption of policies, regulations and technologies aimed at reducing greenhouse gas emissions and mitigating the effects of climate change. The actions taken in this respect may have a significant impact on companies, investors and financial markets, leading to impairments of assets, changes in demand and consumer preferences.

It should also be borne in mind that the two groups of risks described above are linked with each other. Decreased availa-

bility of raw materials caused by flooding or drought may drive technological changes, affecting the way supply chains operate or contributing to new regulatory requirements imposed in the context of climate change (link to the EU Taxonomy). The introduction of the so-called EU Taxonomy that took place in 2020 was one of the most important legislative changes. The Taxonomy is a system classifying environmentally sustainable economic activities and setting out six environmental objectives: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, the protection and restoration of biodiversity and ecosystems.

Notwithstanding the above, climate change may contribute to the creation

of new economic sectors, the change of consumer preferences and the implementation of new technologies aiming to improve energy efficiency and opening up new business opportunities.

Task Force on Climate-related Financial Disclosures (TCFD)

The Task Force on Climate-related Financial Disclosures (TCFD) is an initiative established in 2015 by the Financial Stability Board (FSB) in response to the needs of investors and other stakeholders willing to obtaining more detailed information on the risks and financial opportunities associated with climate change. TCFD has published voluntary recommendations setting out guidelines for the disclosure of information on combating climate change and increasing the transparency of reports.



TCFD recommendations

TCFD recommendations, published in 2017, standardize the methodology for disclosing financial information related to climate change and are divided into four categories, including:

- 1) corporate governance, understood as the processes of managing climate change-related risks and opportunities and involving a clear definition of the responsibilities of the organization's key units dealing with those topics,
- 2) strategy, understood as strategic and financial planning, taking into account the potential and actual impact that climate risks exert on the functioning of the enterprise,
- 3) risk management, considered from the point of view of the process of identifying and measuring climate risks and the consequences thereof,
- 4) indicators and targets, i.e. a quantitative and qualitative assessment of climate risks in the context of the activities performed GHG emissions from those activities.

TCFD classifies risks by assigning them into two categories:

- 1) physical risks - sudden and chronic risks,
- 2) transition risks - related to regulatory, technological and socio-economic changes, as well as to reputation.

Scenario-based Analysis

[TCFD Strategy] [GRI 201-2] [GPW E-P3]

Taking into account the wide range of markets on which Inter Cars operates, the geographical distribution of its suppliers and the anticipated evolution of the automotive market, the ESG team, supported by experts from other departments, has performed an analysis of climate risks and opportunities taking account of two hypothetical scenarios, with the aim of examining, in detail, the resilience of our business model and identifying potential areas for improvement.

Such an approach allows us to understand how the physical and transition risks associated with climate change can affect our activities in different regions of the world and throughout our value chain, starting with the acquisition of raw materials, to distribution and sales, to the use of our parts and their disposal by customers.

Two scenarios have been selected for the analysis of the risks and opportunities arising from climate change, as recommended by TCFD:

- temperature increase by less than 2°C; and
- temperature increase by 4°C.

Due to the fact that climate change is a phenomenon whose outcomes are noticed in the long term, we have assessed the specific risks and opportunities using short term (until 2025), medium term (until 2030) and long term (until 2050) scenarios.

The process of determining significant risks consisted in assessing the probability of a given phenomenon materializing, and

in estimating its most likely consequences (according to an in-house, four-stage scale allowing us to integrate the analysis with the previously adopted approach to other business risks). Relying on the TCFD classification, we have first developed a long list of climate-related, physical and transition risks which we have then critically assessed and prioritized, assessing their relevance for the company and their potential impacts. This allowed us to identify climate change-related risks and opportunities relevant to our group. Our methodology used for assessing climate risks has also taken into consideration a financial scale. However, no process of analyzing the costs of specific initiatives and responding to particular risks was performed.

The results of the analysis will be used, on a regular basis, for initiatives aiming to mitigate the risks and adapt to climate change.

RESULTS OF ANALYSIS CONCERNED WITH THE IMPACT OF CLIMATE RISKS ON THE GROUP'S ACTIVITIES

[GRI 3-3]

We have identified and assessed climate risks in three different time frames. Due to the nature of our activities, the most important for the company are the risks that may occur in the short term, especially those of the transition character taking place in the scenario assuming a 2°C temperature increase.

Currently and in the short term, physical risks do not exert a significant impact on our group due to the nature of our activities, our geographical location,



diversification of suppliers and the fact that they mainly relate to the long-term scenario in which the temperature increases by 4°C.

At present, we do not consider any physical climate-related risks that would require the drawing up of adaptation plans in line with the EU Taxonomy to be significant. Taxonomy-based analyses will be conducted at regular intervals, taking into account new business areas, system elements and adequacy of risk assessment, in order to ensure that it reflects, as closely as possible, both the company's activities and its exposure to risks.

More information on our strategy, climate risk management process and areas of responsibility of individual organizational units and teams may be found in the "Inter Cars Group" chapter on page 16.

We have identified and analyzed 21 different climate risks, selecting eight that are considered to be of the greatest significance for our operations.

























Climate risks that are of key significance for the Inter Cars Group

Risk	Description	Risk management method
<p>1. Increase in GHG emission prices due to enhanced control and tighter requirements applicable to the vehicle parts industry.</p>	<p>Concerns the following:</p> <ul style="list-style-type: none"> - increase in the price of CO₂ certificates, - risk that the company will emit too much greenhouse gases and other air pollutants, that it will exceed the emission levels set out in environmental decisions and will not take appropriate measures to reduce emissions, - carbon tax and the related costs. 	<ul style="list-style-type: none"> • The Group monitors and analyzes market and regulatory trends and takes advantage of services rendered by specialized consulting entities. • The Group plans to join the Science Based Targets initiative in order to reduce its own GHG emissions.
<p>2. Risk of increased expectations concerning the accuracy of disclosures made in non-financial ESG reports, for example the risk of the introduction of new regulations and reporting systems increasing the related costs.</p>	<p>Preparation of the reporting system and fulfillment of taxonomy- and CSRD-related requirements, as well as implementation of data acquisition systems results in increased personnel- and consulting services-related costs.</p>	<ul style="list-style-type: none"> • Dedicated ESG team focusing on the quality and transparency of ESG disclosures. • Cooperation with specialized consultancy companies helping in working out applicable reporting standards and in improving the reporting system.
<p>3. Unexpected introduction of regulations concerning existing products.</p>	<p>Unexpected and/or major regulatory changes affecting products - most likely the steel and rubber supply chain, etc.</p>	<ul style="list-style-type: none"> • The Group monitors and analyzes market and regulatory trends, takes advantage of services rendered by specialized consultancy firms, not only to ensure compliance with the minimum applicable requirements, but also to prepare for the implementation of future requirements.
<p>4. The risk of reduced availability of logistic services, including maritime transport, which could result in increased costs and increased transportation time, due to the introduction of new climate change-related regulations.</p>	<p>This risk is related, inter alia, to fuel used by transport vessels, the need to reconstruct sea ports (e.g., due to rising sea levels) or to withdraw older vessels from use. It is also related to the amendment of engine-related standards, availability of carriers/vehicle fleets, contractors' ability to obtain licenses to operate in specific countries. Due to the changing regulations and the inclusion of the transport industry in the "Fit for 55" initiative, the costs may increase.</p>	<ul style="list-style-type: none"> • The Group has a diverse network of suppliers and distributors, with that network being subject to ongoing evaluation and improvement. • Active monitoring of the availability of different means of transport and distribution channels.
<p>5. Risk of inability to obtain funding or an increase in financial costs in a scenario in which ESG-related scores awarded by financial institutions are insufficient.</p>	<p>Funding/cost of capital may depend on ESG ratings and may affect the ability to obtain loans from investors. Failure to achieve strategic goals related to climate change may also damage the company's reputation</p>	<ul style="list-style-type: none"> • The Group monitors and analyzes market and regulatory trends, as well as climate and environmental requirements applied by financial institutions. • The ESG Team is continuously working on the quality and transparency of the ESG data presented in the reports, not only in terms of compliance with legal requirements, but also by applying good practices, such as those worked out by TCFD.

Climate risks that are of key significance for the Inter Cars Group

Risk	Description	Risk management method
<p>6. Failure to achieve the objectives set and the desired level of indicators related to strategic projects and initiatives, due to unexpected costs, unsuccessful adaptation or implementation and poorly assessed investments in technology solutions supporting sustainable development / low carbon emissions.</p>	<p>Technological risks may arise from the slow pace of deployment of new technologies or the inability of an undertaking to fully and rationally exploit the technologies available.</p> <p>In addition, it may involve an incorrect assessment of the investments made, as well as inappropriate or inefficient implementation of new technologies. This type of risk will also apply to suppliers who may be forced to purchase more innovative machinery and equipment, which may increase the cost of the investment.</p>	<ul style="list-style-type: none"> • The Group cooperates with numerous specialized consultancy companies in selecting the most effective solutions. • The Group has developed a strategic planning process allowing it to monitor key initiatives related to the implementation of new technologies and has implemented a system for monitoring and managing specific projects.
<p>7. Decreasing importance or discontinuation of sale of parts for used internal combustion vehicles.</p>	<p>Due to regulatory changes and/or consumer preferences, the spare parts market may lose importance in favor of parts for electric vehicles or other sustainable components. Over time, this segment may disappear completely as a result of the introduction of new regulations. Manufacturers and distributors may lack incentives to develop innovative solutions or to service/sell spare parts for vehicles with internal combustion engines.</p>	<ul style="list-style-type: none"> • The Group monitors and analyzes market trends, simultaneously testing new product solutions • Promoting technological neutrality in order to maintain the innovative character of solutions
<p>8. Reduced customer base due to encouragement to use mass transportation and lack of affordable private transportation solutions for society as a whole.</p>	<p>The customer base may decrease due to the efforts of the authorities promoting the use of mass transportation. Sustainable solutions developed in the private sector will not be available to the average customer until the required scale is reached.</p>	<ul style="list-style-type: none"> • The Group belongs to numerous industry organizations and working teams focusing on the development of solutions that are optimized from the point of view of various stakeholders. Therefore, it participates, on an ongoing basis, in the process of social change.

Assessment of key climate risks

Risk	Type of risk	Category	Potential impact	Short-term perspective		Long-term scenario - temperature increase of less than 2°C		Medium-term scenario - temperature increase by 4°C	
				Impact	Probability	Impact	Probability	Impact	Probability
1. Increase in carbon emission prices	Regulatory	Industry-specific	<ul style="list-style-type: none"> Increase in operating costs Decrease in revenues 						
2. Increased expectations concerning accuracy of information in ESG reports	Regulatory	Specific to activities of Inter Cars	<ul style="list-style-type: none"> Increase in cost of legal and advisory services 						
3. Unexpected introduction of regulations concerning existing products.	Regulatory	Risk affecting the broad market	<ul style="list-style-type: none"> Increase in operating costs Decrease in revenues 						
4. Limited availability of logistic services	Regulatory	Specific to activities of Inter Cars	<ul style="list-style-type: none"> Increase in operating costs Loss of reputation due to delays 						



medium



























high



very high

Assessment of key climate risks

Risk	Type of risk	Category	Potential impact	Short-term perspective		Long-term scenario - temperature increase of less than 2°C		Medium-term scenario - temperature increase by 4°C	
				Impact	Probability	Impact	Probability	Impact	Probability
5. Inability to obtain financing, higher financial costs	Related to products/markets	Specific to activities of Inter Cars	<ul style="list-style-type: none"> Problems with funding projects Problems with maintaining liquidity 						
6. Failure to achieve ESG objectives	Technology-related	Specific to activities of Inter Cars	<ul style="list-style-type: none"> Increase in operating costs caused by inefficient allocation or loss of resources 						
7. Decreasing importance or discontinuation of sale of parts for used internal combustion vehicles	Regulatory and technological	Specific to activities of Inter Cars	<ul style="list-style-type: none"> Decrease in revenues 						
8. Reduced customer base due to encouragement to use mass transportation	Technology- and market-related	Specific to activities of Inter Cars	<ul style="list-style-type: none"> Decrease in revenues 						



medium



high



very high

Climate-related opportunities

Climate change not only creates threats and challenges, but also provides us with new opportunities allowing us to transform and meet sustainability-related criteria.

Seizing those opportunities in a proper manner may create advantages related to competing on the market and may increase the company's resilience and its ability to respond to the negative effects of climate change.

We have identified six key opportunities significant for our company's operations and its market image.

All of them fit in well with the company's development strategy.

1. Ability to increase financing, including **green financing and/or reduce costs by obtaining a higher ESG score**. It is important to take into account not only the increasing requirements imposed by regulators, but also the expectations of financial institutions which consider sustainable development to be an increasingly important criterion in the process of allocating funds.
2. **Ability to reduce energy consumption and the related costs by boosting energy efficiency**. This is important not only to reduce operating costs, but also to increase the level of safety and stability of operation in uncertain market conditions in the times of geopolitical conflicts.

3. **Increasing the efficiency of ESG-related activities to improve brand image**, not only due to financial considerations, but also due to the changing preferences of consumers who increasingly look for products meeting specific sustainability criteria. The measures we are taking are aimed at meeting these expectations.

4. **Harnessing new demand sources - developing new product segments**, e.g., parts for electric vehicles. Regulatory changes and changes in customer attitudes affect not only our purchasing decisions, but also the process of creating new products and their components.

We believe that the future depends on our ability to innovate and show an

entrepreneurial spirit. That is why **we constantly adapt our product offering and test new solutions** intended for customers.

5. **Increased employee and supplier engagement** resulting from the achievement of sustainable development objectives may improve our brand image and increase the level of trust placed in our company. We want our business partners and customers to engage in our initiatives that have a measurable impact on the environment, such as reducing CO₂ emissions from their own activities.
6. **Building an "agile company"** capable of quickly adapting to climate change by constantly adjusting the range

of products and services offered based on the results of climate risk and opportunity analyses. Such an approach will have a positive impact on our market position and, additionally, will protect the company against potential economic shocks, for example in the event of supply-chain disruptions.

The sustainability strategy we have adopted makes it possible to gradually implement ESG activities and to avoid unscheduled investments and costs.



4.3 ENERGY CONSUMPTION



Monitoring energy consumption and energy demand is the responsibility of any undertaking willing to mitigate its negative climate impact.

Such an approach allows to collect

valuable information on the actual condition of the energy-related system monitored and enables the quality of electricity to be analyzed and assessed in a comprehensive manner.

Barbara Sobańska

Director of Administration and Relations
with Sales Network

Methodology adopted

Data on which the calculations are based is derived from cost invoices, fuel consumption reports and BMS readings. In order to standardize the energy units used, a conversion based on the energy

value of specific energy mediums was applied in accordance with the report of the National Center for Balancing and Managing Emissions (KOBIZE)¹⁾. Fuel density values are derived from the guidelines of the Ministry of Environment²⁾.

[GRI 2-4]

Data related to GRI 302-1 and 302-2 indicators and pertaining to 2021 are updated versions of the disclosures presented in the 2021 Inter Cars Group Sustainability Report. This results from the adoption of harmonized energy conversion factors per GJ unit from the KOBIZE database.

10 Inter Cars Group companies have been excluded from the calculations: Q-Service Sp. z o.o.; IC Development & Finance Sp. z o.o.; JC Auto S.A.; Armatus Sp. z o.o.; Inter Cars Cyprus Limited; Inter Cars United Kingdom - Automotive Technology Ltd.; Inter Cars Fleet Services sp. z o.o.; OOO Inter Cars Automobilna Technika; Inter Cars Norge AS; CB Dystrybucja Sp. z o.o. Revenues of the companies listed above account for less than 2% of total revenues of the Inter Cars Group and have not been included in the calculations due to their non-material character.

[GRI 302-1]

Total fuel consumption within the organization [GJ]		
Energy source	Inter Cars S.A.	Inter Cars Group
Non-renewable fuels		
Natural gas	0	60,157.40
Heating oil	359.56	517.73
Coal	0	14,798.29
Diesel	3,345.98	73,028.31
Petrol	5,413.81	13,906.22
LPG	8,085.25	8,751.29
Total (non-renewable fuels)	17,204.60	171,159.23
Renewable fuels		
Renewable fuels (e.g. biomass) used in connection with real property	0	0
Biofuels used in transport	0	0
Total (renewable fuels)	0	0
Total	17,204.60	171,159.23

1) National Center for Balancing and Managing Emissions. Energy values (EW) and CO emission indicators (EI) used in 2020 for reporting under the 2023 Emission Allowance Trading Scheme. Link: <https://kobize.pl/pl/article/aktualnosci-2022/id/2231/wartosci-opalowe-wo-i-wskazniki-emisji-co2-we-w-roku-2020-do-raportowania-w-ramach-systemu-handlu-uprawnieniami-do-emisji-za-rok-2023>

2) Regulation of the Minister of the Environment of 13 December 2018 on lists containing information and data on the use of the environment and on the fees due (Journal of Laws of 2018, item 2527). Link: <https://isap.sejm.gov.pl/isap.nsf/DocDetails.xsp?id=WDU20180002527>

[GRI 302-1] [GPW E-P2]**Energy consumption within the organization**

In 2022, most of the energy consumed by the Group was used for operating warehouses and office buildings.

The total energy consumption at the Group level amounted to 83,209.02 GJ, with electricity being the primary source of energy. 6% of the electricity consumed was green and originated from RES.

Total energy consumption within the organization [GJ]		
Energy source	Inter Cars S.A.	Inter Cars Group
Energy from non-renewable sources		
Electricity	6,213.44	65,622.48
Heat	0	12,966.80
Cooling-related energy	0	79.20
Total (energy from non-renewable sources)	6,213.44	78,668.47
Renewable energy		
Electricity produced from RES or PPA/Guarantees of Origin purchased	0	4,540.54
Steam	0	0
Total (renewable energy)	0	4,540.54
Total	6,213.44	83,209.02

[GRI 302-1]**Total quantity of energy sold**

In 2022, Inter Cars Group did not sell any energy. Hence, the value of this specific indicator equals zero.

[GRI 302-2]**Energy consumption outside of the organization**

In 2022, the total amount of energy consumed off-site equaled 1,405,267.33 GJ,

with the largest share of energy being consumed by transport-related operations (transporting products from central warehouses to smaller regional warehouses and later to our branches, where products are sold by cooperating companies).

Our branches rank second in terms of the amount of energy and fuels consumed outside the organization. Transport-related fuels (petrol and diesel) used for last mile shipments are the most important

Total energy consumption outside of the organization [GJ]		
Energy consumption category	Inter Cars S.A.	Inter Cars Group
Transport		
Freight vehicles	0	725,581.87
Vans	0	148,166.93
Branches (distribution points)		
Electricity	36,276.19	66,136.35
District heat	12,919.21	89,311.59
Natural gas	16,920.23	44,649.99
Heating oil	3,335.57	3,335.64
Coal	2,700.07	2,700.07
Diesel	101,731.47	237,238.01
Petrol	21,683.44	54,144.01
Pellets	0	2,421.75
LPG	22,664.58	31,581.11
Total	218,230.75	1,405,267.33

[GRI 302-3]**Energy intensity**

In 2022, the Inter Cars Group's energy intensity index (GJ per one thousand units sold) equaled 0.0015 (energy consumed on-site) and 0.0082 (energy consumed off-site). The data includes sales of products by each company in 2022.

All energy carriers from indicators 302-1 and 302-2, such as natural gas, heating oil, coal, diesel, petrol, LPG, district heat and electricity, have been taken into account in the calculations related to GRI 302-3.

Energy intensity index		
	Inter Cars S.A.	Inter Cars Group
On-site energy consumption	0.0003	0.0015
Off-site energy consumption	0.0027	0.0082

**OPTIMIZATION OF ENERGY CONSUMPTION****[GRI 3-3]**

The Group's energy consumption optimization efforts consist in modernizing its facilities, replacing lighting sources and increasing the share of renewable energy sources

LED lighting systems used by branches and warehouses

LEDs are the only lighting solution used at numerous Inter Cars branches. Where traditional light bulbs and fluorescent lamps are still used, we are replacing them on a systematic basis. In 2022, we continued to modernize the lighting systems in used, inter alia, at our facilities in Czosnów, Łomża and Szczecin. Additionally, in order to reduce energy consumption, we have installed movement sensors in utility rooms, corridors and common spaces.

All ILS facilities are LED-lit. In 2022, we commenced preparations for the next year's replacement of fluorescent lamps in all of our office rooms. In the common areas - kitchens, changing rooms, canteens, corridors and toilets - additional motion sensors are installed. We estimate that, thanks to these measures, electricity consumption will decrease by almost 58% and that the investment will pay for itself in less than two years.

All facilities in Zakroczyń are illuminated with LED lighting systems, with additional motion sensors installed on warehouse racks.

Photovoltaic systems

Lauber has been operating a 50 kW photovoltaic system installed in the company's parking lot for a year now. In the near future, the company plans to increase the output of its own RES sources to at least 200 kW. In 2022, the system generated 31,440 kWh of electricity, which significantly reduced the amount of grid energy consumed.

Additional projects are planned to increase the use of green energy in the Group. The design of the new ILS facility in Zakroczyń, with an area of 37,000 m², envisages that solar panels will be mounted on the roof.

Other warehouse-related activities

In addition, ILS analyzes whether it is feasible to lower the temperature in the closed areas of automated storage facilities, which will further reduce energy consumption. We have also changed the manner in which eleven gates are operated in the Zakroczyń warehouse. After modernization, forklift operators may close the gate after leaving the warehouse to collect goods. This allows to reduce the amount of energy needed to heat the storage space in winter or cool it in summer.

A heat recovery system and a modern lighting control solution have been installed in some of the warehouses in Zakroczyń to reduce energy consumption by 70-80%. The same systems will also be implemented in the new warehouse no. 6.

4.4 CARBON FOOTPRINT

Carbon footprint is the total amount of greenhouse gases emitted by an undertaking either directly or indirectly (the said amount is divided into three different scopes). This year's report is the second in which we are presenting the methodology applied for calculating our carbon footprint, with specific results

Methodology adopted

GHG emissions were calculated in accordance with the Greenhouse Gas Protocol (GHG)³⁾. The calculations cover the Group's activities conducted in 18 European countries and are related to scopes 1, 2 and 3. GHG emissions have been calculated for a reporting system covering an annual cycle from January to December 2022. The Inter Cars Group has opted to consolidate its emissions based on the operational control method. The data on which the calculations are based is derived from cost invoices, fuel consumption reports and BMS readings. All greenhouse gases have been included in the calculation of scope 1, 2 and 3 emissions.

The emissions factors used for calculating greenhouse gas emissions are derived

from publicly available, international databases. The calculations rely on DE-FRA, KOBIZE, URE, World Bank Balance, European Energy Agency and Quantis reports and are based on information concerning the amounts of emissions generated by specific electricity suppliers.

[GRI 2-4]

Data related to GRI 305-1, 305-2, 305-3 and 305-4 indicators and pertaining to 2021 are updated versions of the disclosures presented in the 2021 Inter Cars Group Sustainability Report. This is due to the availability of better quality data used for calculating GHG emissions and due to the application of improved emission-related factors.

10 Inter Cars Group companies have been excluded from the calculations: Q-Service Sp. z o.o.; IC Development & Finance Sp. z o.o.; JC Auto S.A.; Armatus Sp. z o.o.; Inter Cars Cyprus Limited; Inter Cars United Kingdom - Automotive Technology Ltd.; Inter Cars Fleet Services sp. z o.o.; OOO Inter Cars Automobilna Technika; Inter Cars Norge AS; CB Dystrybucja Sp. z o.o. Revenues of the companies listed above account for less than 2% of total revenues of the Inter Cars Group and have not been included in the calculations due to their non-material character.

GHG EMISSIONS – SCOPES 1, 2 AND 3

[GRI 305-1] [TCFD Measures and Objectives] [GPW E-P1]

Direct greenhouse gas emissions (Scope 1)

Scope 1 emissions are emissions from processes taking place within or under direct control of the organization's infrastructure. Examples of Scope 1 emissions include emissions from combustion of fuels in boilers and motor vehicles owned and/or controlled by the organization.

Transport-related fuels which account for

54% of Scope 1 emissions are the greatest source of emissions generated by the Inter Cars Group. This indicator covers passenger vehicles used for day-to-day operations and a small fleet of trucks used for transporting goods.

The remaining emissions are generated by buildings (heating fuels and the refrigerant leaks).

In 2022, Scope 1 emissions decreased by 0.9% compared to 2021. The Inter Cars Group recorded a significant (11%) reduction in building-related emissions (heating fuels). Transport fuel-related emissions increased, however, by 6%.

Scope 1 – direct GHG emissions [tCO₂e]

	Inter Cars S.A.	Inter Cars Group
Transport fuels - Petrol	375.18	963.70
Transport fuels - LPG	0	41.48
Transport fuels - Diesel	247.94	5,411.25
Natural gas for heating and hot water	0	3,337.53
Heating oil for heating and hot water	27.96	40.25
LPG for heating and hot water	503.58	503.58
Coal for heating and hot water	0	1,476.66
Refrigerants	0	96.86
Total	1,154.65	11,871.33

3) The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. Revised Edition. Link: <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>

GHG Protocol: Scope 2 Guidance. An amendment to the GHG Protocol Corporate Standard. Link: <https://ghgprotocol.org/sites/default/files/2023-03/Scope%202%20Guidance.pdf>

The Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Supplement to the GHG Protocol Corporate Accounting and Reporting Standard. Link: https://ghgprotocol.org/sites/default/files/standards/Corporate-Value-Chain-Accounting-Reporting-Standard_041613_2.pdf

Indirect GHG emissions (Scope 2)

[GRI 305-2] [TCFD Measures and Objectives] [GPW E-P1]

Scope 2 emissions are indirect greenhouse gas emissions associated with the consumption of electricity, district heating or district cooling purchases. These indirect emissions are related to the energy consumed by the organization, supplied from sources that are not owned or controlled by the organization.

Those emissions are reported in accordance with the GHG Protocol, Scope 2 Standard, using two methods: location-based and market-based. Calculations pertaining to the location-based method rely on the electricity-related emissions factor for Poland, while those pertaining to the market-based method

rely on the electricity-related emissions factors for a given electricity supplier⁴⁾.

The Inter Cars Group has reduced its Scope 2 emissions (market-based method) by 4% compared to 2021. The drop in emissions was caused by reduced heat consumption and by using electricity generation sources with a lower emissions index (6% of electricity generated with the use of RES).

Other indirect greenhouse gas emissions (Scope 3)

[GRI 305-3] [TCFD Measures and Objectives] [GPW E-P1]

Scope 3 emissions include all other indirect emissions generated within the organization's value chain, such as: purchased raw materials and services (wa-

ter supply), transport and distribution (e.g. transporting products to logistic centers or to a network of franchise stores), business trips (e.g. air travel), handling the products sold, waste management, energy- and fuel-related WTT emissions, emissions from the operation of a network of distribution points (branches).

Raw materials and services purchased have the largest share in Scope 3 emissions.

Emissions of this type are mainly generated in the process of manufacturing products sold by the Inter Cars Group. Transporting them between warehouses and from smaller warehouses to the distribution network is another significant emissions source.

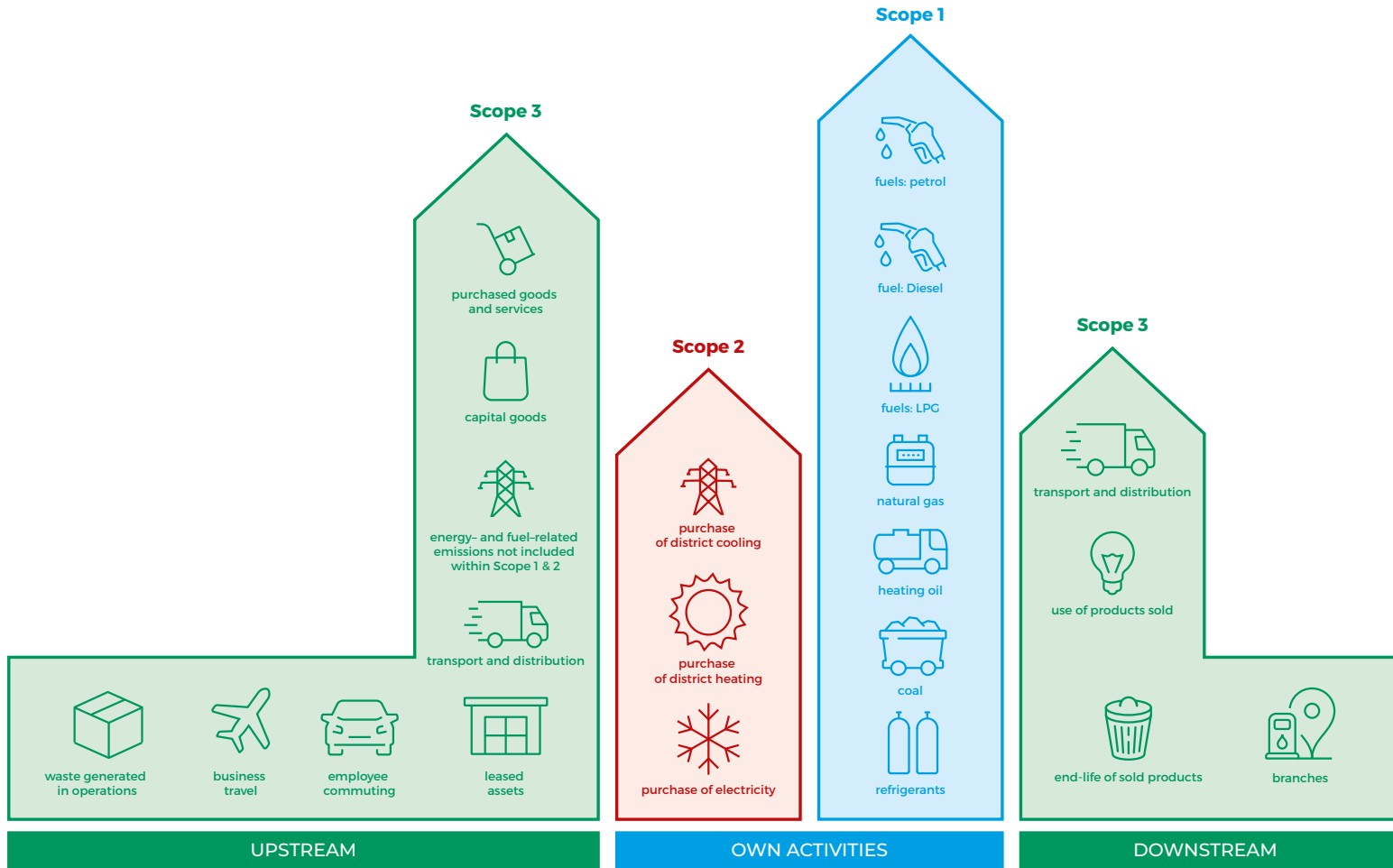
In 2022, Scope 3 emissions increased by 4.6% compared to 2021. This was mainly caused by the increased sales volume and the larger scale of transport operations.

Indirect greenhouse gas emissions - Scope 2 [tCO ₂ e]		
Emission sources	Inter Cars S.A.	Inter Cars Group
Indirect greenhouse gas emissions from electricity purchases - market-based	1,116.40	9,880.78
Indirect greenhouse gas emissions from electricity purchases - location-based	1,149.50	10,983.26
Indirect greenhouse gas emissions from the purchase of district heat	0	1,326.50
Indirect greenhouse gas emissions from district cold purchases	0	10.19
Total (market-based)	1,116.40	11,217.47
Total (location-based)	1,149.50	12,319.95

Scope 3 - indirect GHG emissions [tCO ₂ e]		
Emission categories (Scope 3)	Inter Cars S.A.	Inter Cars Group
Goods and services purchased	616,366.20	1,269,394.18
Capital goods	10,031.00	10,491.00
Emissions related to energy and fuels not included in Scope 1 and 2	532.30	5,748.88
Upstream transports and distribution	0	115,977.30
Waste generated while performing business activities	6.09	265.00
Business trips	202.65	375.91
Employee commutes	1,020.00	5,567.50
Upstream - leased assets	0	0
Downstream - transport and distribution	0	630.52
Processing of products sold	0	0
Use of products sold	24,797.04	42,043.67
Handling products sold after end of their useful life	2,139.28	4,119.35
Downstream - leased assets	0	0
Branches	20,876.84	46,314.44
Investment	0	0
Total	675,971.39	1,500,927.75

4) Where the supplier could not be identified, the electricity-related emissions benchmark for a given country was used.

Inter Cars Group GHG emissions

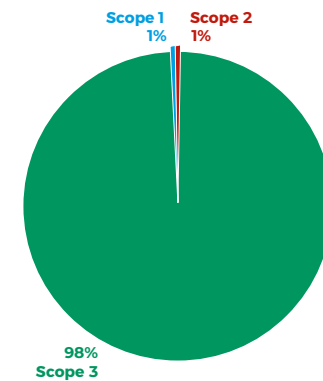


Scope 3 emissions have the largest in the overall emissions of the Inter Cars Group. This is mainly due to the fact that most of our emissions come from the car parts we sell. This is

a normal result for distribution companies. However, we continue to raise the bar. Therefore, our company intends to join, in 2023, the Science Based Targets Initiative (SBTi) requiring that set specific Scope 3 decarbonization goals be set as well.

Anna Mazurek
Climate and Environmental Protection Manager

Emissions tCO₂e



Intensity of greenhouse gas emissions

[GRI 305-4] [GPW E-S1]

Scope 3 emissions include all other indirect emissions generated within the organization's value chain, such as: purchased goods and services (water supply), transport and distribution (e.g. transporting products to logistic centers or to a network of franchise stores).

In 2022, Scope 3 emissions increased by 4.6% compared to 2021. This was mainly caused by the increased sales volume and the larger scale of transport operations.

In 2022, the Inter Cars Group's emissions intensity index (tCO₂e, per one thousand units sold) equaled **0.069** (Scope 1), **0.066** (Scope 2) and **8.764** (Scope 3). The data includes sales of products by each company in 2022.

Emissions intensity has dropped (in all three scopes) compared to 2021. The drops equaled 8%, 11% and 1% for Scope 1, Scope 2 and Scope 3, respectively.

The decreases were caused by the Group's lower Scope 1 and Scope 2 emissions and by a higher sales volume (YoY).

GHG emissions intensity per sales of one thousand products [t CO ₂ e/1000 pcs]		
	Inter Cars S.A.	Inter Cars Group
Scope 1 (direct emissions)	0.014	0.069
Scope 2 (indirect emissions)	0.014	0.066
Scope 3 (other indirect emissions)	8.284	8.764

INITIATIVES CONTRIBUTING TO DECARBONIZATION

Use of green energy

[GRI 3-3]

6% of electricity consumed in our buildings in 2022 originated from renewable energy sources. In 2023, we plan to increase the volume of green energy and to boost production of our own photovoltaic systems.

In 2022, we were using green electricity to reduce Scope 2 emissions:

- Feber - by purchasing green electricity
- Lauber - by generating energy with the use of PV systems
- Croatia - by purchasing green electricity,
- Estonia - by purchasing green energy.

The total amount of green electricity used in 2022 equaled 1,261,261 kWh (4,540.54 GJ). This allowed us to reduce emissions by 847.96 tCO₂e compared to 2021.

BEST PRACTICE

In 2022, our Group's experts were invited to participate in the preparation of a report entitled "Air Quality in Poland - Current Status and Proposed Corrective Measured" drawn up by experts from UN Global Compact Network Poland. The report presents the results of nationwide air quality monitoring efforts and identifies ways for improving the outcomes. It also analyzes the applicable regulations and steps taken by public authorities, taking into account the opinions of scientists and business community representatives. The part of the report prepared by our experts presents the impact of vehicle users on air quality (page 154).

The report is available at: ungc.org.pl

DECARBONIZATION STRATEGY

[TCFD Measures and Objectives] [GPW E-S2] [GRI 3-3]

We have commenced the process of setting adequate reduction targets. In order to achieve measurable results and ensure transparency of our decarbonization efforts, we plan to join the **Science-Based**

Target Initiative (SBTi) in 2023 and declare our willingness to set specific decarbonization targets pursued by our company. This will require our reduction targets to be validated and approved by SBTi in the second half of 2023.

Assumptions of the Science-Based Targets Initiative

Our decarbonization targets will be set in accordance with applicable scientific principles. Science-Based Targets determines ways in which specific goals are set and outlines a precise methodology to be applied by companies in order to comply with the applicable requirements. The said methodology allows, since 2022, to set decarbonization complying with the 1.5°C scenario.

Companies joining SBTi rely on predefined methods for setting their decarbonization targets:

- For **Scopes 1 and 2**, "absolute" targets may be set, assuming emissions reductions measured in absolute terms.
- For **Scope 3**, SBTi allows to set "absolute" and "intensity-related" targets (the latter method assumes that the reduction will be measured in relation to a physical value, e.g. the number of products sold, or an economic value, e.g. value of revenues). Targets may also be set based on **supplier engagement** (this method assumes that the company will engage its product or service suppliers in setting their own decarbonization targets).

Work on the decarbonization strategy

The ability to achieve decarbonization targets will depend on the preparation and implementation of a decarbonization strategy based on best market practices and taking into account upcoming regulatory developments.

Together with the top management, managers and employees of the Inter Cars Group, we are working on a list of realistic decarbonization initiatives. The qualifications and involvement of our staff are essential, as they allow us to achieve measurable, sustainable social and environmental outcomes.

4.5 WASTE MANAGEMENT

We manage our waste in a rational and thoughtful manner, maximizing recycling and recovery rates. Therefore, we transfer the waste we generate to specialized entities - duly licensed external companies that dispose of it in a lawful and environmentally friendly manner.

REMANUFACTURING

[GRI 3-3]

An average vehicle consists of 12,000 parts. Each of them may break down or be damaged. However, this does not necessarily mean that it should be thrown away and replaced by a new one. Vehicle systems consist of numerous components that may be remanufactured. Seemingly worn-out components - such as alternators, starters, steering boxes or brake calipers - may be success-

fully remanufactured and reused.

Remanufacturing is a natural element of the concept of a circular economy, as it allows not only to reduce the amount of waste generated, but also the production of new spare parts.

The purpose of remanufacturing is to restore worn or damaged parts of the standard of brand-new components. Unlike repairs, remanufacturing focuses on detecting the root cause of a given problem. Therefore, specific components or sub-assemblies are disassembled. Then each element is cleaned and examined thoroughly to come up with the final diagnosis.

Parts used in passenger cars and trucks are remanufactured by Lauber. For more information on the process, please see the "Products, services and customers" chapter on page 34.

Remanufactured parts offer a number of advantages:

- the process contributes to the protection of the environment, as the recovery and recycling of parts reduces the amount of waste generated,
- remanufacturing operations generate a much smaller carbon footprint and reduce energy consumption in comparison with the production of new parts,
- remanufactured car parts are much cheaper than their brand-new counterparts,
- as it is often difficult to source spare parts for older models, the process of remanufacturing used components solves the problem with their availability.

BEST PRACTICE

In October 2022, we participated in the "Recycling of end-of-life vehicles - a common cause" conference organized by the Vehicle Recycling Forum. One of the speakers was Iwona Wujko, the manager responsible for the development of the new project at Inter Cars S.A. Her presentation was devoted to the new functionality of e-Catalog made available in response to the needs of the aftermarket and environmental protection requirements. The said functionality constitutes an element of the Inter Cars Marketplace service.

WASTE

[GPW E-S6] [GRI 3-3]

We have introduced precise instructions concerned with handling different types of waste. These instructions are in full compliance with the applicable legal regulations, as well as with the "OHS and environmental protection policy" we have adopted.

ILS has introduced a special procedure for handling, inter alia, chemical waste stored at the logistics center in Zakroczym. It describes the equipment that needs to be available at hazardous waste storage sites, designates storage areas, identifies labeling instructions and sets out the

BEST PRACTICE

In 2022, we refreshed the logotype used on our own brand products used in cooling and air-conditioning systems. We took this opportunity to modify the packaging of several thousand products, including radiators, water pumps, heaters and fans, so that they are more environmentally friendly: we have replaced colored, varnished boxes with gray cardboard boxes. Next year, we intend to introduce similar changes to the packaging of 800 drive axle types.

procedures for dealing with other types of waste, such as plastic, wood, scrap, cardboard or foil.

Distribution waste generated by the Inter Cars Group contains substances which, after being released into the environment, may be a source of pollution. These include mainly acids (battery electrolyte). We are making every effort to reduce their negative impact on the environment as much as possible. Therefore, we make sure that scrap batteries are recovered - we rely on our branches to buy them back from our customers. That is the way we understand our enhanced environmental responsibility - we want to be certain that all types of waste are properly disposed of.

Methodology adopted

Data related to GRI 306-3, 306-4 and 306-5 indicators and pertaining to 2021 are updated versions of the disclosures presented in the 2021 Inter Cars Group Sustainability Report. This is due to the availability of better quality waste-related data used within the Inter Cars Group.

10 Inter Cars Group companies have been excluded from the calculations:
Q-Service Sp. z o.o.; IC Development & Fi-

nance Sp. z o.o.; JC Auto S.A.; Armatus Sp. z o.o.; Inter Cars Cyprus Limited; Inter Cars United Kingdom - Automotive Technology Ltd.; Inter Cars Fleet Services sp. z o.o.; OOO Inter Cars Automobilna Technika; Inter Cars Norge AS; CB Dystrybucja Sp. z o.o. Revenues of the companies listed above account for less than 2% of total revenues of the Inter Cars Group and have not been included in the calculations due to their non-material character.

[GRI 306-3]

Total weight of waste generated, by type of waste				
Type of waste generated	Inter Cars S.A.		Inter Cars Group	
	Total weight of hazardous waste generated [Mg]	Total weight of non-hazardous waste generated [Mg]	Total weight of hazardous waste generated [Mg]	Total weight of non-hazardous waste generated [Mg]
Distribution				
Packaging waste - cardboard	0	0.5	0	4,888.33
Packaging waste - plastics	0	5.52	0	485.48
Packaging waste - wood	0	164.42	0	3,885.48
Packaging waste - aluminum	0	0	0	34.35
Packaging waste - steel	0	0	0	41.06
Metal scrap, oil, plastic	0	110.86	6.98	894.3
Vehicle batteries	0	0	154.35	182.56

Polystyrene	0	0	0	0.1
Used electronic equipment	0	0	0.01	0.24
Total (distribution)	0	281.3	161.34	10,411.90
Production				
Oils	0	0	20.83	0
Liquids	0	0	39.22	0
Sanding materials, paints, solvents, other hazardous waste	0	0	38.35	0
Packaging waste - cardboard	0	0	0	94.86
Packaging waste - plastics	0	0	0	8.54
Packaging waste - wood	0	0	0	65
Steel scrap, non-ferrous metal scrap	0	0	0	412.56
Total (production)	0	0	98.4	580.96
Office waste/municipal waste				
Batteries	0	0.04	0	0.04
Toners	0	0.8	1	2.98
Construction waste	0	1.8	0	12.44
Municipal waste	0	13.17	541.45	5,864.66
Other	0	1.88	0	172.18
Total (office waste)	0	17.69	542.45	6,052.30
Total	0	298.99	802.19	17,045.16

[GRI 306-4]

Types and composition of waste generated, directed to recovery, by type of waste				
Type of waste generated	Inter Cars S.A.		Inter Cars Group	
	Total weight of hazardous waste generated [Mg]	Total weight of non-hazardous waste generated [Mg]	Total weight of hazardous waste generated [Mg]	Total weight of non-hazardous waste generated [Mg]
Distribution				
Packaging waste - cardboard	0	0.5	0	4,540.40
Packaging waste - plastics	0	5.52	0	392.99
Packaging waste - timber	0	164.42	0	3,728.76
Packaging waste - aluminum	0	0	0	28.09
Packaging waste - steel	0	0	0	27.41
Metal scrap, oil, plastic	0	110.86	6.98	701.63
Batteries	0	0	63.97	180.86
Polystyrene	0	0	0	0
Used electronic equipment	0	0	0.01	0.24
Total (distribution)	0	281.3	70.95	9,600.38

Production				
Oils	0	0	14.83	0
Liquids	0	0	0	0
Sanding materials, paints, solvents, other hazardous waste	0	0	10.22	3.86
Packaging waste - cardboard	0	0	0	0
Packaging waste - plastics	0	0	0	1.38
Packaging waste - wood	0	0	0	0
Steel scrap, non-ferrous metal scrap	0	0	0	276.56
Total (production)	0	0	25,045	281.8
Office waste/municipal waste				
Batteries	0	0.04	0	0.04
Toners	0	0.8	1	0.91
Construction waste	0	0	0	0
Municipal waste	0	0	0	13
Other	0	1.88	0	171.88
Total (office/municipal waste)	0	2.72	1	185.83
Total	0	284.02	97	10,068.01

[GRI 306-4]

Types and composition of waste generated, directed to recovery, by type of recovery operations (diverted from disposal)						
Type of recovery	Inter Cars S.A.			Inter Cars Group		
	Total weight of waste not directed to disposal - on-site [Mg]	Total weight of waste not directed to disposal - off-site [Mg]	Total	Total weight of waste not directed to disposal - on-site [Mg]	Total weight of waste not directed to disposal - off-site [Mg]	Total
Hazardous						
Preparation for reuse	0	0	0	0	6.98	6.98
Recycling	0	0	0	0	544.23	544.23
Other types of recovery	0	0	0	0	83.38	83.38
Total (hazardous)	0	0	0	0	634.6	634.6
Non-hazardous						
Preparation for reuse	0	0	0	0	248.23	248.23
Recycling	0	284.02	284.02	0	8,980.25	8,980.25
Other types of recovery	0	0	0	3.3	298.66	301.96
Total (non-hazardous)	0	284.02	284.02	3.3	9,527.14	9,530.44
Total	0	284.02	284.02	3.3	10,161.73	10,165.03

[GRI 306-5]

Waste directed to disposal, by composition of the waste				
Type of waste generated	Inter Cars S.A.		Inter Cars Group	
	Total weight of hazardous waste directed for disposal [Mg]	Total weight of non-hazardous waste directed for disposal [Mg]	Total weight of hazardous waste directed for disposal [Mg]	Total weight of non-hazardous waste directed for disposal [Mg]
Dystrybucja				
Packaging waste - cardboard	0	0	0	347.93
Packaging waste - plastics	0	0	0	92.49
Packaging waste - wood	0	0	0	156.72
Packaging waste - aluminum	0	0	0	6.45
Packaging waste - steel	0	0	0	71.61
Metal scrap, oil, plastic	0	0	69.89	134.71
Batteries	0	0	20.5	1.8
Polystyrene	0	0	0	0
Used electronic equipment	0	0	0	0
Total (distribution)	0	0	90.39	811.71

Production				
Oils	0	0	6.01	0
Liquids	0	0	29	0
Sanding materials, paints, solvents, other hazardous waste	0	0	38.36	0
Packaging waste - cardboard	0	0	0	91
Packaging waste - plastics	0	0	0	7.16
Packaging waste - wood	0	0	0	65
Steel scrap, non-ferrous metal scrap	0	0	0	136
Total (production)	0	0	73.36	299.16
Office waste/municipal waste				
Batteries	0	0	0	0
Toners	0	0	0	2.08
Construction waste	0	1.8	0	12.44
Municipal waste	0	13.17	541.45	5,851.66
Other	0	0	0	0.3
Total (office/municipal waste)	0	14.97	541.45	5,866.48
Total	0	14.97	705.2	6,977.35

[GRI 306-5]

Waste directed to disposal, by type of disposal operations						
Type of recovery	Inter Cars S.A.			Inter Cars Group		
	Total weight of waste not directed to disposal - on-site [Mg]	Total weight of waste not directed to disposal - off-site [Mg]	Total	Total weight of waste not directed to disposal - on-site [Mg]	Total weight of waste not directed to disposal - off-site [Mg]	Total
Hazardous						
Incineration (with energy recovery)	0	0	0	0	0	0
Incineration (without energy recovery)	0	0	0	0	1.2	1.2
Landfilling	0	0	0	541.45	0	541.45
Other types of disposal	0	0	0	0	162.56	162.56
Total (hazardous)	0	0	0	541.45	163.75	705.2
Non-hazardous						
Incineration (with energy recovery)	0	14.97	14.97	0	14.97	14.97
Incineration (without energy recovery)	0	0	0	0	3.16	3.16
Landfilling	0	0	0	0	16.3	16.3
Other types of disposal	0	0	0	349.3	6,593.61	6,942.91
Total (non-hazardous)	0	14.97	14.97	349.3	6,628.04	6,977.34
Total	0	14.97	14.97	890.75	6,791.79	7,682.54

Limiting the amount of packaging used in logistics and transport operations

[GRI 3-3]

ILS plays a key role in waste management processes. Being the Group's logistics operator, it has the greatest influence on the amount of waste produced and the manner in which it is disposed of.

In 2022, ILS introduced reusable plastic pallets, thus reducing the amount of wood waste. We purchased 30,000 plastic pallets for all our domestic logistic operations, reducing the amount of wooden pallets procured by 30%.

Another way of reducing waste was to limit the use of cardboard packaging which was replaced by reusable plastic containers. In 2021, 30,000 such containers were purchased. They are used for transporting goods to our Regional Logistics Centers and branches, both in Poland and abroad. Thanks to this, the costs of packaging has decreased as well - by approx. PLN 2 million

We have also restricted the use of stretch foil for packaging - approximately 10,000 clamp strips that can be used several times have been purchased instead, ensuring full security of the goods transported.

Other initiatives to reduce ILS's material consumption in 2022 included the following:

- reduced amount of wood waste - refurbishment and repair of damaged wood pallets in order to reuse them for transporting goods; segregation of waste and using it to reinforce cardboard packaging,
- increased density of cardboard waste,
- reduced amount of waste from emptied cardboard boxes in which goods are delivered - selection and recovery of undamaged cardboard boxes which are then reused for packaging goods intended for individual recipients,
- using preselected boxes which may be processed and used as filler material protecting goods against damage.

ENVIRONMENTALLY FRIENDLY GARAGES

Bio Service



[GRI 3-3]

Since 2017, our partner garages have the opportunity of taking advantage of the Bio Service. It ensures that waste generated at the garages is managed in a convenient, comprehensive and legally compliant manner.

All types of waste created in garages may be handed over as part of this service, including:

- used batteries,
- tires, belts, rubber elements,
- oils and waste contaminated therewith (e.g. filters, packaging),
- brake system components (discs and drums),
- aluminum and lead scrap,
- fluids (brake fluid, refrigerants),
- light bulbs,
- vehicle windows,
- plastic (bumpers and other components),
- filtration materials (air filters, cabin filters),
- pressure vessels,
- plastic packaging.



All registered mechanics may use the Bio Service online platform. The ability to merge the Bio Service customer profile with the BDO (product, packaging and waste management

database) number is a great bonus, as thanks to such a solution, after the platform has been commissioned, mandatory Waste Transfer Cards are filled out automatically. The Bio Service program is developing on a continuous basis and we are looking to establish cooperation with additional waste collection subcontractors. As at the end of the year, we were cooperating with approx. 75 different companies. In 2022, we integrated our BIO Service platform with the E-cat service, via a common login. E-cat is a multi-purpose platform that facilitates the work of mechanics and garage owners, thus making the waste management platform more accessible.

Wojciech Kopacz
Bio Service Project Manager

The Bio Service service includes, but is not limited to:

- collection of waste directly from the garage by specialized oil tankers and box trucks with lifts used for transporting other types of waste,
- waste disposal,
- consultations with specialists in the field of environmental law, including assistance in the preparation of necessary documentations concerning waste,
- consultations for garage owners, assisting them in planning waste management expenses,
- waste collection containers.

Additionally, we offer an energy audit service helping the garages reduce the cost of energy consumption.

In 2022, as part of Bio Service, we collected:

- more than **8 million kilograms of tires**, with 75% of them being eligible for recovery and 15% for recycling,
- more than **1.4 million kilograms of batteries** that have been recycled,
- from over **3,800 garages** with which we signed relevant agreements,
- more than **800,000 kilograms** of other types of waste.



For more information about Bio Service go to:

bio-service.pl/pl

Partslife

[GRI 3-3]

In 2022, the Inter Cars Group acquired 33% of shares in Partslife International Kft., a company operating in Poland as Partslife Polska - Organizacja Odzysku Opakowań S.A.

The organization renders services, inter alia to traders marketing packaging and packaged products, engine oils and tires, offering them to take over their Extended Producer Responsibility (EPR) and to achieve the recovery and recycling rates required by law. Additionally, it helps them keep current records and submits mandatory reports on behalf of traders.

Partslife Polska Sp. z o.o. coordinates the process of collecting and disposing of waste and offers consulting assistance as part of the Bio Service service.

Partslife International Kft is also active in Hungary and Romania. In the future, we plan to take advantage of its services at our distribution companies operating in those countries as well.

4.6 WATER RESOURCES MANAGEMENT

[GPW E-S4] [GRI 303-1] [GRI 303-2][GRI 3-3]

The distribution activities of the Inter Cars Group do not significantly affect the functioning of protected and naturally valuable areas. Water consumption remains below the maximum limits. This is confirmed by environmental impact studies focusing on our uptake of water. Our Group companies do not operate in areas exposed to the risk of water shortages.

We hold all the necessary water management permits. We monitor, on an ongoing basis, the impact of our activities on water resources (water uptake and discharge), verifying both the quantity and quality of water resources used. We regularly report our use of water to the relevant authorities. We also attempt to reuse as much water as possible in the course of our production processes

Water uptake and discharge

At all locations, we ensure that the waste water we produce does not pollute water bodies or soil - we do not discharge it onto the ground, to water or soil.

In the majority of our facilities in Poland and abroad, water is supplied from district mains. The water is used, in all those buildings, at sanitary and social facilities. The warehouses in Zakroczym and Czsoń are the only exception here, as they rely on groundwater wells for water supply needs, and on leak-tight tanks for sewage disposal.

Water used in logistics processes

Our warehouses in Czsoń and Zakroczym have their own groundwater wells that are used pursuant to applicable permits. They submit information on their water uptake twice a year to the local Voivodeship Inspectorate for Environmental Protection. Waste water is discharged into leak-tight containers and is later collected by a specialized external company disposed of at a treatment plant. We are paying the applicable environmental fees for using water resources. Additionally, ILS covers the costs associated with restricting natural water retention.



Water used in production processes

Lauber uses water in its production processes - water circulates in a closed-loop system of its washing devices, and rainwater is discharged to the municipal sewage system.

The Feber Vehicle Production Plant in Sieradz does not use any water for its production purposes. All water is consumed exclusively to satisfy the needs of its personnel

Use of water in production processes		
	Inter Cars S.A.	Inter Cars Group
Water uptake [m ³]	2,636.00	59,464.94
Water discharge [m ³] [GPW E-S3]	2,636.00	50,501.09

10 Inter Cars Group companies have been excluded from the calculations concerning the indicator concerned: Q-Service Sp. z o.o.; IC Development & Finance Sp. z o.o.; JC Auto S.A.; Armatus Sp. z o.o.; Inter Cars Cyprus Limited; Inter Cars United Kingdom - Automotive Technology Ltd.; Inter Cars Fleet Services Sp. z o.o.; OOO Inter Cars Automobilna Technika; Inter Cars Norge AS; CB Dystrybucja Sp. z o.o. Revenues of the companies listed above account for less than 2% of total revenues of the Inter Cars Group and have not been included in the calculations due to their non-material character.

4.7 TAXONOMY DISCLOSURES

In order to redirect capital flows towards sustainable investments, the European Commission adopted, in March 2018, an action plan concerned with financing sustainable economic growth. A uniform system used for classifying environmentally sustainable activities - the so-called EU Taxonomy⁵⁾ serves as one of the main tools for achieving the Commission's objectives. The said is based on Regulation (EU) No 2020/852 (EU Taxonomy) and three delegated regulations: Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 (laying down the technical screening criteria), Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 (specifying reporting obligations under Article 8 of the Taxonomy Regulation) and Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 (laying down the technical screening criteria for nuclear and natural gas activities). The acts referred to above identify criteria allowing to clearly define which activity qualifies as environmentally sustainable. Pursuant to Regulation (EU) 2020/852, environmentally sustainable activities make an important contribution to at least one of the six environmental objectives by complying with the technical screening criteria and do not cause significant harm to any of the other objectives, while simultaneously meeting the so-called minimum safeguards

related to the implementation of due diligence procedures within the meaning of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

In the previous year, for reports published from 1 January 2022 to 31 December 2022 (and pertaining to 2021), the analysis focusing on whether a given type of activity was Taxonomy-eligible was performed based on a description of the activities provided in the delegated act laying down the technical screening criteria. While providing their 2022 disclosures, non-financial enterprises are required to indicate the share that Taxonomy-aligned activities, as well as Taxonomy-eligible and non-eligible activities have in the three key performance indicators related to turnover, capital expenditure (CapEx) and operating expenditure (OpEx). Additionally, we present qualitative information on the accounting policy applied, on compliance with Regulation 2020/852 and contextual information.

At the time of this disclosure, the published delegated acts laying down technical screening criteria cover two environmental objectives only, i.e. climate change mitigation and climate change adaptation. In the event of the entry into force of a delegated act laying down technical screening criteria applicable to the four remaining

environmental objectives, we will extend the analysis of the activities carried out and update the scope of the reported data in the disclosure concerned with the next reporting period, in accordance with applicable regulatory requirements.

ASSESSMENT OF COMPLIANCE WITH REGULATION (EU) 2020/852

Mandatory EU Taxonomy disclosures apply to companies meeting the criteria set out in Articles 19a or 29a of Directive 2013/34/EU. The Inter Cars Group, which is subject to the obligations arising from the above Directive, is subject to Taxonomy-related obligations, i.e., those resulting from Regulation (EU) No 2020/852, as well as from three other delegated regulations. Therefore, with regard to data for the period from 1 January 2022 to 31 December 2022, we are mandated to disclose key performance indicators relating to turnover, capital expenditure (CapEx) and operating expenditure (OpEx), as required under the EU Taxonomy regulation and the delegated legal acts.

Our Taxonomy disclosures are in line with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 and the delegated regulations thereto. In order to calculate the key performance indicators required, we have divided the process of analyzing our activities into two stages:

5) 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

- Stage 1: identification of Taxonomy-eligible activities,
- Stage 2: identification of Taxonomy-aligned activities.

In the first stage, as it was the case in the previous year, Taxonomy-eligible activities have been identified based on the descriptions of economic activities contained in Delegated Regulation 2021/2139 (laying down technical screening criteria for the activities indicated therein) and Delegated Regulation 2022/1214 (establishing technical screening criteria for nuclear and natural gas activities). For the purpose of calculating key performance indicators, the relevant revenues, capital expenditures related to assets or processes, as well as operating expenditures related to assets or processes were analyzed. In the second stage, the activities identified Taxonomy-eligible were assessed in terms of their compliance with the technical eligibility criteria, observance of the “do no significant harm” principle and compliance with the minimum safeguards. As the analysis has been carried out individually for each turnover, capital expenditure (CapEx) and operating expenditure (OpEx) item, we are certain that no item has been taken into account more than once. Furthermore, if an activity was classified as being Taxonomy-aligned in relation to the climate change mitigation objective, it was not taken into account in the analysis concerned with the climate change adaptation objective, and vice versa. Thus, each activity has been allocated as

making a substantial contribution only to one of the environmental objectives for which technical screening criteria have been published. This means that the reported activities do not simultaneously contribute to the achievement of several environmental objectives.

Taxonomy-based analysis of Inter Cars Group's activities

As part of the analysis, we carried out a Taxonomy-based assessment of physical climate risks, verified the technical screening criteria and the requirements of the “do no significant harm” principle. The list of the assessed facilities and other elements of the system related to the Taxonomy-eligible activities has been adapted and the potential scopes of physical climate risks adequate for a given activity have been analyzed in the context of twenty-eight physical climate risks (as defined in Appendix A to Delegated Regulation 2021/2139).

Then, we assessed the materiality of those risks in two scenarios: over the period of 10 years and according to the RCP 8.5 scenario⁶⁾ (over the period of 10 to 30 years). So far, no material threats related to physical climate risks have been identified in accordance with the assumptions set forth in the Taxonomy Regulation, and the majority of those threats have been classified as “low” or “medium”. However, the analysis will be performed on a regular basis and for each new activity under consideration. If specific threats are considered to be of

the material character, adaptation plans will be drawn up taking into account the so-called impact chains and appropriate indicators will be prepared to measure the effectiveness of the adaptation activities.



The consolidation principles adopted while calculating key performance indicators related to turnover, capital expenditure (CapEx) and operating expenditure (OpEx) are the same as

those applied by the Inter Cars Group while preparing the consolidated financial statements. The process of consolidating information was analyzed and controlled by relevant business and financial departments responsible for reporting data related to specific activities, facilities, projects, services or projects, by the Controlling and Reporting Department (responsible for reporting consolidated indicators), the ESG Team (responsible for coordinating and preparing Taxonomy-related disclosures) and the Legal Department (analysis of minimum safeguards) in order to ensure that the criteria adopted while reporting the indicators, the approaches adopted with regard to intra-group transactions and the methods or breaking down the indicators by specific types of business activity are consistent.

Agnieszka Biedrzycka
Inter Cars Group Controlling
Deputy Director

6) RCP (Representative Concentration Pathways) are scenarios assuming specific changes of carbon dioxide concentration levels in the atmosphere, serving as a basis for analyzing climate changes, including the related risks. RCP 8.5 is one of the four key scenarios adopted by IPCC. It assumes that the current pace of increase in greenhouse gas emissions will be maintained and that the “business as usual” approach will be continued. This negative scenario predicts an increase in the average global temperature by approximately 4.5° compared to the preindustrial era. In this scenario, the Earth's climate will be destabilized (with a probability of 95%) in an irreversible manner.

Compliance with minimum safeguards

In 2022, we operated in accordance with the minimum safeguards referred to in Article 18 of Regulation 2020/852. Minimum safeguards are procedures aimed at ensuring, inter alia, compliance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles for Business and Human Rights. Compliance with the minimum safeguards has been assessed on the basis of the above-mentioned UN and OECD guidelines and on the interpretation of the Platform on Sustainable Finance (Final Report on Minimum Safeguards), according to which undertaking fails to comply with the minimum safeguards if it does not act with due diligence in the field of respecting human rights or if it has been found to be responsible for specific breach categories

Therefore, we have analyzed our compliance with the minimum safeguards, dividing the process into two stages. Firstly, it was verified whether the Inter Cars Group applies the human rights due diligence procedures referred to in the above-mentioned OECD Guidelines and UN Guiding Principles. Secondly, it was verified whether any breaches of human rights, workers' rights, fair competition rules, as well as taxation- or corruption-related principles by the Inter Cars Group, its top management or subsidiaries, have been identified in the reporting period. Having completed the analysis, we concluded that the Inter cars Group complies with the minimum safeguards.

The results of the assessment and the way in which the minimum safeguards are met, including our approach to human rights due diligence processes, are described in the Corporate Governance sub-section on page 20.

CALCULATION OF KEY PERFORMANCE INDICATORS

Having analyzed all types of activities described in the Taxonomy in terms of the technical screening criteria, the "do no significant harm" principle and the confirmation of compliance with the minimum safeguards, it established that in our case, the key performance indicators relating to turnover, capital expenditure (CapEx) and operating expenditure (OpEx) are related to the following Taxonomy-aligned activities:

- 6.5. Transport by motorbikes, passenger cars and light commercial vehicles
- 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
- 7.6. Installation, maintenance and repair of renewable energy technologies
- 7.7. Acquisition and ownership of buildings

Turnover

Our activities focus primarily on selling goods - we are serving wholesale customers via our branches and retail customers via our online store. We are also selling some services, although only to a small extent. Those services consist primarily in repairing vehicle fleets, manufacturing

trailers and semi-trailers and refurbishing vehicle parts. Having analyzed all types of activities described in the Taxonomy Regulation, we established that Taxonomy-aligned revenues are negligible, as they account for 0% (PLN 0.004 million) of all revenues from the Group's activities generated in the financial year of 2022, with a slightly higher share (1.8%; PLN 271 million) being Taxonomy-eligible, but not Taxonomy-aligned turnover. The denominator of the turnover-related key performance indicator equals PLN 15,285 million.

Taxonomy-aligned turnover is related to one type of economic activity only, i.e. 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings). This activity generates revenue from vehicle charging station rental services rendered by Inter Cars Lietuva UAB.

Conversely, amounts that are Taxonomy-eligible but not Taxonomy-aligned, are related to two types of economic activity:

- 6.5. Transport by motorbikes, passenger cars and light commercial vehicles (including revenues from renting electric cars generated by Inter Cars Lietuva UAB)
- 6.6. Freight transport services by road (including revenues from the sale of heavy goods vehicles generated by Inter Cars S.A. under its Q-Service Truck brand, i.e. practically accounting for all eligible activities)

Revenues from renting electric cars or charging stations are included in the consolidated financial statements of the

Group in accordance with IFRS 16 Leasing, whereas revenues from maintenance and repair services - in accordance with IFRS 15 Revenue from contracts with customers (we believe that the customer simultaneously enjoys receives the services and enjoys the related benefits upon its completion, as these are short-term services).

Capital expenditure (CapEx)

The analysis of all capital expenditures (CapEx) shows that expenditures that may be classified as Taxonomy-aligned account for 15.1% (PLN 73 million) of all capital expenditures (CapEx) of the Group in the financial year 2022. The denominator of the key performance indicator related to capital expenditures (CapEx) exceeds PLN 486 million. Capital expenditures (CapEx) classifiable as Taxonomy-aligned are related to the following types of economic activity:

- 6.5. Transport by motorbikes, passenger cars and light commercial vehicles (including capital expenditures on electric vehicles borne by Inter Cars S.A. and Inter Cars Lietuva UAB)
- 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (including investment expenditures on electric vehicle charging stations borne as part of Inter Cars S.A. activities)
- 7.6. Installation, maintenance and repair of renewable energy technologies (including capital expenditures on photovoltaic systems borne by Lauber Sp. z o.o.)

- 7.7. Acquisition and ownership of buildings (including capital expenditures related to the lease of buildings with a Class A energy certificate or ranking among the 15% of the most efficient buildings in the country, borne as part of the activities of Inter Cars Group entities from Poland, Bosnia and Herzegovina, Bulgaria, Czech Republic, Greece, Croatia, Hungary, Lithuania, Romania, Slovenia, Ukraine and Latvia)

Additionally, 5.1 - Construction, extension and operation of water collection, treatment and supply systems - is the category of eligible capital expenditure that is Taxonomy-aligned - and therefore has not been listed previously (it includes capital expenditures on the water dispersion tank, borne by Inter Cars S.A.).

Capital expenditures considered to be Taxonomy-aligned include mainly increases booked in accordance with IAS16 Property, Plant and Equipment (e.g. vehicle charging stations, photovoltaic systems), but also in accordance with IFRS16 Leasing (we are a lessee of buildings classified as related to business activity 7.7.).

Additional information on capital expenditure borne on photovoltaic systems may be found in the subsection entitled "Optimization of energy consumption" on page 51.

Operating expenditure (OpEx)

The analysis of all operating expenditures (OpEx) shows that expenditures that may be classified as Taxonomy-aligned are negligible, as they account for approx. 0% (only PLN 8,000) of all operating expenditures (OpEx) of the Group borne in the financial year 2022. Nevertheless, a significantly higher amount (15.6%; less than PLN 4 million) are operating expenses that are Taxonomy-eligible but not Taxonomy-aligned. The denominator of the key performance indicator in relation to operating expenses (OpEx) is nearly PLN 24 million. Operating expenditures (OpEx) that may be classified as Taxonomy-aligned are linked to one type of economic activity only:

- 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (including costs of servicing and maintaining electric vehicle charging stations borne as part of the activities of Inter Cars S.A. and Inter Cars Lietuva UAB)

Additionally, 6.5 - Transport by motorbikes, passenger cars and light commercial vehicles - is a category of eligible capital expenditures that are not Taxonomy-aligned (it includes motor vehicle repair and maintenance expenses borne by most Inter Cars Group entities).

ACCOUNTING POLICY

Descriptions of three key performance indicators are presented below.

Turnover

Turnover includes revenues recognized in accordance with the International Accounting Standard (IAS) 1.82 (a). The denominator includes revenues presented in the consolidated financial statements as at 31.12.2022, recognized predominantly in accordance with IFRS 15 Revenue from Contracts with Customers; only a small part of the sales-related activities is recognized in accordance with IFRS 16 Leases (with the overall scale of our business activity considered, amounts related to lease contracts in which we are a lessor are insignificant, but they have a significant share in the net revenues from sales considered to be Taxonomy-aligned).

The numerator is equal to the net revenues from the sale of products or the provision of services, including intangible assets related to Taxonomy-aligned economic activities.

Capital expenditure (CapEx)

The denominator includes an increase in the value of property, plant and equipment as well as intangible assets observed during the financial year before amortization, depreciation and any revaluation, including impairment, for a given financial year, excluding changes in fair value. The denominator includes also an increase in the value of property, plant

and equipment and intangible assets resulting mergers. However, no such mergers took place in 2022. In addition to the above, the denominator includes also, based on similar terms, increases in asset values stemming from the acquisition of rights-of-use and increases in the value of investment property. The specific values are presented in the consolidated financial statements as at 31.12.2022 (more specifically, in the explanatory notes to the annual consolidated financial statements):

- Property, plant and equipment - note 6 (recognized in accordance with IAS 16 Property, plant and equipment and listed under Acquisition)
- Right to use - notes 6 and 7 (recognized in accordance with IFRS 16 Leases and listed under Lease in note 6 and under Increase in note 7)
- Intangible assets - note 8 (recognized in accordance with IAS 38 Intangible Assets and listed under Acquisition)
- Investment property - note 9 (recognized in accordance with IAS 40 Investment property; however, no such increases were recorded in 2022)

The numerator is equal to that part of the capital expenditure included in the denominator that meets one of the following conditions:

- it concerns assets or processes related to Taxonomy-aligned business activities;

2. it is a part of a plan aiming to expand Taxonomy-aligned economic activities or to enable the performance of Taxonomy-eligible activities or to adapt to the Taxonomy (“capital expenditure plan”);
3. it concerns the purchase of products from Taxonomy-aligned economic activities and individual measures enabling the target activity to become a low-emission activity or enabling it to reduce greenhouse gas emissions, as well as other types of economic activities, and provided that these measures are introduced and implemented within 18 months.

Operating expenditure (OpEx)

The denominator includes direct, non-capitalized costs related to research and development activities, building renovation activities, short-term leasing, maintenance and repairs, as well as any other direct expenses related to the day-to-day operation of tangible fixed assets by the undertaking or a third party that has been entrusted, pursuant to an outsourcing contract, with the performance of activities ensuring continued and efficient functioning of those assets. The following operating expenses (OpEx) are included in the denominator:

- Repair and maintenance of company passenger cars and commercial vehicles.
- Repair and maintenance of offices and warehouses.
- Repair and maintenance of machinery and equipment - this item includes the service itself and the consumables used.

The costs of this type are registered/occur primarily in our central warehouse located in Zakroczym (ILS), at the semi-trailer manufacturing company (Feber) and at Lauber - our company focusing on remanufacturing parts. Our activities focus mainly on selling spare parts and, unlike production companies, we do not own any key machinery and equipment needed for operating activities.

The category of other direct expenses shown in the denominator includes primarily the cost of CCTV and security services - we assume that they are necessary to ensure the continuous and effective operation of the fixed assets we own (by preventing their damage or theft that would preclude their continued and effective use). At the same time, these amounts are not included in the numerator of operating expenditure-related key performance indicators.

The numerator is equal to that part of the operating expenditure included in the denominator which fulfills one of the following conditions:

1. concerns assets or processes related to Taxonomy-aligned economic activities, including training and other ways of adapting the human resources, as well as direct non-capitalized costs related to research and development;
2. is part of a capital expenditure plan aimed at expanding the scope of our Taxonomy-aligned business activity or at enabling us to conduct Taxonomy-eligible business activity, as well as at adopting Taxonomy-related principles within a predetermined time frame;
3. concerns the purchase of products from Taxonomy-aligned economic activities and the taking of individual measures enabling the activity concerned to become of low-carbon variety or enabling to reduce greenhouse gas emissions, as well as the taking of individual measures related to renovation of buildings, and provided that these measures are introduced and implemented within 18 months.

DISCLOSURES CONCERNING ACTIVITIES INVOLVING NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Pursuant to Article 8(6), (7) and (8) of the Delegated Regulation 2022/1214, we disclose relevant information concerning activities involving nuclear energy and fossil gas. It should be pointed out that we do not have any exposure to activities involving nuclear energy and fossil gas. Therefore, no additional data is presented in these disclosures.

The applicable disclosure tables showing the key performance indicators (Turnover, CapEx and OpEx) for nuclear and fossil gas related activities may be found in Appendix I.

Key performance indicators related to operating expenditure (OpEx)

Economic activities (1)	Code or codes (2)	Absolute OpEx (3) [in thousands of PLN]	Proportion of OpEx (4)	Substantial contribution criteria						DNSH criteria ("does not significantly harm")						Minimum safeguards (17)	Taxonomy-aligned proportion of OpEx, year N (18)	Taxonomy-aligned proportion of OpEx, year N-1 (19)	Category (enabling activity or) (20)	Category (transitional activity) (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)					
		[in thousands of PLN]	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4.	8	0.0%	100%	0%	0%	0%	0%	0%	N/A	Y	N/A	N/A	N/A	N/A	Y	0.0%	N/A	E	N/A
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		8	0.0%	100%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0%	N/A	N/A	N/A
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Transport by motorbikes, passenger cars and light commercial vehicles	6.5.	3,680	15.6%																	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3,680	15.6%																	
Total (A.1 + A.2)		3,688	15.6%														0.0%	N/A		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		19,995	84.4%																	
Total (A + B)		23,683	100%																	

Symbols used in the tables above:

- **N/A** = not applicable;
- **Y** (columns 11 to 17) = a YES response confirming that no significant harm is inflicted or that the minimum safeguards are met (available options: Y/N);
- **E** (column 20) = identification of economic activity identified in the Delegated Regulation 2021/2139 as auxiliary activity;
- **T** (column 21) = identification of economic activity identified in the Delegated Regulation 2021/2139 as being of the transitional variety.

05.

EMPLOYEES



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KEY FIGURES AND FACTS 2022

3,966
employees

34%
eNPS

20%
value higher than in 2021

82%
of the Group's employees declare
their commitment to work

0
cases of discrimination

The UN Sustainable Development Goals we support
under our employee accountability plan:



5.1 MANAGERIAL APPROACH



Our company would not be able to achieve such good results without the engagement of its employees who provide value for our Customers on a daily basis. That is why the HR Strategy, i.e.

a long-term plan defining our desired organizational culture, our values as well as our key roles and competencies, is so important and forms an integral part of the Group's general strategy. The HR strategy aims to improve employee engagement, as well as to acquire and maintain talent, as this will enable us to continue to develop dynamically. I can say that the involvement of our HR team and key managers allows us to successfully implement our plans in this regard.

Jarosław Orlikowski
Operations Director

[GRI 3-3]

Personnel-related matters are governed by internal documents and procedures in effect in the Group. The most important of them include the following:

- **Human Capital Management strategy**

The policy sets out the HR Management objectives, describes the company's vision, culture and values.

- **Capital Group's personnel policy**

It constitutes the strategic basis of our operations. It is based on the Company's Mission and Values. Describes the remuneration and bonus policies, the principles of reviewing salary levels, offering raises and providing employee benefits. It describes the process of creating career development paths, competence requirements applicable to specific positions and the manner in which these are described. Describes the employee evaluation system, organizational structure standards and the onboarding process.

- **Code of Labour**

Provisions of this document set out the internal order at the workplace, as well as specify the rights and obligations of employees related to the organization of work.

- **Regulations of the Employee Benefit Fund**

Describes the rules for establishing and using the Social Benefits Fund.

- **Remuneration regulations**

Describes the remuneration principles taking into accounts Labor Code requirements.

- **Safety policy**

Lays down the principles for securing proper work safety and ergonomics levels.

- **Anti-mobbing policy**

Describes the principles of combating mobbing and harassment, states how assistance may be obtained and lays down the procedures to be followed in such situations.

- **Internal communication rules**

Specifies the communication methods used within the Group.

During negotiations with the employer, i.e. Inter Cars Group companies, employees are represented by the Council of the Employees elected in free and general intra-company elections. The Council is made up of three persons and its meetings are convened at least once per quarter. The Council is consulted on personnel-related matters.

5.2 TRUSTWORTHY EMPLOYER

[GRI 3-3]

We strive to create an environment of highly motivated people and an employee- and business partner-friendly company placing a great emphasis on open and direct relations, regardless of the position. We consider employee engagement to be the most important value - since only engaged employees who identify themselves with the company are able to attach the required importance to the results of their work, operate in a rational manner and always look for the best solution available. We provide all those who are willing to grow with suitable development opportunities by assigning them with ambitious and interesting tasks and by creating an environment in which potential failures are accepted and considered to be a point of departure allowing us to become better, both as individuals and as the entire organization. We act with passion, achieving goals through team work.

Our **Human Capital Management strategy for 2021-2025** takes into account the strategic HR-related objectives of the entire Group. The strategy has been developed by representatives of all the markets on which we are present. We intend to make sure that it uniformly introduces the same solutions and standards in each country in which we operate.

Strategic areas addressed in the Human Capital Management Strategy:

- organizational culture,
- values,
- competencies, assessment,
- uniform position names,
- clear growth paths,
- book of successors,
- training policy,
- remuneration policy,
- employee benefit policy,
- employment policy.

In 2021-2022, we implemented a "High-level Action Plan". The Plan identified the most important areas related to HR management, the actions taken in each of these areas and the indicators specifying their effectiveness. ESG-related issues have been identified as one of the Plan's priorities. In 2022, we analyzed identified those of ESG-related issues that exert the greatest impact on our employees.

[GRI 2-30] [GPW S- P4]

Collective labor agreements

Inter Cars S.A. and most of the domestic subsidiaries do not have any collective labor agreements in place. In 4 companies 100% of employees are covered by collective labor agreements.

Collective labor agreements	
Company name	Share of employees covered by collective labor agreements in selected Inter Cars Group companies [%]
Inter Cars Ukraine	100%
Inter Cars Italia s.r.l.	100%
Inter Cars Romania s.r.l.	100%
Inter Cars d.o.o. ICBA (Bosnia and Herzegovina)	100%

Workplace digitization

The degree of digitization of our activities increases each year. We use state-of-the-art technologies while performing our daily activities. Appropriate tools and technical support are provided by dedicated IT teams which also ensure digital security of employees and the entire company.

We are keen to share our experience on the best practices.

In 2022, Maciej Oleksowicz, President of the Management Board of our parent company, participated in the Microsoft Envision Poland 2022 debate during which opportunities and challenges related to the digitization of the economy were discussed.

Employee engagement and satisfaction surveys

The opinion of our employees is very important to us. Therefore, we conduct, each year, an employee engagement and satisfaction survey covering all the markets we operate on. In 2022, 2,378 specialists and managers participated in such a survey. Attendance equaled 69% and was nearly 18% higher than the year before.

2022 results:

- eNPS increased by 8 percentage points, reaching +34%. The highest increase was observed in the group of specialists: +12 percentage points. This proves that the HR strategy we have adopted has a very positive impact on Inter Cars Group employees.
- This indicator has significantly increased in the group of employees who have been working for the company for less than 2 years (+15 percentage points). Some positive changes are also observed among employees with more than 5 years of seniority (+7 percentage points).
- The engagement rate remained very high at 82%.
- The employee satisfaction rate increased by 4 percentage points compared to the previous year, reaching 38%.

Internal communication

Internal communication is very important to us. We are communicating via 13 different channels - these include both traditional meetings and information boards, as well as e-mail messages and modern platforms relied upon for handling HR processes: Emplo, Worksmile and President's Vlog. The channels used, the principles of their use, as well as the related technical aspects and best practices are described in an internal document entitled "Communication rules". The said document reminds the employees how to report issues of particular importance, such as those concerning personal data protection, abuse or unusual situations, using the group's internal network.

In 2022, we replaced our previous employee self-service Teta Web solution with a new and highly intuitive Emplo platform. The Emplo platform enables employees to electronically submit various types of applications and requests, e.g. those concerning their holiday leave and social benefits. It is also used for performing employee assessments and verifying the achievement of quarterly objectives with the use of MBO charts. It also serves as one of important and frequently used internal communication channels.



HR-related prizes and awards



In 2022, our approach towards employees was recognized by independent experts.

- The Polish Association for HR Management distinguished us with the "High Quality HR" certificate, appreciating our credibility, trustworthiness and the modern solutions we rely on.
- "Wprost" weekly ranked Inter Cars among the top ten employers in Poland. The ranking was based on scores awarded, inter alia, for the average salary raises, the share of newly hired and dismissed employees, as well as the share of workers with full-time employment contracts.
- Inter Cars S.A. is also one of the employers who received the "Human Capital Investor 2022" certificate awarded by the Experience Institute. The "Human Capital Investor" certificate is a unique distinction, as it is awarded based on opinions expressed by the company's employees participating in a satisfaction and engagement survey and were given an opportunity to comment on the working environment created by the employer.



5.3 OUR STAFF

[GRI 3-3]

The Inter Cars Group is made up of its people - employees and associates who have been working with us, for over 30 years now, towards the goal of becoming the market's leader. We appreciate their commitment and the passion they work with on an everyday basis. We consider ourselves to be highly fortunate, as we are working with true enthusiasts who are passionate about cars and new technologies. We are therefore doing everything we can to ensure that they remain satisfied with their employment conditions, and that they work as efficiently as possible.

In 2022, the Inter Cars Group employed almost 4,000 direct staff members. There were also 789 people performing work for the organization. The following data show the headcount status as at 31.12.2022.

Employees

[GRI 2-7]

Number of employees by gender and type of contract						
Type of employment contract	Inter Cars S.A.			Inter Cars Group		
	Females	Males	Total	Females	Males	Total
temporary employees	91	139	230	181	299	480
permanent employees	277	375	652	1,034	2,452	3,486
Total	368	514	882	1,215	2,751	3,966

Number of employees by gender and working time						
Type of employment contract	Inter Cars S.A.			Inter Cars Group		
	Females	Males	Total	Females	Males	Total
full-time	355	498	853	1,178	2,714	3,892
part-time	13	16	29	34	36	70
number of non-quaranteed hours	0	0	0	3	1	4
Total	368	514	882	1,215	2,751	3,966

Values of the GRI 2-7 indicator for individual Inter Cars Group companies are shown in the Appendix on page 106.

BEST PRACTICE

Long service is the best proof of the effectiveness of our Personnel policy. In 2022, we celebrated 10th and 20th anniversaries of employment of some of the Headquarters' employees. Maciej Oleksowicz, President of the Management Board, congratulated them and presented them with commemorative diplomas and gifts.

DIVERSITY MANAGEMENT

[GRI 3-3]

Diversity is an important aspect of the human capital management HR management policy. We value diversity and make full use of its potential: multi-cultural environments, differences in experience, age, personal traits and passion allow us to build creative teams, implement changes and design new solutions.

Diversity and equal treatment are promoted at all stages of one's professional career in the company, starting from the recruitment process to regular service (employment conditions, access to training, growth and promotion opportunities), to the end of our cooperation.

[GRI 406-1]

In 2022, no cases of discrimination against employees of the Inter Cars Group were identified.

Workers who are not employees

[GRI 2-8]

Number of persons performing work for the organization, other than its employees, whose work is controlled by the organization, by gender and type of contract						
Type of employment contract	Inter Cars S.A.			Inter Cars Group		
	Females	Males	Total	Females	Males	Total
contract of mandate	7	10	17	11	11	22
deed contract	2	20	22	4	25	29
service provision agreement (self-employment, B2B)	42	358	400	64	454	518
managerial contract	0	0	0	1	3	4
employees from work agencies	0	0	0	19	113	132
paid internship	7	9	16	7	9	16
unpaid internship	10	58	68	10	58	68
Total	68	455	523	116	673	789

Diversity of governance bodies and employees

[GRI 405-1]

Diversity of employees by age, gender and employment category [%]				
Employee categories, by age	Inter Cars S.A.		Inter Cars Group	
	Females	Males	Females	Males
Directors				
Aged 29 or younger	0%	0%	0%	0%
Aged 30 to 49	0.34%	1.48%	0.13%	0.98%
Aged 50+	0.11%	0.68%	0.08%	0.35%
Managerial positions				
Aged 29 or younger	0.23%	0.46%	0.10%	0.25%
Aged 30 to 49	3.08%	4.56%	1.79%	6.67%
Aged 50+	0.46%	1.48%	0.33%	1.44%
Specialized positions				
Aged 29 or younger	10.02%	12.30%	5.24%	7.78%
Aged 30 to 49	25.97%	32.57%	13.82%	23.72%
Aged 50+	1.71%	4.21%	1.33%	3.47%
Warehouse workers				
Aged 29 or younger	0%	0%	1.86%	8.13%
Aged 30 to 49	0%	0%	4.18%	13.85%
Aged 50+	0%	0.34%	1.33%	3.17%
Total	41.92%	58.08%	30.19%	69.81%

Parental leaves

[GRI 401-3]

In 2022, 160 employees of the Group took advantage of parental leave. The return-to-work rate was 58.75%, and the employee retention rate was 84.72%.

	Parental leaves					
	Inter Cars S.A.			Inter Cars Group		
	Females	Males	Total	Females	Males	Total
Number of employees entitled to parental leave ¹⁾	368	514	882	1 215	2 751	3,966
Number of employees who took advantage of parental leave	29	26	55	98	62	160
Number of employees who returned to work during the reporting period after finishing their parental leave	17	26	43	38	56	94
Number of employees who returned to work after finishing their parental leave and who continued to work for 12 months after their return to work	14	18	32	26	35	61
Return to work ratio [%] ²⁾	58.62%	100.00%	78.18%	38.78%	90.32%	58.75%
Employee retention rate [%] ³⁾	100.00%	78.26%	86.49%	92.86%	79.55%	84.72%

Diversity-related training

Workshops offered by our **Manager Academy** are a great opportunity to

refresh one's awareness of the opportunities associated with diversity. "Team performance based on the diversity of personalities and action styles" and "Put the potential of diversity into good use - how to exploit diversity to ensure effective functioning of teams" are just some of the examples of training courses during which our management learns to take into account the diversity of team members when planning specific projects and to create a culture that is conducive to the exploitation of the skills and capabilities of individuals.

At the Academy, we promote diversity by relying on gamification - an approach very much appreciated by our employees. Those participating in the "Diversity Management - XJAN People" game are divided into two groups - one of them are Engineers and the other is the XJAN People. It is the task of the group to use the available materials to build a bridge connecting two tables positioned half a meter apart, capable of supporting a weight of 0.5 kg. In order to complete the task, engineers need to learn about the culture of the XJAN People.

For more information about workshop offered as part of the Manager Academy program, see the "Employee training" sub-section on page 82.

5.4 CAREER PATHS

As a company, we make every effort to enable our employees to develop and succeed professionally, simultaneously maintaining a right work-life balance. After all, our employees are the ones who have earned us such a good position in Europe. Many of them have been working for us since the very beginning, assuming different positions along their career paths. Some of them are leading their own teams now or grow by focusing on a specific field. We create a friendly environment for sharing knowledge and implementing innovative business solutions. We select our employees based on their competencies and requirements applicable to their specific position.

RECRUITMENT AND ONBOARDING

All employee-related rules are also applied in the recruitment process. We ensure equal access to work and equal treatment of candidates. We guarantee respect for diversity and strive to assess applications in a fair and professional manner.

The primary principle of the recruitment process is to make sure that the candidate's profile is matched, to the greatest extent possible, with the requirements of a specific position and the competencies required while performing a given type of work. The same rules apply to apprenticeship and internship programs as well.

1) Employees entitled to parental leave are those covered by Company policies, agreements or contracts providing them with parental leave entitlements. All employees of domestic subsidiaries who have an employment relationship with the organization (i.e. employed under an employment contract in Poland) are entitled to take advantage of parental leave.

2) The return-to-work rate is the share of employees who returned from parental leave during the reporting period.

3) The employee retention rate is the share of employees who returned from parental leave in 2021 and continued their employment with the company 12 months later.



For those interested in working for Inter Cars, we have prepared a website where we inform about our openings and present our company

career.intercars.eu

[GRI 401-1] [GPW S-P3]

New employee hires and employee turnover

In 2022, we hired over 1,000 new employees throughout the Group. The share of new employees equaled nearly 30%, and the employee turnover rate was -19%. GRI 401-1 by region - see the Appendix on page 113.

New employee hires and employee turnover by age

	Inter Cars S.A.			Inter Cars Group		
	Aged 29 or younger	30-49 years	>50 years	Aged 29 or younger	30-49 years	>50 years
Number of newly hired employees	93	131	10	495	601	85
Percentage of newly hired employees [%]	46.04%	21.87%	12.35%	53.28%	23.28%	18.48%
Number departing employees	35	44	7	329	375	63
Employee turnover rate [%]	17.33%	7.35%	8.64%	35.41%	14.52%	13.70%

New employee hires and employee turnover by gender

	Inter Cars S.A.			Inter Cars Group		
	Females	Males	Total	Females	Males	Total
Number of new employees	89	145	234	360	821	1,181
Percentage of new employees hires[%]	24.18%	28.21%	26.53%	29.63%	29.84%	29.78%
Number departing employees	31	55	86	190	577	767
Employee turnover rate [%]	8.42%	10.7%	9.75%	15.64%	20.97%	19.34%

We help new hires to become familiar with their duties. In Poland, the onboarding process lasts two days. The program is very intensive and is designed in such a way as to provide employees with the necessary information about the company, the work culture and the rules that apply to them in an understandable and approachable manner. During the onboarding process, new employees meet Maciej Oleksowicz, President of the Management Board, who presents the Management Board's perspective and discusses the company's development plans. The President encourages new employees to communicate openly, ask questions and share their observations, emphasizing

the importance of partner-like relations and of respect for the experience of the Group's employees.

The training provided during the new employee onboarding process is related to skills that are standardized regardless of the area or the market we operate in, as well as to tools tailored to the specific characteristics of the country in which a given person works. Once a quarter, we organize meetings of new employees with representatives of various departments, so that they can familiarize themselves with the entire system of the Group's activities. Presentation of the Group's companies is made in a similar manner.

Internships and apprenticeships

We offer paid internships for students and graduates, as well as apprenticeships for pupils. Regardless of what they study, all those willing to gain some professional experience are invited to cooperate with our company. We organize internships and apprenticeships in Warsaw, Zakroczym and Cząstków.

Each year we hire students and graduates who work for our project management, finance, audit, marketing and PR, HR, logistics, IT, e-commerce or user experience departments. Depending on the needs of a given department, after the end of the internship, we may provide them with a job offer.



Our company participates in the “Career” program - Poland’s largest independent program of paid internships. It has been organized by the Polish Business Council for two decades now. We also publish our current internship openings online, at career.intercars.eu

REMUNERATION POLICY

[GRI 2-20] [GRI 3-3]

The company’s remuneration policy is based on market standards and wage rate reviews. The level of remuneration is determined in relation to the local market. Depending on the position held and its category, the lower and upper remuneration limits are defined. The remuneration system for both employees and members of the Management Board is based on fixed and variable components depending on results achieved at Group level and on the implementation of its business strategy.

Individual positions are categorized by a special committee made up of senior management representatives. The committee meets once a quarter and, following the recommendation presented by the HR Department, objectively reviews applications concerning the categorization of specific positions in effect on the Polish market.

We have also implemented a system of bonuses for employees. Bonuses are paid on a quarterly or annual basis, depending on the position held by a given employee. All domestic subsidiaries apply the same recommended bonus levels. In addition, we offer a package of non-salary benefits which depends on the position held and is aligned with the internal career map. For more information on these benefits, see the “Employee benefits” section on page 84.

Ratio of the basic salary of women to men

[GRI 405-2] [GPW S-P2]

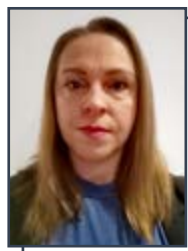
Ratio of the basic salary of women to men				
Employment category	Inter Cars S.A.		Inter Cars Group	
	Basic salary ratio	Full salary ratio	Basic salary ratio	Full salary ratio
Management Board	Not applicable*		Not applicable**	
Managerial positions	1.00	0.97	0.89	0.89
Specialized positions	0.90	0.87	0.87	0.84
Warehouse operations	Not applicable***		0.91	0.90

* No females holding a given category of positions in 2022.

** The disclosure does not apply, due to the lack of comparable data caused by differences in the forms of employment, scopes of responsibilities of the Management Boards of Inter Cars Group companies and their international character. The indicator would not identify a meaningful wage gap.

*** Not applicable due to the lack of females or males holding a given category of positions.

The gender pay gap has been calculated using two remuneration categories - basic salary and full salary. The basic salary is the fixed amount paid to an employee for the performance of their duties. The full remuneration includes the basic salary together with additional amounts paid to the employee (bonuses, benefits, overtime remuneration and other allowances). The results presented are annual figures converted into full-time equivalents (FTE). Employees who had an employment relationship (e.g. in Poland - who had an employment contract) with the organization as at 31.12 2022 were taken into account.



*In order to better understand the reasons behind the gender pay gap, we plan to expand our analyses to include an **adjusted pay gap** existing in Polish branches. A commonly used*

econometric method - Nopo decomposition - recommended, inter alia, by the International Labor Organization (ILO) for performing in-depth pay gap analyses will be relied upon for this purpose. The said method consists in comparing the earnings of the so-called "statistical twins", i.e., males and females whose observable performance-related characteristics (e.g., age group, seniority, company, position, overtime, long-term leave taken last year) are identical. The results will enable us to better understand the sources of inequalities and will show us where they originate. This, in turn, will allow us to establish strategic initiatives to address the problem of pay inequality.

Anna Domaradzka
Personnel and Payroll Administration
Manager

The lowest salaries at Inter Cars S.A. are significantly higher than the minimum wage - depending on gender, the difference ranges from nearly 30% to almost 60%. The GRI 202-1 index by Inter Cars Group subsidiary can be found in the Appendix on page 112.

[GRI 202-1]

Ratios of standard entry level wage by gender compared to local minimum wage ⁴⁾		
Company name	Females	Males
Inter Cars S.A.	1.59	1.28

Remuneration Policy for members of the Management and Supervisory Boards of Inter Cars S.A.

[GRI 2-19]

The Remuneration Policy for members of the Management and Supervisory Boards of Inter Cars S.A. defines the remuneration-related conditions and practices Inter Cars S.A. relies on in its relations with the members of the Management Board and the Supervisory Board. The basic principles and objectives of the Policy are listed below:

- ensuring the effectiveness and transparency of salaries,
- supporting implementation of the business strategy, facilitating long-term interests and stability of the Group, including by introducing a financial result-dependent system of incentives for members of the Management Board,

- counteracting conflicts of interest, including through the introduction of transparent and comprehensive rules for determining remuneration components and their amounts, as well as rules for awarding annual bonuses,
- using proper motivational techniques and fostering engagement.

The Motivational Scheme for the Members of the Management Board is based on the consolidated net profit of the Group identified in the audited financial statements. The scheme is based on a degressive model, with the bonus amount expressed as a percentage of the net profit. At the request of the President of the Management Board, the Supervisory Board may decide to reduce the amount of the cash bonus payable to a member of the Management Board for a given financial year, calculated in accordance with the assumptions set out in the Group's remuneration policy.

4) The entry-level positions existing at Inter Cars S.A. are P1 (beginner) for females and OM2 (storage operations) for males.

Members of the Management Board have the right to participate in the Employee Capital Plan in accordance with the rules applicable to all employees, stemming from the provisions of local law. There are no other supplementary pension schemes or early retirement schemes for members of the Management Board.

[GRI 2-21]

Annual total compensation ratio

In 2022, the ratio between total annual compensation of the employee with the highest salary⁵⁾ and the median remuneration of all employees of the organization (excluding the person with the highest salary) equaled 29.57. The ratio between the percentage increase in the annual total compensation of the person with the highest salary and the percentage increase in the total compensation of all employees (excluding the person with the highest salary) equaled 0.78.

The GRI 2-21 indicator, broken down by individual Inter Cars Group companies, is presented in the Appendix on page 110.

Career map

[GRI 3-3]

We enable our employees to acquire new qualifications and develop professionally. In 2022, we issued "Career path concept" - a document presenting, in a systematic, transparent and comprehensive manner, the career development principles in effect within the Group. The document is intended to support all employees in plan-

ning their professional growth, acquiring new skills and competencies. We offer both vertical and horizontal promotion opportunities - i.e. transferring to another organizational unit, with the initiative and the freedom of choice being with the employees. We have also launched a special app allowing all employees to obtain clear information on the competencies they need to have in order to get a promotion and on potentially selecting a different career path.

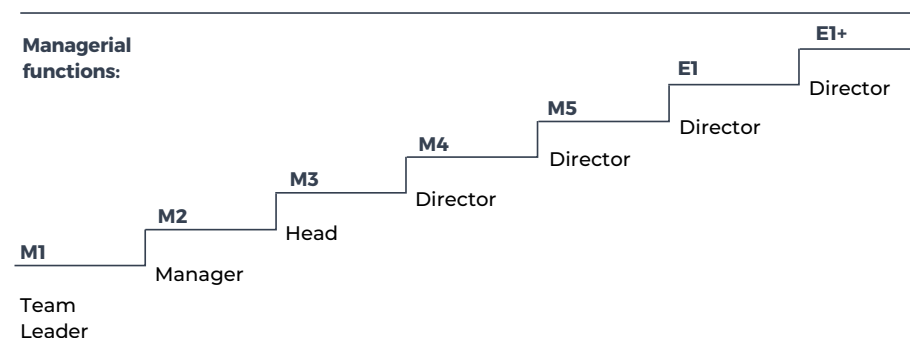
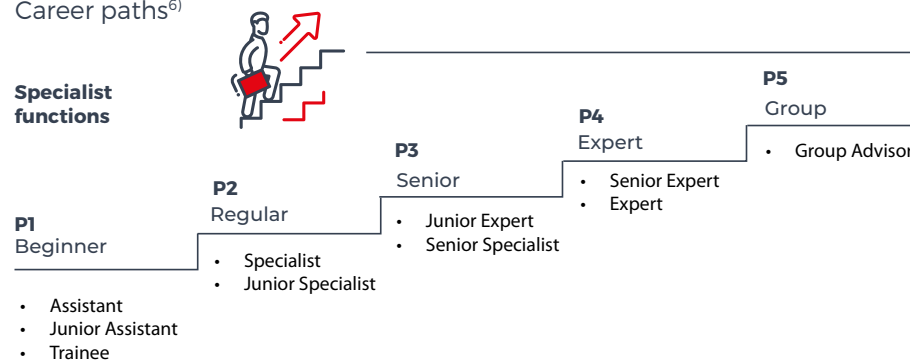


"The career paths" are a clear and comprehensible description of formal and competence-related requirements applicable to individual positions and groups thereof, such as educational

background, courses and certificates, professional experience, knowledge of foreign languages and computer skills. Employees who reach the level of a senior specialist and desire to develop further may choose an expert or a managerial career path.

Krzysztof Zawistowski
Human Capital Director, Poland

Career paths⁶⁾



5) At Inter Cars S.A., it is the President of the Management Board who is the employee with the highest salary. The total annual compensation includes salaries, bonuses, shares granted, equity options, non-equity related bonuses, changes in the value of pension due, as well as ineligible deferred remuneration components received in the course of the year. The compensation of the employee with the highest salary includes also the remuneration resulting from their appointment and the function they perform.

6) In the report below, data concerning specific employees have been divided into five categories, in accordance with the Inter Cars Group career map: "Warehouse workers" (OM1-OM4); "Specialized positions" (P1-P5); "Managerial positions" (M1-M3); "Directors" (M4-E1+) and "Management Board". Unless specified otherwise, the headcount data relate to employees who have an employment relationship (e.g. in Poland - who have an employment contract) with the organization. As at 31.12.2022

We are striving to make the company resilient to employee rotation affecting positions that are of the highest significance for our day-to-day operations. In 2022, we started to work on a succession program covering some key (managerial and specialist) positions and defined the criteria that need to be met by successors. Those efforts will be continued in 2023. We strive to appoint specific successors for the key positions and to give a reliable estimate of the time that these successors need to achieve full independence. The appointment of a successor will become one of the key performance indicators used for the assessment of top management members.

EMPLOYEE ASSESSMENT PROCESS

All employees of the Group are subject to an annual evaluation. Before the evaluation meeting, we ask employees to perform a self-assessment process. During

the conversation, their superior assesses the required level of competence only. Five topics are discussed at each meeting: successes and challenges, competencies, professional aspirations for the coming years, professional development plan and summary of the evaluation process.

[GRI 404-3]

Percentage of employees receiving regular performance and career development reviews

In 2022, 80.92% of Inter Cars Group employees (80.1% of females and 81.27% of males) were subjected to a work quality assessment and career development review. Employees hired at the end of the year and will have their results evaluated in 2023, or whose assessment process commenced but was not completed in 2022, e.g. due to sick leave, maternity leave or parental leave, were not included in the process.

Percentage of all employees, by gender and by employee category, receiving regular performance and career analysis programs [%]				
	Inter Cars S.A.		Inter Cars Group	
	Females	Males	Females	Males
Directors	100%	73.68%	100%	83.02%
Managerial positions	90.91%	89.47%	89.77%	89.55%
Specialized positions	77.95%	71%	76.95%	75.31%
Warehouse workers	Not applicable ⁷⁾	66.67%	85.32%	86.59%
Average	79.35%	73.14%	80.1%	81.27%

⁷⁾ In 2022, Inter Cars S.A. did not employ any females in this category of employees.

5.5 INVESTING IN EMPLOYEE DEVELOPMENT

The development of each employee is the most cost-effective investment for the Organization. Training provides us with new skills and helps us develop the skills we already have.

TRAINING FOR EMPLOYEES

[GRI 404-2]

The Inter Cars Group provides its employees with access to a comprehensive training program. Managerial and specialized training aims at developing the characteristics and qualifications considered to be the most significant elements of the competence model.

We do not offer any assistance programs for laid off staff or for retiring employees.

Specialized training - key competencies and related courses:

- Readiness for continuous learning
 - Proactive approach to expanding one's knowledge
 - Learning and development as key competencies in an unpredictably volatile world
 - Prototyping - how to harness simple prototyping and testing techniques to effectively introduce and improve products and services
- Ability to cooperate
 - Reach farther - cooperation and communication within the team
- A workshop on team efforts focusing on pushing things in the right direction and setting goals
- Making sure that customers' opinions are good - working together with stakeholders
- Communication skills
 - Good communication practices, active listening techniques
 - Excuse me?! I cannot hear you. I am talking, but they are not listening. I see but I do not understand anything. Prejudice-free communication
- Openness to change
 - When change becomes an opportunity
 - Managing yourself in times of change
 - Stress management in times of uncertainty and change
- Operating independently
 - Personal efficiency - achieving goals and taking action
 - Time management
 - Transactional analysis in practice
- Result-orientation
 - Creative problem solving
 - Involvement and result-orientation

Managerial training - key competencies and related courses:

- Market orientation
 - Business model - what you do not know and what you should know about your company's operations.
- Effectiveness
 - Effectiveness and engagement of managers.
 - Stress management
 - Managing emotions in a conflict
 - Managing stress and emotions
- Setting targets
 - Effective tasks' delegation and planning
 - Designation, monitoring and verification of the achievement of objectives using the SMART model
- Managing diversity
 - Team efficiency based on the diversity of personalities and working styles
 - Harness the potential of diversity - how to use diversity to boost the effectiveness of teams
- Decision-making
 - Analytical strategies for making management decisions

- Emotional intelligence
 - Look through the eyes of others - empathy in business
 - Competences of our times - emotional intelligence of the manager (ability to identify emotions, assertiveness and persuasion)
- Self and others development
 - Engage in engagement
 - Motivational conversations allowing to release the employee's potential.

Manager Academy

The Academy offers a unique training program aimed at implementing a new leadership model. The program relies on optimized development plans for management staff. Its implementation began in 2022 with competence tests, lectures and training games. The intensive training courses were launched in June.

The Academy combines, in an innovative manner, traditional training with elements of competition and games. Training focusing on specific leadership competencies is supplemented with interesting and attractive games prepared by specialists in a particular field. Participants play different roles, have to cope with unusual situations as well as solve tasks and riddles in order to develop the skills a given training program focuses on.

Manager Academy in numbers:

- **22** basic training courses (**192 hrs** of training) have been held
- **144** managers participated in basic training courses
- **67** managers participated in stationary trainings
- **120** managers participated in online webinars

[GRI 404-1]

Average number of hours of training per year, per employee

In 2022, each Inter Cars S.A. employee spent, on average, more than 8 hours participating in training expanding their competence. In the Group, this indicator is nearly twice as high and equals almost 16 hours.

Average number of training hours per employee, by gender

Inter Cars S.A.			Inter Cars Group		
Females	Males	Average	Females	Males	Average
8.56	7.91	8.18	16.6	15.65	15.94

Average number of training hours per employee, by employee category

Employee category	Inter Cars S.A.	Inter Cars Group
Directors	5.91	26.26
Managerial positions	14.93	21.64
Specialized positions	7.42	11.96
Warehouse workers	5.33	1.39
Average	8.14	9.72

EMPLOYEE BENEFITS

[GRI 401-2] [GRI 3-3]

The benefit package offered to employees varies from country to country and is adapted to the specificities and standards of a given market. Examples of non-monetary benefits available to employees in Poland include, inter alia, the following:

- **Flexible working hours**

We value flexibility - also when speaking about working hours. Flexibility may assume the form of splitting your working hours, shifting the times at which you start or finish your work, working from home, participating in conferences, etc. The manner in which work is performed and any potential changes must be agreed with the immediate supervisor, taking into account the customer service hours.

- **Assistance in learning languages**

Each of our employees and associates are given the opportunity to learn English. If they need to learn other languages, a business justification must be provided. We co-finance the learning of one language only. Group or individual classes are available.

- **Fitness cards**

Our employees can take advantage of the MultiSport program. They may choose from different types of cards available. Any staff member may also enroll one more person into the program.

- **Training courses**

We provide our employees with a rich selection of training programs preparing them for assuming a specific position as well as developing their skills and knowledge.

- **Life insurance**

[GRI 403-6]

Employees of our company can take advantage of an extended healthcare program. Last year the Group started to co-fund the medical services rendered, under the program, by an external healthcare supplier. Additionally, all employees may choose to extend healthcare coverage to include their families, against a fee.

- **Healthcare**

We provide access to private healthcare facilities, including access to specialist physicians, on preferential terms. The scope of healthcare services rendered may be expanded to cover family members as well. We pay 90% of the cost of the basic medical package for all employees willing to take advantage of additional healthcare services.

- **Cafeteria**

Each month, we transfer funds to our cafeteria fund. Employees may independently opt for additional benefits financed from this source. These include "Beauty and SPA", "For the home", "For the child" or "Culture and entertainment".

- **Employee Social Fund**

The Employee Social Fund offers, inter alia, holiday subsidies, subsidies for holidays of employees' children (paid once a year), cash benefits paid on Christmas, vouchers for employees' children, loans, allowances, participation in company events (family picnic, St. Nicholas Day celebrations). Applications for specific benefits are reviewed by the company's Social Committee.

5.6 HEALTH AND SAFETY

[GRI 403-1] [GPW S-S1] [GRI 3-3]

Workplace safety is a top priority for us. The safety management system allows us to identify and manage hazards present in all areas of our activity. Each domestic subsidiary has developed and implemented its own OHS principles that are consistent with applicable legal regulations. These include, for instance, workstation manuals occupational risk assessments pertaining to individual workstations. No changes were recorded in this area in 2022.

[GRI 403-8]

Employees covered by the occupational health and safety management system

In accordance with Labor Code stipulations, the OHS system covers, at Inter Car S.A. and other subsidiaries, employees working pursuant to an employment contract and a mandate contract. 100% of employees of Inter Cars S.A. and the Inter Cars Group working pursuant to an employment contract were covered by the occupational health and safety (OHS) management system in 2022. Details concerning indicator 403-8 are presented in a table in the Appendices on page 114.

[GRI 403-4]

There is an OHS Committee operating within Inter Cars S.A. It is made up of representatives of the employer and employees. Meetings of the OHS Committee are convened at least per quarter and its tasks include, inter alia: reviewing the working conditions, performing periodic health and safety assessments,

issuing opinions on measures to prevent accidents at work and occupational diseases, and formulating proposals for improving working conditions. In addition, our company cooperates with a provider of OHS and fire protection services and expert opinions.

OHS documentation is stored and made available to employees in electronic form. Heads of individual departments also have access to that documentation in a printed form. Materials of a preventive or informative nature are made available to employees online or by e-mail.

SAFETY AUDITS

[GRI 403-2] [GRI 3-3]

Safety at work is ensured by regular safety audits carried out at our facilities. Our warehouses in Czosnów, Zakroczym and Brwinów are subject to particularly strict supervision. In the first of these branches, audits take place twice a week, while in the remaining ones - once per week. In order to increase their effectiveness, they are carried out in designated zones, allowing us to thoroughly verify the working conditions in which the employees perform their activities and to detect any potential irregularities. The audits are performed by audit committees consisting of: the head auditor, i.e. the OHS inspector or, alternatively, the warehouse manager, an employee from the technical (administration) department and a foreman responsible for a given zone. Due implementation of post-audit recommendations is subject to regular monitoring. In order to improve safety, we draw up an annual health and safety report pertaining to the preceding year. Such an approach allows us to detect

applicable hazards, assess the associated risks and analyze and potential incidents.

[GRI 403-3]

We comply with the obligation to regularly examine the health status of workers, taking into account the risks they are exposed to in their working conditions. The said examinations are performed by private healthcare providers and the entire process is supervised by the HR Department (preliminary and control examinations) and the OHS Department (periodic checkups). The agreement concluded with the healthcare provider guarantees that employee personal data are protected in accordance with GDPR.

[GRI 403-7]

Whenever necessary, we require our business partners to provide us with information necessary to assess the risks associated with products or processes.

We maintain records of all situations in which the lives or the health of our employees was at risk that took place in our branches. This enables us to plan and implement preventive measures, detect and quickly eliminate systemic errors, supervisory shortcomings or incorrect behaviors. Such an approach also reduces the number of events resulting in serious consequences.

After each accident - in accordance with the provisions of law - we appoint a post-accident team which draws up applicable documentation, fills out a statistical form, thoroughly inspects the accident location, makes the required

photographic documentation and collects all relevant information.

After each near miss or accident, accident alerts are drawn up which are submitted to those responsible for occupational health and safety. The said alerts are also displayed on screens in the company's offices and warehouses. Hazardous situations are also discussed during regular meetings known as "Five minutes for safety".

Our training presentations are updated on an ongoing basis. We also demonstrate the correct and incorrect behaviors and discuss their consequences.

OHS TRAINING

[GRI 403-5]

OHS training is mandatory and free for all new hires employees. It is provided during regular working hours. Administrative and office staff participate in initial OHS training via the TEAMS app. Initial OHS training for blue collar workers takes place in a traditional form.

We regularly provide employees with supplementary OHS training, in accordance with applicable regulations. Periodic training for workers takes place at least one month before the expiry date of their previous training. Office staff is provided with recurrent training via an online platform. Framework training curricula for our subsidiaries have also been worked out. Acting in the capacity of an employer, our company offers, in addition to the initial and recurrent training required by law, the following:

- specialized training for persons working at specific positions with elevated accident risk levels, e.g. for forklift operators,
- first aid courses - for volunteers or for persons appointed by heads of organizational units; such training takes place at least once every two years;
- training for evacuation managers and coordinators appointed by facility administrators.

Employees of our Group participate in training programs complying with the regulations in force in individual countries and conducted by expert outside companies. Any comments and remarks concerning workplace-related hazards are reported to immediate superiors.

WELLBEING

[GRI 403-6]

Our company uses a **cafeteria platform** that allows the employees to pursue healthy lifestyles and practice sports. It offers access to a number of different forms of sporting activity and encourages healthy lifestyles. In addition, it encourages to participate in different challenges and competitions, and to support our colleagues.

Each week, interesting information related to staying fit (physically and mentally) and to reducing one's stress levels are published there.

Employees are encouraged to practice various sports. In 2022, we co-organized the Open 3x3 Street Basket Festival

in Bydgoszcz. The competition lasted two days. Two basketball courts were used and the participants were divided into different age groups. They were using top-quality equipment relied upon by renowned professionals.

Our employees in Bosnia and Herzegovina play basketball as well. The local team is made up of representatives of almost all departments of the subsidiary and plays matches each week.

Our Estonian employees, in turn, prefer bowling. In the spring of 2022, they even took part in Business AMB League matches in which 36 Estonian companies participated.

06.

SOCIAL ENGAGEMENT

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KEY FIGURES AND FACTS 2022

> PLN 3,435,000

value of donations provided by Inter Cars S.A.

> PLN 2,762,000

donated by the Inter Cars Foundation to the victims of the war in Ukraine

3,000 kg

of waste collected during Operation Clean River by volunteers from the Inter Cars Foundation

20 scholars

taking advantage of assistance provided by 20 mentors under the "Accelerator" program

> 300 volunteers

participating in projects and programs of the Inter Cars Foundation

The UN Sustainable Development Goals we pursue by adopting our socially-aware approach:



Please be invited to learn more about the Inter Cars Foundation at:
www.fundacja.intercars.eu

6.1 MANAGERIAL APPROACH

[GRI 3-3]

Social activities form an integral part of the Inter Cars' operations, both in Poland and in other countries in which we are present. In order to maximize the positive social impact exerted by the Inter Cars SA Group in 2021, we established the Inter Cars Foundation.

Governance-related basics:

- **Resolution of the Management Board of Inter Cars** on the consent to form a Foundation of 27 April 2021. - Decision to establish the Foundation, approving its Articles of Association and making in-kind and financial contributions - as a percentage of the consolidated net profit of the Inter Cars SA Group for the preceding financial year.
- **Statutes of the Inter Cars Foundation** - the Foundation's most important internal document confirming its objectives and the principles of its operation.
- **Code of Ethics of the Inter Cars Foundation** - a document aiming to reduce the risk of fraud in connection with the Foundation's activities and requiring the Foundation to pursue the principle of intolerance towards corruption and bribery.
- **Anti-Fraud Policy in the Inter Cars Group and Policy Addendum** and an appendix thereto govern the process of reporting suspected fraud conducting internal investigations, as well as issues related to donations and verification of business partners.

6.2 INTER CARS FOUNDATION



It is the mission of the Inter Cars Foundation to support the development of accessible, secure and responsible mobility benefiting the people and the climate.

We are a young organization that celebrated its first birthday in 2022. I am pleased that we have been able to accomplish so much during the first year of our operation. We will be obviously gradually increasing the scale of our operations. By relying on the wide range of competencies promoted within Inter Cars over the year, we have been launching proprietary programs ensuring a lasting, real change for the better.

Our Accelerator scholarship program is a good example of such activities. We intend to use it to support the automotive ambitions of talented young people from all over Poland. This does not mean, however, that we are not interested in cooperating with other organization. Over slightly more than one year of our existence, we have established some truly valuable partnerships thanks to which we are able to pursue the Foundation's mission in a better, faster and more effective manner.

Katarzyna Oleksowicz
Inter Cars Foundation Board Member

Organizational structure of the Foundation

Foundation Council:

- **Piotr Płoszajski**, Chairman
- **Agnieszka Soszyńska**
- **Katarzyna Oleksowicz** (until 26.10.2022)
- **Agata Łuczyńska** (since 27.10.2022)

Management Board of the Foundation

- **Jacek Piotrowiak**, President of the Management Board
- **Katarzyna Oleksowicz** – Member of the Management Board (since 27.10.2022)

Foundation financing

According to the Statutes of the Inter Cars Foundation, it is financed by Inter Cars - a company that has provided funds to finance its initial capital and that determines the value of financial and in-kind contributions provided. The said value depends on the consolidated net profit of the Inter Cars SA Group for the preceding financial year. The Founder also provides, free of charge, office space for performing the Foundation's activities.

In 2022, the Foundation was also receiving funds from other sources. All of the additional funds originated from the "Standing with Ukraine" fundraising campaign organized by Inter Cars to help the victims of the war in Ukraine. The Inter Cars Foundation received over PLN 1,182,000 from employees, associates, branches and other members of the Inter Cars community. The donations were provided, inter alia, via a special online payment gate available on the Foundation's website.

Key areas of Inter Cars Foundation's activity:



Developing competencies of the future for the benefit of the society, innovative economy, mobility and the automotive industry as a whole.



Caring for the environment, with a particular emphasis placed on mobility.



Health protection as a response to social mobility-related problems.



Road safety.

Additional areas of activity:



Employee Volunteer Work.



Support the victims of the war in Ukraine.



DEVELOPING COMPETENCIES OF THE FUTURE

[GRI 3-3]

We are developing skills that cannot be automated - those that require creativity, social intelligence, reflection and cooperation. Although we appreciate digital technologies and recognize their importance in the process of learning and working, we believe that knowledge and relevant qualifications are needed to understand, critically assess and properly exploit the opportunities offered by digitization.

We care about developing the competencies of the future that are very much needed by the society and an innovative economy, including those pertaining to mobility and the automotive industry. We are creating our own programs, as well as establishing partnerships with experienced organizations.

Accelerator

"Accelerator" is a proprietary **scholarship project** of the Inter Cars Foundation, intended for ambitious secondary schools students interested in the automotive sector, mechanics, mechatronics, electronics, information technology and logistics. Students participating in the program receive financial and educational support tailored to their needs and plans. The support makes them better prepared to face the challenges of the modern labor market. In 2022, we launched a pilot edition of the program and received applications from 152 candidates (both male and female) from all over Poland. Applying

suitable assessment criteria, the program committee selected 20 scholars - 16 male and 4 female secondary school students. 20 teachers from the schools the selected scholars attend and 20 mentors from Inter Cars have been also involved in the program to share, free of charge, their knowledge and experience. The scholars were selected at the end of 2022 and the formal opening of the program took place in January 2023. Scholarships will be paid from February to August 2023. A conference ending the first edition of the "Accelerator" program will be held in late July/early August 2023.

When working on the "Accelerator" project in the first half of 2022, we commissioned a nationwide survey of the system of industry-specific scholarships. The survey was conducted by the Dobra Sieć Foundation. We were particularly interested in scholarships for students of vocational and technical secondary schools, with a special emphasis placed on the shortcomings of the current system for supporting and promoting scholars as well as strengthening their competencies. We also attempted to learn more about their fate after completing the specific scholarship programs. 292 people participated in the survey,



The aforementioned report is available on our website at www.fundacja.intercars.eu

including 14 representatives of schools participating in the "Young Staff" program by Inter Cars S.A. 65 were representatives of other vocational schools, and 213 were students. The survey has allowed us to prepare a comprehensive report serving as a basis for creating the "Accelerator" program - the first scholarship project of the Inter Cars Foundation.

University of Success

"Success University" is a project implemented by the **Digital University Foundation**. Its primary aim is to promote technical skills among females aged 18 - 25 who would like to mark their presence on the innovative digital labor market. Those females are residents of orphanages and other youth upbringing and educational institutions.

Our efforts help prevent the exclusion of program participants and provide them with equal opportunities on the labor market. In 2022, the Inter Cars Foundation became a strategic partner of the 4th edition of the program, offering support to 60 girls.

As part of the cooperation, four volunteers from the Inter Cars Foundation participated in project-related activities, serving as mentors, advisers and workshop hosts. In addition, the participants received nine laptops from the Foundation.

Children's University

"Children's University" is a project implemented by **Fundacja Uniwersytet Dzieci (Children's University Foundation)** is to support headmasters and teachers in managing their schools and preparing students for living in the contemporary world.

In 2022, the Inter Cars Foundation handed over donations earmarked for the

implementation of a two-year program, it also supports the Albert Einstein Bilingual Primary School in Nowy Dwór Mazowiecki.



CARING FOR THE ENVIRONMENT

[GRI 3-3]

We support various types of actions that help achieve climate neutrality. We conduct a number of educational initiatives aimed at protecting the quality of air and developing intelligent, environmentally friendly transport solutions.

Operation "Clean River"

Operation "Clean River" is a nationwide campaign focusing on cleaning river beds and banks as well as their immediate surroundings. In 2022, we joined the campaign as a sponsor of the Container Bank and donated PLN 5 per each bag of waste collected. Inter Cars employees and workers from six branches from all over Poland participated in operation "Clean River" - a total of approx. 250 volunteers collected more than 3 tons of waste. The employees of the Inter Cars headquarters also took part in the initiative, cleaning the fields in the village of Ciekсын on the Wkra river. To mark the end of the operation, we organized a meeting with students of Primary School No. 5 in Nowy Dwór Mazowiecki and cleaned the banks of the Narew river together.

Be.Eco

Be.Eco is a project implemented by the **Digital University Foundation**. It focuses on environmental education in schools. The Inter Cars Foundation became a partner of the first edition of the project lasting from September 2021 to June 2022 and its second

edition which began in September 2022 and will last until June 2023. The program allows to provide broadly understood environmental protection training to primary and secondary school teachers.

First edition of the Be.Eco program - reach and effects:

- **1,340** primary schools,
- **2,029** teachers,
- **40** workshops,
- **1,005** lesson plans downloaded from the program's website,
- in total, **31,681** students participated in the program.

In June 2022, to celebrate the first anniversary of its establishment, the Inter Cars Foundation organized "Let's give a second lease of life to waste" workshops in cooperation with the Digital University Foundation. We invited children of Inter Cars employees and local kindergartens to create works of art using waste. The workshops were hosted by Jakub Tylman, a Be.Eco ambassador, teacher and author of educational books for children. The workshops offered the children an opportunity to learn what the Inter Cars Foundation is and what it does. We discussed ways of recycling waste and ideas allowing all of us to care of the environment on a daily basis.



HEALTH PROTECTION

[GRI 3-3]

The health-related activities of the Foundation are aimed at supporting persons with mobility-related disabilities and victims of road accidents, as well as those suffering from air pollution-related diseases.

'Bieg po Oddech' (Run to Breathe)

In 2022, we participated, for the second time, in organizing the "Bieg po Oddech" (Run to Breathe) event. The project is an initiative of the **Polish Society for Combating Mucoviscidosis**.

The funds raised are earmarked for helping patients with mucoviscidosis. In particular, they are used to buy additional apparatus for the free physiotherapy equipment rental facility, to finance psychological support and home rehabilitation and to co-finance the purchase of medicines needed by patients in financial difficulty. In 2022, the run took place in two formats: virtual and physical (with a record number of 1,235 participants).

'Mikołajki dla Mukoludków'

The Foundation was a partner of the 'Mikołajki dla Mukoludków' campaign organized by the **Polish Society for Combating Mucoviscidosis**. The aim of the project is to collect foodstuffs, cleaning agents and sweets for children suffering from mucoviscidosis and for their families. The value of products collected equaled PLN 165,000 and they were distributed among 990 patients.

Children's summer camp

The Foundation co-financed a summer camp and a winter camp organized in Biały Dunajec by the **Congregation of the Sisters of the Passion of our Lord Jesus Christ**. The event was attended by 42 children from financially disadvantaged families.

During their camps, the children took part in classes in which they learned, inter alia, how to correctly segregate waste, save water and reduce their own carbon footprint. During the winter camps, skiing lessons were offered daily too.

'Szlachetna Paczka' (Noble Gift)

In 2022, the Inter Cars community once again participated in the "Szlachetna Paczka" (Noble Package) initiative by **Stowarzyszenie Wiosna**. We established a special eMoneybox and collected a total of PLN 17,570.



ROAD SAFETY

The Foundation participates in numerous campaigns aiming to improve road safety. One of its tasks is to promote appropriate

attitudes and educate children, young people and adults in the field of road safety.

Donating spare parts

Complying with our statutory tasks, we continued our participation in vehicle spare part donations that we started in 2021. The program is intended to assist non-governmental organizations engaging in activities that are aligned with the statutory objectives of our Foundation.

In 2022, we donated spare parts carried by Inter Cars S.A. to ten different organizations, mainly **Voluntary Fire Brigade** units operating all over Poland. The total value of these donations exceeded PLN 64,000.

'Partnerstwo dla Bezpieczeństwa Drogowego' (Road Safety Partnership)

The Inter Cars Foundation has become a member of the **Partnerstwo dla Bezpieczeństwa Drogowego (Road Safety Partnership)** initiative that aims to reduce the number of people killed and injured in accidents on Polish roads and is a member of the Global Road Safety Partnership (GRSP) in Geneva - an international organization working to permanently reduce the number of road accidents in countries undergoing economic transformation.



EMPLOYEE VOLUNTEER WORK

[GRI 3-3]

We are trying to satisfy people's natural desire to help others. Inter Cars Group employees and associates may use their experience and passions to good use by engaging in activities changing their environment for the better. Our employees help implement programs organized both by the Inter Cars Foundation and those overseen by our social partners (e.g. Szlachetna Paczka (Noble Gift), Operacja Czysta Rzeka (Operation Clean River).

Competence volunteering is a very special form of volunteering allowing highly experienced employees of our company to cooperate with social and educational organizations, teaching young people and inspiring them to act. We support, in particular, those activities that are aligned with the mission of our Foundation.



Supporting our employee's volunteer efforts is one of the Foundation's natural areas of activity. Many fantastic people working in our company report to us on their own, as

they are willing to use their knowledge, experience and energy for work unrelated purposes as well. We consider the assistance we provide as an honor and a privilege, not as an obligation arising from our articles of association. We provide our employees with information on external volunteering opportunities and, first and foremost, encourage them to come up with their own initiatives. In most cases their efforts are of the local variety and are limited to the closest environment. If the initiatives are aligned with the broadly understood mission of the Foundation, their authors may count on our support.

Elżbieta Kawka
Strategic Projects Specialist,
Inter Cars Foundation



Inter Dobro

"Inter Dobro" (Inter Good) is a **grant program** under which we finance the initiatives of our volunteers. Such initiatives may be reported by a group of at least two employees or associates, and their scope must be aligned with the mission of the Inter Cars Foundation.

Each approved idea is awarded with a subsidy of PLN 4,000. The first edition of the 'Inter Dobro' program took place in 2022.

We awarded five grants and the projects we co-financed will be completed by the end of Q1 2023.

Some of the initiatives we have participated in include building houses for insects, assisting in conducting aqua therapy classes for children with disabilities, using old Inter Cars banners to prepare beds for animals living at animal shelters, and a campaign reminding staff members to switch the lights off in their offices (special "turn the lights off" stickers).

6.3 STANDING WITH UKRAINE



[GRI 3-3]

The war in Ukraine has affected our employees, friends, colleagues and their relatives. It has completely uprooted our system of values and beliefs, triggering our immediate response: we have decided to suspend our activities in Ukraine and we have focused primarily on ensuring the safety of our Ukrainian staff. All of them were provided with an offer to work in other countries in which we are present.

We ensured that their salaries were paid in advance. We also hired a Ukrainian speaker at our headquarters to help with all the formalities required. We also launched a 24-hour Ukrainian language hotline operated by ILS employees.

> PLN 1.4 million - total value of financial assistance granted to employees and associates of Inter Cars Ukraine.

Our help was not limited to the company's employees only. **As soon as in March 2022, we donated PLN 1 million to nine organizations delivering professional humanitarian aid to the civilian victims of the war.**

The funds were handed over to the following organizations:

- Polska Akcja Humanitarna (PAH)
- Polskie Centrum Pomocy Międzynarodowej (PCPM)
- Polska Misja Medyczna
- People in Need
- International Red Cross (ICRC)
- Tech To The Rescue Foundation
- Ocalenie Foundation
- Nasz Wybór Foundation
- Dom Ukraiński w Przemysłu Foundation



The aid organizations operating in Ukraine received, additionally, more than PLN 50,000 in in-kind donations. PLN 100,000 was provided as a special-purpose donation for the purchase of medicines and medical equipment for three hospitals in Kiev.

We were also helping the refugees in Poland. Our hotline helped 188 people find safe shelter, and 120 male and female Ukrainians found employment within the Inter Cars Group. We donated computers allowing children and young people from Ukraine to learn remotely, and we co-financed a summer camp for thirty Ukrainian children in Gorzów Wielkopolski.

Using a special payment gateway, we collected an additional PLN 100,000 which we earmarked, inter alia, for buying Christmas presents for the refugees from Ukraine.

Our volunteers took part in the **“Solidarna Paczka” (Solidary Gift)** campaign - a special edition of the Szlachetna Paczka (Noble Package) initiative organized to help refugee families in Poland. More than 20 employees from our companies prepared six packages for six Ukrainian families.

In addition, we participated in the **“Świąteczna Paczka dla Ukrainy” (Christmas Gift for Ukraine)** campaign, donating over two tons of essential products - thermal clothing, basic hygiene products, food, powerbanks, oil-fired heaters - to over 200 people in Kiev, Mokolov, Bucha, Irpin and other Ukrainian towns. The gifts reached, inter alia, a group of 70 children.

6.4 SUPPORTING FUTURE MECHANICS

[GRI 3-3]

Car mechanic is not only an important and needed profession - it is also, and perhaps primarily, a passion. Each day, we cooperate with people who have been interested in cars from their childhood. Today, being a mechanic allows them to live their lives in an interesting and satisfactory manner.

It is our aim to foster this particular passion among young people and restore the esteem that the profession of a car mechanic actually requires. For more than ten years, we have been offering training programs for future mechanics - we cooperate with numerous training centers by providing teaching aids and specialist literature. We hope that some of those attending such training courses will find employment in our Group, benefiting themselves and our company.

‘MŁODE KADRY’ (YOUNG STAFF)

In 2012, the “Młode Kadry” (Young Staff) program intended for **vocational schools and higher schools training car technicians** was launched. We are offering this program in cooperation with car part manufacturing companies. The main assumption of the “Young Staff” program is to develop students' skills and facilitate the process of establishing contact with employers.

We provide educational institutions with specialist equipment for diagnosing and repairing mechanical faults, introduce students to the actual secrets of the industry and enable them to practically learn the

profession by participating in garage chains cooperating with our company. Additionally, we rely on the “Young Staff” program as an opportunity to present our company as an automotive industry leader implementing new technologies and taking care of the professional development of its employees.



The automotive world is developing at a lightning-fast pace. The knowledge that was up-to-date 10 years ago is no longer sufficient. It is therefore important that teachers and students in schools

educating staff for the automotive industry be able to benefit from state-of-the-art solutions. The “Young Staff” program offers an opportunity to organize interesting training sessions held at modern professional laboratories and garages, simultaneously providing access to theoretical knowledge via an e-learning platform. The experience I have gained while managing my school also shows that webinars organized within the framework of the program are a much welcome and appreciated form of education

Bożena Stawarz

Director of Zespół Szkół Samochodowych i Licealnych nr 1 in Warsaw

“Young Staff” in 2022:

- **28** schools,
- approx. **11,600** students,
- approx. **20,000** workshops,
- **40,000** potential jobs.

The “Young Staff” program offers the following:

- equipping school labs with the tools and equipment necessary for diagnosing and repairing vehicles,
- maintenance and repair of equipment donated by Inter Cars to school garages,
- free, specialized training for teachers and students,
- free participation of vocational teachers in training courses for professional car mechanics,
- ability to implement tailor-made projects, including organizing internships, educational trips and ShowCar training.



For more information about the “Young Staff” program, please visit:

mlodekadry.intercars.com.pl

BEST PRACTICE

In 2022, together with a German subsidiary, we prepared a special series of eight training courses for 250 people - students and teachers of schools participating in the “Young Staff” program. The courses focused on “Engines in contemporary motor vehicles” and the classes were divided into two theoretical parts, presenting general information on engine sealing techniques and a practical portion with the use of an actual vehicle engine serving as a training aid.

In 2022, we received the “**Education-Friendly Partner**” distinction awarded by the Teacher Training and Practical Education Center in Łódź 10 years of cooperation with Zespół Szkół Samochodowych i Mechatronicznych w Łodzi.

YOUNG CAR MECHANICS

Young Car Mechanics is a flagship undertaking of the “Young Staff” program we have been organizing for five years now, in cooperation with our international partners. It enables young, talented people to present their skills, exchange experiences and good practices between Polish and European mechanical schools and promotes the profession of a mechanic. The competition is intended for students aged 16 to 23 who chose technical or vocational schools to prepare themselves for working in vehicle repair and maintenance-related professions

In 2022, students from ten European countries participated in the competition. Its organization was supported - as is the case each year - by the largest vehicle part manufacturers. 1,403 participated in the Polish phase of the contest and 784 of them qualified to the second stage.

10 took part in the national final of the competition. In May, we selected the winner who represented Poland during the international final in Hungary in June, finishing third overall.



For more information about the Young Car Mechanics competition, please visit:

www.youngcarmechanic.pl



6.5 COOPERATION WITH LOCAL COMMUNITIES

[GRI 3-3]

We have been striving to build lasting and positive relations with our stakeholders for many years now. It is our intention to effectively integrate our strategy with the social and environmental challenges ahead. The activity of our Foundation and other charitable projects constitutes our response to problems small, local communities have been facing for years. We attach particular importance to ensuring providing children and young people with a healthy environment in which they may thrive. We are also helping people dealing with difficult life and financial circumstances.

LOCAL ACTIVITIES UNDERTAKEN AT SUBSIDIARY LEVEL

The social activities carried out by our subsidiaries in 2022 were adapted to local needs:

- in the **Czech Republic**, we provided assistance to an orphanage that has been supported by the Czech branch of Inter Cars since 2005. The children received gifts for Christmas and the orphanage itself was provided with donations allowing it to satisfy the children's wishes.
- In **Slovakia**, we donated parcels to and visited senior citizens' homes with 140 residents.
- In **Latvia**, we cooperated with the Latvian Child Support Foundation which supports primary schools with boarding facilities located in nine different locations throughout

the country. Children with different degrees of mental disability, orphans and children from poor families live there.

- In **Lithuania**, we organized events for the families of workers and children from orphanages. Theater-like performances with Santa Claus and presents were held in three largest Lithuanian cities - Vilnius, Kaunas and Klaipeda.

SPONSORSHIP ACTIVITIES

[415-1]

In accordance with the provisions of the Anti-Fraud Policy in the Inter Cars Group and Policy Addendum, donations intended for political purposes, offered by or on behalf of the Company or a Subsidiary, are prohibited. Participation in key charity and sponsorship projects requires approval of the General Counsel. In 2022, no financial or in-kind donations to political parties, politicians of institutions of a similar nature were made by any Inter Cars Group companies.

We mainly sponsor sporting events taking place within local communities in which our branches are located. Some examples of the initiatives we supported financially in 2022 are presented below:

- The "**Inter Cars Stajnia Rowerowa Bike Team**" is a branch of the Legia 1928 Bike Racing Team, successor of the famous CWKS Legia Warszawa club. The said club was first established by Poland's first Olympic medalist from the 1924 games in Paris - Józef

Lange. Many years later, a group known as "Inter Cars Sonik Bike Team" was created in cooperation with our company. Today, based on many years of experience and with the help of numerous friends, the team operates under the name of "Inter Cars Stajnia Bike Team", has a new based an enjoys active support by our company.

- **Bartosz Ostałowski** is the world's only professional racing driver controlling cars with his feet only. At the age of 19, he lost both hands in a motorcycle accident, but he did not give up, with his resilience and passion allowing him to make his dreams come true.



- He holds an international FIA racing license and successfully competes - on equal terms - with able bodied drivers in the Polish Drifting Championship and in various European drifting leagues. In 2019 season, he finished the season third in the general classification of the Polish Drifting Championship, winning the bronze medal. His determination and talent are appreciated by people all over the world. Bartosz has proven that anything is possible and is a source of great inspiration for others who are striving to overcome their own limitations. He has been an Inter Cars ambassador for a number of years now, as he embodies all the values we

deem our own. In 2021-22, he participated in numerous events organized for Inter Cars customers, showing that nothing is impossible. An **International Student Formula** racing car project, under which students of the Warsaw University of Technology being members of the Sports Vehicle Research Club are designing a true racing machine. The students are working on a concept of a single-seater electric racing car, manufacture and test a prototype and them participate in a Student Formula race. Representatives of many technical universities from all over the world participate in the competition. Inter Cars has contributed to the construction of the prototype by providing appropriate specialized tools.

- For more than ten years, we have been supporting **Warszawskie Stowarzyszenie Rugby Na Wózkach "Four Kings" (Four Kings - Warsaw Wheelchair Rugby Association)** in organizing the International Club Wheelchair Rugby Tournament Mazovia Cup. The Association was established in July 2010 and its aim is to operate Warsaw's wheelchair rugby club and to promote sport among people with disabilities. In pursuit of its objectives, the Association organizes a number of events and happenings, such as show matches held in different parts of the city, at car shows and in schools on Children's Day. It also holds flash mobs at various locations. The Association organizes lectures for primary and middle school students, thus integrating them with people with disabilities. The Association also organizes the International "Mazovia Cup" Tournament that has been held, since 2011, at Arena Legionowo in Legionowo near Warsaw. The event is highly valued both in Poland and abroad.

07.

BASIS OF THE REPORT

Spis treści:

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This Inter Cars Group Sustainability Report contains non-financial information compiled in accordance with the Accounting Act of 29 September 1994 implementing into the Polish legal system the provisions of directive 2013/34/EU.

As an entity meeting the requirements set forth in the aforementioned legal acts, the Inter Cars Group is obliged to provide taxonomy disclosures under Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 and three delegated regulations (Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 laying down the technical qualification criteria), Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 (clarifying reporting obligations under Article 8 of the EU Taxonomy) and Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 (laying down the technical qualification criteria for operations related to nuclear energy and natural gas).

[GRI 2-3]

The report has been drawn up in accordance with the **Global Reporting Initiative** standards (GRI Standards 2021). **TCFD** (Task Force on Climate-related Financial Disclosures) recommendations and **“ESG reporting guidelines for Warsaw Stock Exchange listed companies”** have been taken into consideration as well.

Reporting period

The report presents both qualitative and quantitative data relating to the period between 1 January 2022 and 31 December 2022, unless stated otherwise. The Group's financial statements are concerned with the same reporting period. The Inter Cars Group publishes reports on its non-financial and financial activities on an annual basis.

List of companies whose data are included in the sustainability report

[GRI 2-2]

The data presented in the Inter Cars Group 2022 Sustainability Report below are related to the parent company of Inter Cars S.A., 33 direct subsidiaries and 2 indirect subsidiaries comprising the Inter Cars Group. The said companies are consistent with those covered by the Group's financial statements. The full list of companies of the Group as at the date of this report is available in the “Consolidated financial statements for the period from 1 January to 31 December 2022” at <https://m-ri.intercars.com.pl/pl/raporty/raporty-okresowe/>.

The 8 companies listed below were not taken into consideration while working out those GRI indicators that required data to be broken down by specific undertakings: IC Development & Finance Sp. z o.o.; Inter Cars Belgium NV (formerly JC Auto S.A.); Armatus Sp. z o.o.; Inter Cars Cyprus Limited; Inter Cars Malta Holding

Limited (no employees in 2022) and OOO Inter Cars Automobilna Technika; Inter Cars Norge AS; CB DISTRIBUTION SP. Z O.O. (as they were not conducting any operations in 2022). These companies are, however, subject to the management processes described in the report and are included in the analysis of material topics. The data for Aurelia Auto d.o.o. were included in the data for its parent company of Inter Cars d.o.o. ICHR. The figures required for calculating GRI indicators were also not collected for two associated companies: Intermeko Europe Sp. z o.o. and Partslife International Kft. The activities of these companies are, however, described in the relevant parts of the report.

Additional exclusions were applied to indicators GRI 302 (Energy), 305 (Emissions) and 306 (Waste). A relevant explanation may be found in the “Environment” chapter on page 52.

Accordingly, unless otherwise specified, the term “Inter Cars Capital Group” (hereinafter referred to as the “Inter Cars Group” or “the Group”) used in the report refers to all direct and indirect subsidiaries and the parent company of Inter Cars S.A. The data reported for Inter Cars S.A. concern the parent company only.

[GRI 2-4]

Data related to GRI Energy (302-1, 302-2, 302-3, 302-4), Emissions (305-1, 305-2, 305-4) and Waste (306-3, 306-4, 306-5) indicators and pertaining to 2021

are updated versions of the disclosures presented in the 2021 Inter Cars Group Sustainability Report which have been revised thanks to adopting more precise methodologies and data collection systems.

Figures concerning energy data have decreased, as have those related to Scope 1 and Scope 2 emissions. However, those changes are not significant. Due to the adoption of a different approach, Scope 3 CO₂ emissions have increased. A significantly lower waste-related result has been achieved due to applying a conversion that is consistent with the newly adopted approach.

[GRI 2-14]

The report has been drawn thanks to the involvement of over 100 employees of the Inter Cars Group who were responsible for preparing data and for performing internal verification of the document's wording. The information presented in the report, including the list of material topics, has been approved by the Group's Management Board.

[GRI 2-5]

This report has not been subjected to external verification.

[GRI 2-3]

Joanna Pieśluk, ESG Manager, esg@intercars.eu, is the person supervising the process or drawing up the report and should be contacted in the case of questions concerning its wording or the information contained therein.

7.1 IDENTIFICATION OF MATERIAL TOPICS

[GRI 3-1]

The wording of this report is based on the outcomes of the impact materiality analysis carried out in accordance with GRI Universal Standards 2021. The analysis comprised four steps described below:

1. Understanding the context of the organization

In the process of drawing up the report, the Inter Cars Group relied on its key environmental impacts identified in 2022, as well as on topics that are material for the organization and its stakeholders.

An industry-specific analysis, a market analysis and an analysis of upcoming regulations have all been performed for the purposes of the 2022 report. Due consideration was given to the following issues: organizational structure, relations with the external environment, sustainability-related impact of the Group's activities, as well as engagement of internal and external stakeholders.

2. Identification of actual and potential impacts

At the next stage, interviews were conducted with Inter Cars Group employees, and a survey was performed among the employees and external stakeholders of the Group. A dialog session with external stakeholders was held as well. This phase has allowed the authors to identify a list of

22 sustainability-related impacts affecting the Inter Cars Group (social, environmental and governance).

3. Impact severity assessment

The materiality of different topics was verified on the basis of an impact assessment performed by independent experts, taking into account the character of those impacts (positive and negative) and the time of their occurrence (current and potential). They were also verified based on their scale and extent (all categories), ability to reverse the harm caused (negative impacts) and the likelihood of their occurrence (potential impacts).

4. Prioritizing the most significant impacts

Results of the materiality analysis have been published in the final report on the assessment of materiality of ESG-related topics at the Inter Cars Group, which report was verified during the evaluation of the analysis by the Management Board of the Inter Cars Group. Results of the materiality assessment have been approved by the Group's Management Board and served as a basis for defining the scope of GRI indicators presented in the Inter Cars Group 2022 Sustainability Report.

[GRI 3-2]

List of material topics

The matrix of material topics may be found in the "Inter Cars Group" chapter on page 25. The management approach adopted with regard to those topics that have been identified as material is described in the individual chapters of the Report.

7.2 GRI CONTENT INDEX AND IN-HOUSE INDICATORS

Index category	Index number	Description of index	Location within the report
Profile indicators			
GRI 2 The organization and its reporting practices	2-1	Organizational details.	pp. 9, 10
	2-2	Entities included in the organization's sustainability reporting.	p. 95
	2-3	Reporting period, frequency and contact point.	p. 95
	2-4	Restatements of information.	pp. 52, 95
	2-5	External assurance.	p. 95
GRI 2 Activities and workers	2-6	Activities, value chain and other business relationships.	pp. 9, 31
	2-7	Employees.	pp. 75, 106
	2-8	Workers who are not employees.	p. 76
GRI 2 Governance	2-9	Governance structure and composition.	pp. 14, 15, 16
	2-10	Nomination and selection of the highest governance body.	p. 15
	2-11	Chair of the highest governance body.	p. 15
	2-12	Role of the highest governance body in overseeing the management of impacts.	p. 16
	2-13	Delegation of responsibility for managing impacts.	p. 16

Index category	Index number	Description of index	Location within the report
Profile indicators			
GRI 2 Governance	2-14	Role of the highest governance body in sustainability reporting.	pp. 16, 95
	2-15	Conflicts of interests.	p. 20
	2-16	Communication of critical concerns.	p. 22
	2-17	Collective knowledge of the highest governance body.	p. 17
	2-18	Evaluation of the performance of the highest governance body.	p. 17
	2-19	Remuneration policies.	p. 80
	2-20	Process to determine remuneration.	p. 79
	2-21	Annual total compensation ratio.	pp. 81, 110
GRI 2 Strategy, policies and practices	2-22	Statement on sustainable development strategy.	p. 26
	2-23	Policy commitments.	p. 20
	2-24	Embedding policy commitments.	p. 20
	2-25	Processes to remediate negative impacts.	p. 22
	2-26	Mechanisms for seeking advice and raising concerns.	p. 22
	2-27	Compliance with laws and regulations.	p. 23
	2-28	Membership in associations.	p. 13
	2-29	Approach to stakeholder engagement.	p. 23
	2-30	Collective bargaining agreements.	p. 74
GRI 3 Management approach	3-1	Process to determine material topics.	p. 25, 96
	3-2	List of material topics.	p. 96
	3-3	Management of material topics.	pp. 12, 13, 16, 18, 20, 21, 22, 23, 25, 26, 32, 41, 43, 51, 55, 56, 62, 63, 73, 75, 79, 81, 84, 87, 88, 89, 90, 91

Index category	Index number	Description of index	Location within the report
Thematic indicators			
Economic topics:			
GRI 201 Economic performance	201-1	Direct economic value generated and distributed.	p. 11
	201-2	Financial implications and other risks and opportunities due to climate change.	p. 43
GRI 202 Market presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage.	pp. 80, 112
	202-2	Proportion of senior management hired from the local community.	p. 16
GGRI 205 Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures.	p. 21
	205-3	Confirmed incidents of corruption and actions taken.	p. 23
GRI 206 Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	p. 23
GRI 207 Tax	207-1	Approach to tax.	p. 21
Environmental topics:			
GRI 302 Energia	302-1	Energy consumption within the organization.	pp. 49, 50
	302-2	Energy consumption outside the organization.	pp. 49, 50
	302-3	Energy intensity.	p. 51
GRI 305 Emisje	305-1	Direct (Scope 1) GHG emissions.	p. 52
	305-2	Energy indirect (Scope 2) GHG emissions.	pp. 52, 53
	305-3	Other indirect (Scope 3) GHG emissions.	pp. 52, 53
	305-4	GHG emissions intensity.	pp. 52, 55

Index category	Index number	Description of index	Location within the report
Thematic indicators			
GRI 306 Waste	306-3	Waste generated.	p. 57
	306-4	Waste diverted from disposal.	pp. 57, 58, 59
	306-5	Waste directed to disposal.	pp. 57, 60, 61
Social topics:			
GRI 401 Employ- mente	401-1	New employee hires and employee turnover.	pp. 78, 113
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	p. 84
	401-3	Return to work rate and retention rate after parental leave.	p. 77
GRI 403 Occupation- al health and safety	403-1	Occupational health and safety management system.	p. 84
	403-2	Hazard identification, risk assessment, and incident investigation.	p. 84
	403-3	Occupational health services.	p. 85
	403-4	Worker participation, consultation, and communication on occupational health and safety.	p. 84
	403-5	Worker training on occupational health and safety.	p. 85
	403-6	Promotion of worker health.	pp. 84, 85
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	p. 85
	403-8	Workers covered by an occupational health and safety management system.	pp. 84, 114

Index category	Index number	Description of index	Location within the report
Thematic indicators			
GRI 404 Training and education	404-1	Average hours of training per year per employee.	p. 83
	404-2	Programs for upgrading employee skills and transition assistance programs.	p. 82
	404-3	Percentage of employees receiving regular performance and career development reviews.	p. 82
GRI 405 Diversity and equal opportunity	405-1	Diversity of governance bodies and employees.	pp. 16, 76
	405-2	Ratio of basic salary and remuneration of women to men.	p. 79
GRI 406 Non-discrim- ination	406-1	Incidents of discrimination and corrective actions taken	pp. 23, 75
GRI 418 Customer privacy	418-1	Substantiated concerns concerning breaches of customer privacy and losses of customer data.	p. 23
In-house indicators			
In-house indicators	WW 1	Number of items subjected to quality control tests	p. 33
	WW 2	Training for garages in Poland	p. 38
	WW 3	District water	p. 64
	WW 4	Wastewater	p. 64

7.3 TABLE CONFIRMING COMPLIANCE OF THE REPORT WITH THE ACCOUNTING ACT

Requirements set forth in the Accounting Act	Location within the report
Business model (Article 49b (2) (1))	p. 9
Key non-financial performance indicators (Article 49b (2) (2))	pp. 97, 98
Social policy	p. 87
Workers-related policy	p. 73
Environmental policy	p. 41
Human rights policy	pp. 20, 21
Employee-related/anti-corruption policy	p. 21
Due diligence procedures (Article 49b(2)(4))	pp. 14, 21, 66
Material non-financial risks associated with activity and their management (Article 49b(2)(5))	pp. 19, 44

7.4 TABLE CONFIRMING COMPLIANCE OF THE REPORT WITH TCFD RECOMMENDATIONS

TCFD recommendations	Location within the report
Governance	
Description of board's oversight of climate-related risk and opportunities	pp. 15-17
Description of the management's role in assessing and managing climate-related risks and opportunities	pp. 17-18
Strategy	
Description of the climate change risks and opportunities that the organization has identified in the short, medium, and long term	pp. 42-48
Description of the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	pp. 42-48
Description of the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	pp. 42-48
Risk management	
Description of the organization's processes for identifying and assessing climate-related risks	pp. 42-43
Description of the organization's processes for managing climate-related risks	pp. 44-45
Description of how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	p. 43
Metrics and Targets	
Description of the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	pp. 46-47
Disclosure of Scope 1, Scope 2 and, if relevant, Scope 3 greenhouse gas emissions and the related risks	pp. 52-56
Description of the targets used by the organization to manage climate-related risks and opportunities and performance against targets	pp. 44-45, pp. 55-56

7.5 LIST OF INDICATORS FROM THE “ESG REPORTING GUIDELINES FOR WARSAW STOCK EXCHANGE LISTED COMPANIES”

Indicator code	Indicator name	Location within the report
Environment		
E-P1	Greenhouse gas emissions	pp. 52, 53
E-P2	Energy consumption	p. 50
E-P3	Climate risks and benefits	p. 43
E-S1	Intensity of greenhouse gas emissions	p. 55
E-S2	Managing emissions	p. 55
E-S3	Water consumption	p. 64
E-S4	Managing water resources	p. 63
E-S6	Pollutants and waste	p. 56
Society		
S-P1	Diversity in supervisory bodies	p. 16
S-P2	Equal payment	p. 79
S-P3	Employee turnover	p. 78
S-P4	Freedom of association and collective bargaining	p. 74
S-P5	Human rights policy	p. 20
S-P6	Due diligence procedures concerning human rights	p. 20
S-S1	Occupational health and safety	p. 84

Governance		
G-P1	Structure of management bodies	p. 14
G-P2	Code of ethics	p. 20
G-P3	Anti-corruption policy	p. 21
G-P4	Infringement reporting mechanism	p. 22
G-S1	Data protection policy	p. 21

7.6 APPENDICES

APPENDIX I: TAXONOMY-RELATED DISCLOSURES

1. Nuclear and fossil gas related activities		
	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels..	NO

2. Taxonomy-aligned economic activities (denominator)

Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages) Objective - Climate change mitigation						
	Turnover		CapEx		OpEx		
	Amount	%	Amount	%	Amount	%	
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
	0	N/A	0	N/A	0	N/A	
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
	0	N/A	0	N/A	0	N/A	
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
	0	N/A	0	N/A	0	N/A	
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
	0	N/A	0	N/A	0	N/A	
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
	0	N/A	0	N/A	0	N/A	
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
	0	N/A	0	N/A	0	N/A	
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI						
	4	0.0%	73,414	15.1%	8	0.0%	
8	Total applicable KPI						
	15,285,101	100%	486,239	100%	23,683	100%	

3. Taxonomy-aligned economic activities (numerator)

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages) Objective - Climate change mitigation					
		Turnover		CapEx		OpEx	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	N/A	0	N/A	0	N/A
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	N/A	0	N/A	0	N/A
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	N/A	0	N/A	0	N/A
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	N/A	0	N/A	0	N/A
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	N/A	0	N/A	0	N/A
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	N/A	0	N/A	0	N/A
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	4	100%	73,414	100%	8	100%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	4	100%	73,414	100%	8	100%

4. Taxonomy-eligible but not Taxonomy-aligned activities

Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages) Objective - Climate change mitigation											
	Turnover		CapEx		OpEx							
	Amount	%	Amount	%	Amount	%						
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						0	N/A	0	N/A	0	N/A
2	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						0	N/A	0	N/A	0	N/A
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						0	N/A	0	N/A	0	N/A
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						0	N/A	0	N/A	0	N/A
5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						0	N/A	0	N/A	0	N/A
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						0	N/A	0	N/A	0	N/A
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI						270,666	1.8%	105,782	21.8%	3,680	15.6%
8	Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI						270,666	1.8%	105,782	21.8%	3,680	15.6%

5. Taxonomy non-eligible economic activities

Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)											
	Turnover		CapEx		OpEx							
	Amount	%	Amount	%	Amount	%						
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						0	N/A	0	N/A	0	N/A
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						0	N/A	0	N/A	0	N/A
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						0	N/A	0	N/A	0	N/A
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						0	N/A	0	N/A	0	N/A
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						0	N/A	0	N/A	0	N/A
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						0	N/A	0	N/A	0	N/A
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI						15,014,431	98.2%	307,043	63.1%	19,995	84.4%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'						15,014,431	98.2%	307,043	63.1%	19,995	84.4%

APPENDIX II - TABLES CONCERNING SELECTED GRI INDICATORS

[GRI 2-7]

Employees

The headcount data relate to employees who have an employment relationship (e.g. in Poland - who have an employment contract) with the organization. As at 31.12.2022.

Number of employees of Inter Cars Group companies by gender and type of contract								
Company name	Country	employed indefinitely			employed definitely			Total number of employees
		Female	Male	Total	Female	Male	Total	
Inter Cars S.A.	Poland	277	375	652	91	139	230	882
Inter Cars Ukraine	Ukraine	39	89	128	0	0	0	128
Q-service Sp. z o.o.	Poland	3	0	3	0	0	0	3
Lauber Sp. z o.o.	Poland	42	60	102	19	67	86	188
Inter Cars Česká republika s.r.o.	Czech Republic	62	220	282	5	11	16	298
Feber Sp. z o.o.	Poland	9	123	132	1	15	16	148
Inter Cars Slovenská republika s.r.o.	Slovakia	25	39	64	4	1	5	69
Inter Cars Lietuva U AB	Lithuania	15	60	75	1	0	1	76
Inter Cars Hungária Kft	Hungary	116	155	271	0	0	0	271
Inter Cars Italia s.r.l.	Italy	5	9	14	0	0	0	14
Inter Cars d.o.o. ICHR	Croatia	87	271	358	0	0	0	358
Inter Cars Romania s.r.l.	Romania	90	318	408	0	0	0	408
Inter Cars Latvija SI A	Latvia	12	58	70	0	1	1	71
Cleverlog-Autoteile GmbH	Germany	1	0	1	0	0	0	1
Inter Cars Bulgaria Ltd	Bulgaria	47	79	126	1	0	1	127
Inter Cars Marketing Services (ICMS)	Poland	17	12	29	20	8	28	57
ILS Sp. z o.o.	Poland	88	232	320	34	35	69	389

Inter Cars Malta Holding Limited	Malta	2	3	5	0	0	0	5
Q-service Truck Sp. z o.o.	Poland	5	15	20	2	17	19	39
Inter Cars d o.o.	Slovenia	19	69	88	0	0	0	88
Inter Cars Eesti OÜ	Estonia	9	30	39	0	0	0	39
Inter Cars Piese Auto s.r.l.	Moldova	7	19	26	0	0	0	26
Inter Cars GREECE	Greece	32	162	194	0	0	0	194
Inter Cars d.o.o. ICBA	Bosnia and Herzegovina	11	33	44	0	0	0	44
Inter Cars United Kingdom - Automotive Technology Ltd	United Kingdom	0	6	6	0	0	0	6
Inter Cars d.o.o. Beograd-Rakovica	Serbia	6	11	17	0	0	0	17
Inter Cars Fleet Services Sp. z o.o.	Poland	8	4	12	3	5	8	20
Total		1,034	2,452	3,486	181	299	480	3,966

Number of employees of Inter Cars Group companies by gender and working time

Company name	Country	employed indefinitely			employed definitely			number of hours not guaranteed			Total number of employees
		Female	Male	Total	Female	Male	Total	Female	Male	Total	
Inter Cars S.A.	Poland	355	498	853	13	16	29	0	0	0	882
Inter Cars Ukraine	Ukraine	39	88	127	0	1	1	0	0	0	128
Q-service Sp. z o.o.	Poland	2	0	2	1	0	1	0	0	0	3
Lauber	Poland	61	124	185	0	3	3	0	0	0	188
Inter Cars Česká republika s.r.o.	Czech Republic	61	226	287	6	5	11	0	0	0	298
Feber Sp. z o.o.	Poland	10	136	146	0	2	2	0	0	0	148
Inter Cars Slovenská republika s.r.o.	Slovakia	24	39	63	2	0	2	3	1	4	69
Inter Cars Lietuva UAB	Lithuania	15	60	75	1	0	1	0	0	0	76
Inter Cars Hungária Kft	Hungary	115	155	270	1	0	1	0	0	0	271
Inter Cars Italia s.r.l.	Italy	5	8	13	0	1	1	0	0	0	14
Inter Cars d.o.o. ICHR	Croatia	87	271	358	0	0	0	0	0	0	358
Inter Cars Romania s.r.l.	Romania	90	318	408	0	0	0	0	0	0	408
Inter Cars Latvija SIA	Latvia	12	58	70	0	1	1	0	0	0	71
Cleverlog-Autoteile GmbH	Germany	1	0	1	0	0	0	0	0	0	1
Inter Cars Bulgaria Ltd	Bulgaria	48	79	127	0	0	0	0	0	0	127
Inter Cars Marketing Services (ICMS)	Poland	35	20	55	2	0	2	0	0	0	57
ILS Sp. z o.o.	Poland	118	262	380	4	5	9	0	0	0	389
Inter Cars Malta Holding Limited	Malta	2	3	5	0	0	0	0	0	0	5
Q-service Truck Sp. z o.o.	Poland	6	32	38	1	0	1	0	0	0	39
Inter Cars d o.o.	Slovenia	19	68	87	0	1	1	0	0	0	88

Inter Cars Eesti OÜ	Estonia	9	30	39	0	0	0	0	0	0	39
Inter Cars Piese Auto s.r.l.	Moldova	5	18	23	2	1	3	0	0	0	26
Inter Cars GREECE	Greece	32	162	194	0	0	0	0	0	0	194
Inter Cars d.o.o. ICBA	Bosnia and Herzegovina	11	33	44	0	0	0	0	0	0	44
Inter Cars United Kingdom - Automotive Technology Ltd	United Kingdom	0	6	6	0	0	0	0	0	0	6
Inter Cars d.o.o. Beograd-Rakovica	Serbia	6	11	17	0	0	0	0	0	0	17
Inter Cars Fleet Services Sp. z o.o.	Poland	10	9	19	1	0	1	0	0	0	20
Total		1,178	2,714	3,892	34	36	70	3	1	4	3,966

[GRI 2-21]

Annual total compensation ratio

Number of employees of Inter Cars Group companies by gender and working time			
Company name ¹⁾	Country	Annual total compensation ratio in the Inter Cars Group	Change in the annual total compensation ratio in the Inter Cars Group
		Ratio between the annual total compensation of the person with the highest salary* and the median of annual total compensation of all employees	Ratio between the percentage increase in the annual total compensation of the person with the highest salary* and the median percentage increase of annual total compensation of all employees
Inter Cars S.A.	Poland	29.57	0.78
Inter Cars Ukraine	Ukraine	7.64	2.78
Q-service Sp. z o.o.	Poland	1.99	1.54
Lauber	Poland	4.3	-2.72
Inter Cars Česká republika s.r.o.	Czech Republic	10.86	0.61
Feber Sp. z o.o.	Poland	2.47	information not available**
Inter Cars Slovenská republika s.r.o.	Slovakia	17.74	-0.41
Inter Cars Lietuva UAB	Lithuania	9.53	-0.86
Inter Cars Hungária Kft	Hungary	8.9	-2.4
Inter Cars Italia s.r.l.	Italy	1.81	-0.85
Inter Cars d.o.o. ICHR	Croatia	4.24	0.98
Inter Cars Romania s.r.l.	Romania	23.77	1.45
Inter Cars Latvija SIA	Latvia	6.82	2.88
Cleverlog-Autoteile GmbH	Germany	confidentiality-related restrictions***	
Inter Cars Bulgaria Ltd	Bulgaria	6.62	0.55

1) The indicator does not cover 8 companies which did not have any employees or did not perform any operations in 2022. More information on this topic is presented in Chapter 7: Reporting methodology.

Inter Cars Marketing Services (ICMS)	Poland	3.56	1.81
ILS Sp. z o.o.	Poland	40.38	1.31
Inter Cars Malta Holding Limited	Malta	not applicable****	
Q-service Truck Sp. z o.o.	Poland	3.87	-0.83
Inter Cars d o.o.	Slovenia	4.22	2.42
Inter Cars Eesti OÜ	Estonia	7.07	0.39
Inter Cars Piese Auto s.r.l.	Moldova	15.98	6.47
Inter Cars GREECE	Greece	8.64	N/A
Inter Cars d.o.o. ICBA	Bosnia and Herzegovina	13.7	-0.49
Inter Cars United Kingdom - Automotive Technology Ltd	United Kingdom	not applicable****	
Inter Cars d.o.o. Beograd-Rakovica	Serbia	4.77	3.87
Inter Cars Fleet Services Sp. z o.o.	Poland	5.96	0.35

* The indicator takes into consideration the person with the highest salary in each company. In the case of most Inter Cars Group, these are employees holding managerial positions M3 (Head). In companies with employees holding director/Management Board positions, the person holding that position (most frequently M4 (Director)) has been taken into consideration.

** Information not available due to lack of 2021 data.

*** Confidentiality restrictions resulting from personal data protection. In 2022, the company had one employee only.

**** Not applicable, as the company has fewer than 10 employees.

[GRI 202-1]

Ratios of standard entry level wage, by gender compared, to local minimum wage			
Company name ¹⁾	Country	Ratio of standard entry level wage*, by gender, to local minimum wage	
Inter Cars S.A.	Poland	1.59	1.28
Inter Cars Ukraine	Ukraine	1	1
Q-service Sp. z o.o.	Poland	3.77	not applicable**
Lauber	Poland	1.46	1.46
Inter Cars Česká republika s.r.o.	Czech Republic	1.02	1.02
Feber Sp. z o.o.	Poland	1.31	1.1
Inter Cars Slovenská republika s.r.o.	Slovakia	2	2
Inter Cars Lietuva UAB	Lithuania	2.72	1.81
Inter Cars Hungária Kft	Hungary	1.15	1.15
Inter Cars Italia s.r.l.	Italy	1	1
Inter Cars d.o.o. ICHR	Croatia	1	1
Inter Cars Romania s.r.l.	Romania	1	1
Inter Cars Latvija SIA	Latvia	3	3
Cleverlog-Autoteile GmbH	Germany	confidentiality-related restrictions***	
Inter Cars Bulgaria Ltd	Bulgaria	1.95	1.53
Inter Cars Marketing Services (ICMS)	Poland	2.13	1.75
ILS Sp. z o.o.	Poland	1.24	1.31
Inter Cars Malta Holding Limited	Malta	0.94	0.94
Q-service Truck Sp. z o.o.	Poland	1.69	1.68

Inter Cars d.o.o.	Slovenia	1.0	1.0
Inter Cars Eesti OÜ	Estonia	2.41	2.29
Inter Cars Piese Auto s.r.l.	Moldova	2.5	3.75
Inter Cars GREECE	Greece	1.2	1.19
Inter Cars d.o.o. ICBA	Bosnia and Herzegovina	1.44	1.44
Inter Cars United Kingdom - Automotive Technology Ltd	United Kingdom	not applicable****	
Inter Cars d.o.o. Beograd-Rakovica	Serbia	2.33	2.33
Inter Cars Fleet Services Sp. z o.o.	Poland	1.4	1.89

* The indicator takes into account entry level employees of each company. In the majority of Inter Cars Group market, entry level positions are P1 Beginners (assistant, junior assistant, intern) or P2 Regulars (junior specialist, specialist).

** Not applicable - in 2022, the company did not have any male employees.

*** Confidentiality restrictions resulting from personal data protection. In 2022, the company had one employee only.

**** Not applicable - in 2022 the company did not have any entry level employees.

1) The indicator does not cover 8 companies which did not have any employees or did not perform any operations in 2022. More information on this topic is presented in Chapter 7: Reporting methodology.

[GRI 401-1]

New employee hires and employee turnover

New employee hires and employee turnover rate by gender												
Region	Number of newly hired employees			Percentage of newly hired employees [%]			Number departing employees			Employee turnover rate [%]		
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Inter Cars S.A.	89	145	234	24.18%	28.21%	26.53%	31	55	86	8.42%	10.7%	9.75%
Poland	167	331	498	27%	43%	40.21%	57	155	212	8.69%	14%	12%
Eastern Europe	309	676	985	29%	31%	30.41%	145	438	583	13.78%	20%	18%
Western Europe	0	2	2	0%	33.33%	28.57%	0	0	0	0	0%	0%
Southern Europe	51	143	194	31.48%	25.63%	26.94%	45	139	184	27.78%	24.91%	25.56%

New employee hires and employee turnover rate by age												
Region	Number of newly recruited employees			Percentage of newly hired employees [%]			Number departing employees			Employee turnover rate [%]		
	Aged 29 or younger	Aged 30 to 49	aged >50	Aged 29 or younger	Aged 30 to 49	aged >50	Aged 29 or younger	Aged 30 to 49	aged >50	Aged 29 or younger	Aged 30 to 49	aged >50
Inter Cars S.A.	93	131	10	46.04%	21.87%	12.35%	35	44	7	17.33%	7.35%	8.64%
Poland	212	254	32	53.27%	22.14%	17.11%	79	109	24	19.85%	9.5%	12.83%
Eastern Europe	412	501	72	57.62%	23.52%	18.05%	260	272	51	36.36%	12.77%	12.78%
Western Europe	0	1	1	0%	25%	33%	0	0	0	0	0	0
Southern Europe	83	99	12	38.79%	22.1%	20.69%	69	103	12	32.24%	22.99%	20.69%

[GRI 403-8]

Employees covered by the occupational health and safety management system

Employees and persons working for the organization that are covered by the occupational health and safety management system							
Employee category		Inter Cars S.A.			Inter Cars Group		
		Employees [2-7]	Persons performing work for the organization [2-8]	All workers (employees and persons performing work)	Employees [2-7]	Persons performing work for the organization [2-8]	All workers (employees and persons performing work)
Employees and persons working for the organization that are covered by an occupational health and safety (OHS) management system	Number	882	17	899	3,956	181	4,137
	Share [%]	100%	3.25%	63.99%	99.75%	22.94%	87%
Employees and persons working for the organization that are covered by an occupational health and safety (OHS) management system, subject to internal audit	Number	882	17	899	3,658	181	3,839
	Share [%]	100%	3.25%	63.99%	92.23%	22.94%	80.74%
Employees and persons working for the organization that are covered by an occupational health and safety (OHS) management system audited or certified by an external party	Number	882	17	899	3,690	178	3,868
	Share [%]	100%	3.25%	63.99%	93.04%	22.56%	81.35%

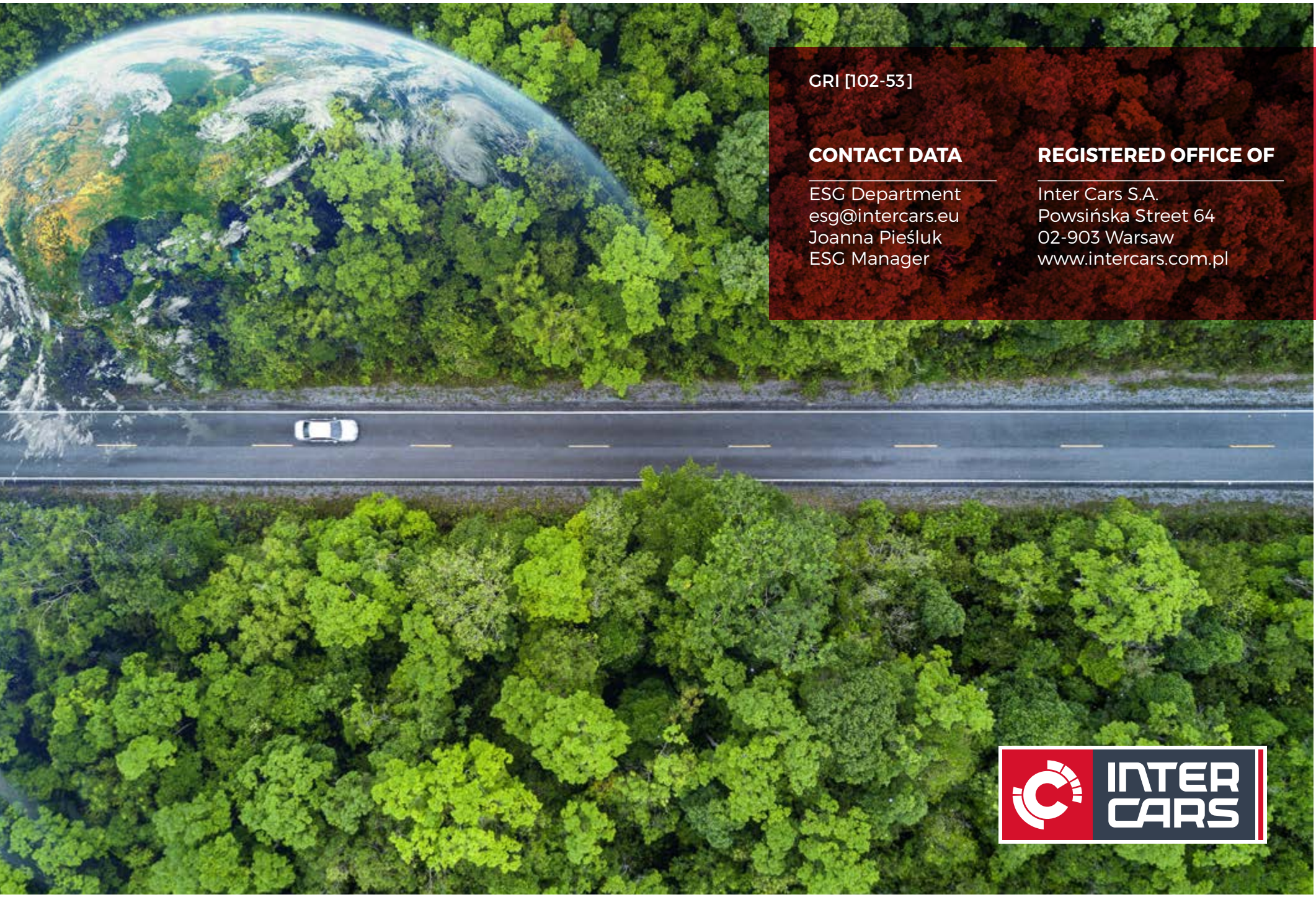
Signatures of Management Board
Members:

Maciej Oleksowicz
President of the Management Board

Krzysztof Soszyński
Vice-President of the Management Board

Wojciech Twaróg
Member of the Management Board

Piotr Zamora
Member of the Management Board



GRI [102-53]

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