

The Inter Cars Group 2020 Sustainability Report

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

[GRI 102-1]

April 20th 2021

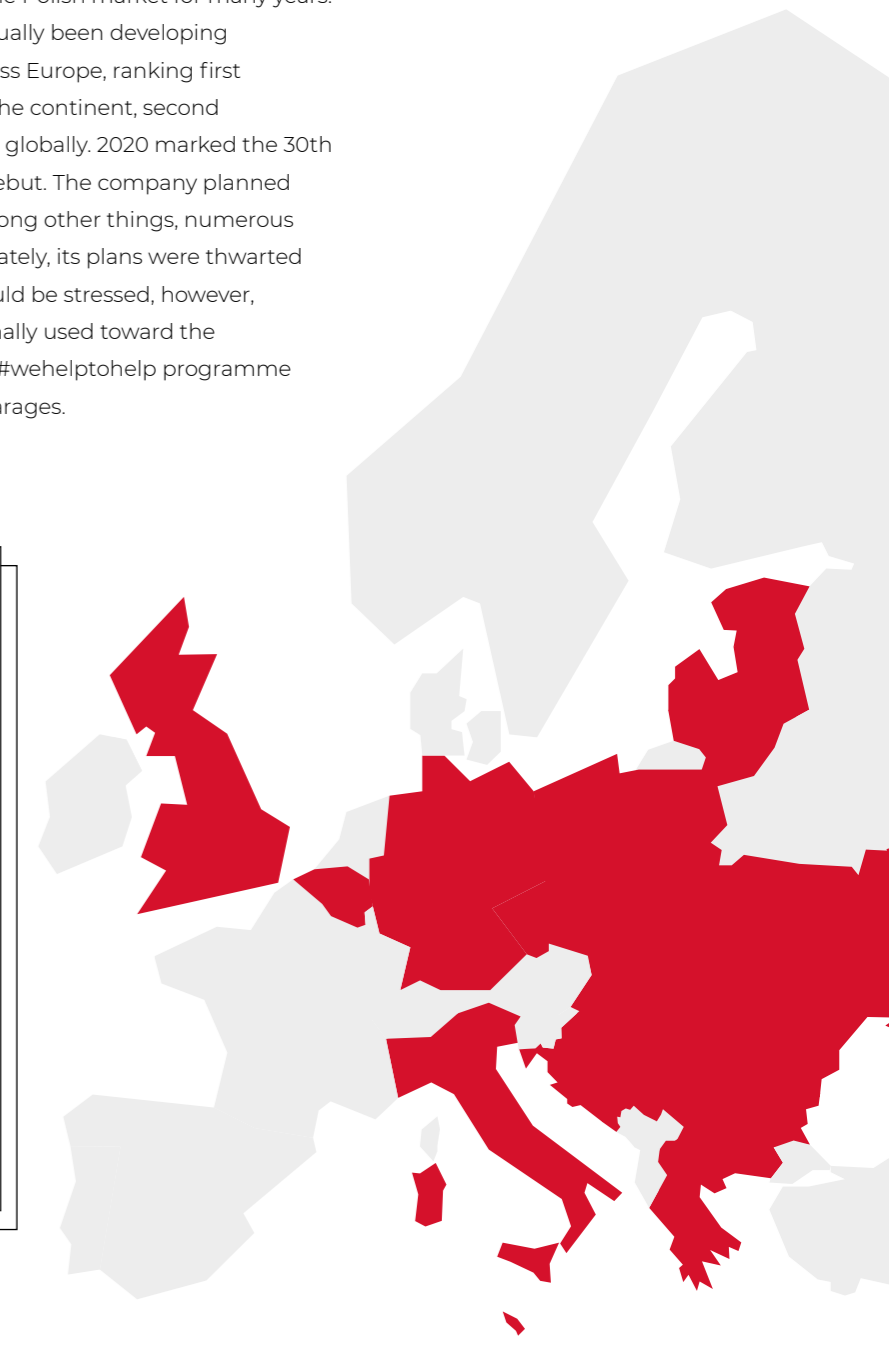


About Inter Cars S.A. Capital Group

[GRI 102-2]
[GRI 102-5]

Inter Cars has been a leading distributor of spare parts for passenger cars and trucks on the Polish market for many years. In addition, the company has gradually been developing its activity in over 20 countries across Europe, ranking first in the Central and Eastern part of the continent, second on the entire continent and eighth globally. 2020 marked the 30th anniversary of Inter Cars' market debut. The company planned to celebrate this by organising, among other things, numerous meetings with its clients. Unfortunately, its plans were thwarted by the COVID-19 pandemic. It should be stressed, however, that a part of the funds to be originally used toward the anniversary was transferred to the #wehelptohelp programme to support medical facilities and garages.

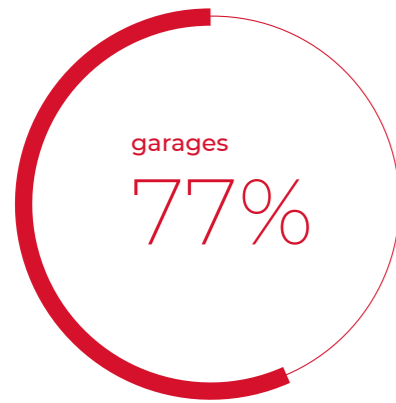
- Poland, BiH,
- Bulgaria, Croatia,
- Czechia, Estonia,
- Greece, Lithuania,
- Latvia, Moldova,
- Romania, Serbia,
- Slovakia, Slovenia,
- Ukraine, Hungary,
- Italy, Belgium,
- Malta, Germany,
- Great Britain.



Inter Cars offers over two million spare parts for passenger cars and trucks, parts for motorcycles, farming and industrial machines as well as driver accessories, with as many as 40,000 new items being introduced into the sales system for the trucks market alone.

The company provides garages fast, convenient and safe access to all tools facilitating their operations as, in addition to spare parts for cars, Inter Cars offers technical support, innovative garage management programmes as well as stationary and online training.

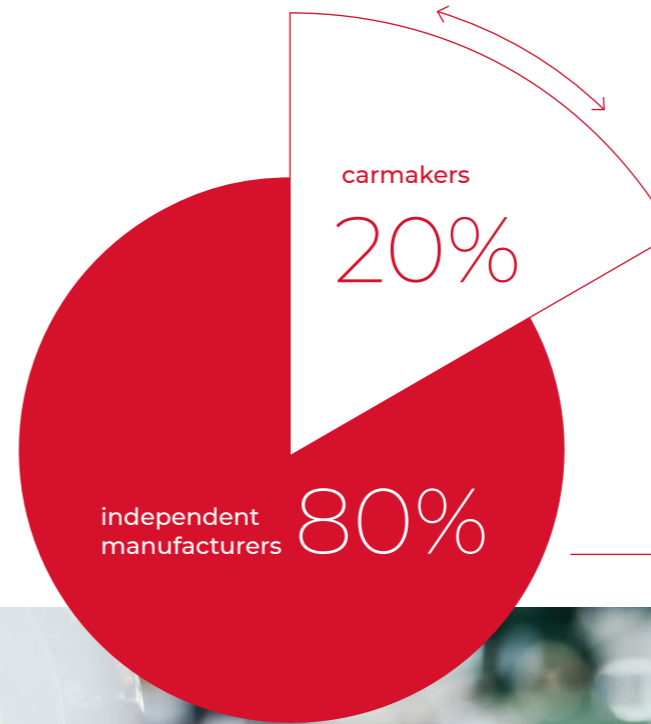
In Poland, in distribution channels of automotive spare parts, purchases are made by:



The automotive spare parts market is divided into two main segments:

segment of parts for first assembly

spare parts aftermarket

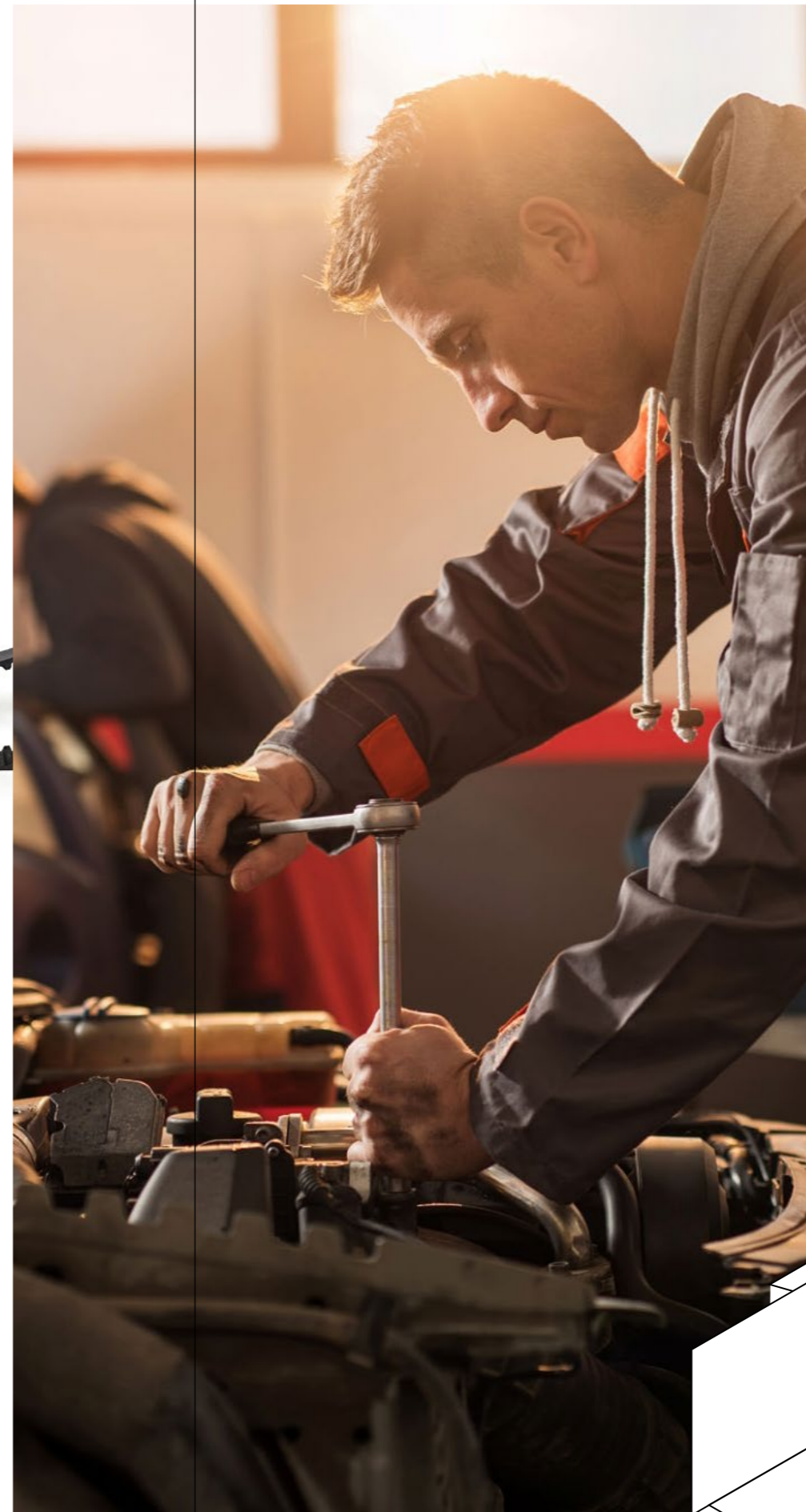


Globally 80% of automotive spare parts are manufactured by independent manufacturers, and 20% by carmakers





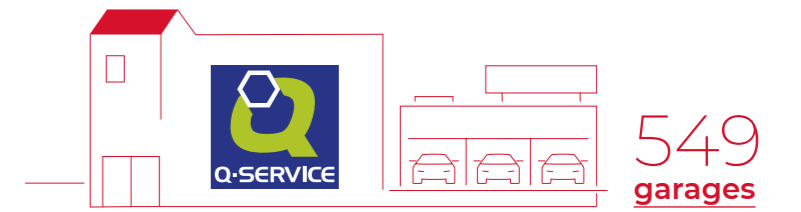
An integral part of the Capital Group are the **Q Service Castrol** and **Q-Service Truck** garage chains, the former being addressed to the passenger car market, the latter, operating internationally, to the utility vehicle market. The other two garage chains comprising the Capital Group are Q-Service and Motointegrator Partner. Our brands are market leaders in their segments, significantly benefiting the garages associated within their structures. Owners of garages associated in a chain have easier access, among other things, to specialist technical knowledge and a sense of being a part of a distinctive group of garages.



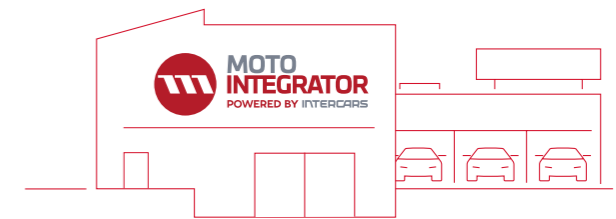
360 garages in Poland



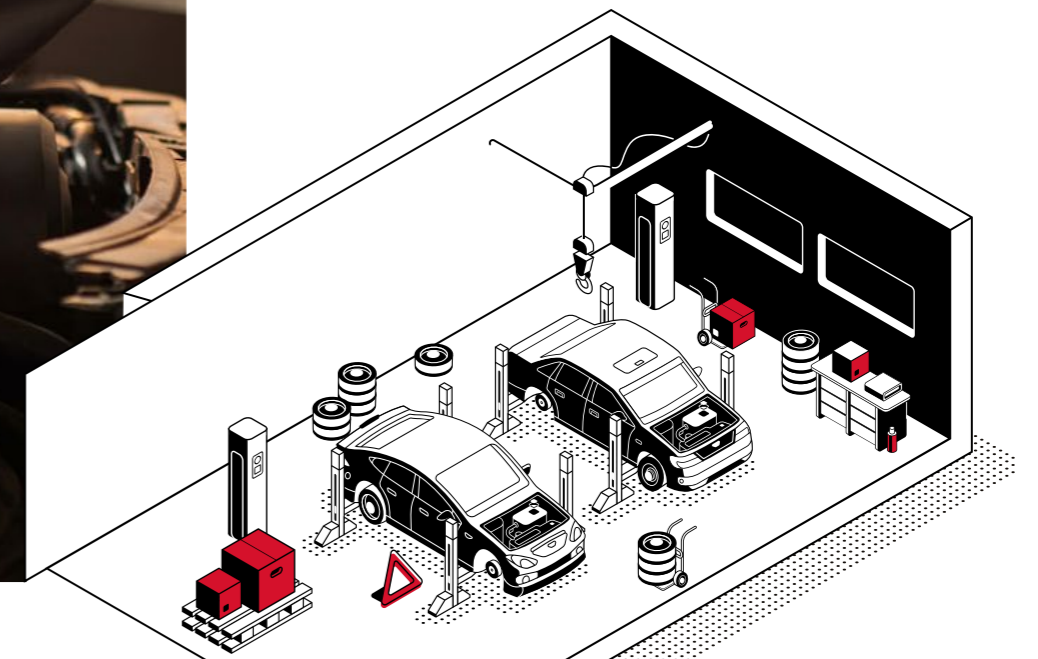
76 garages in Poland
and **110** garages on seven daughter markets



549 garages

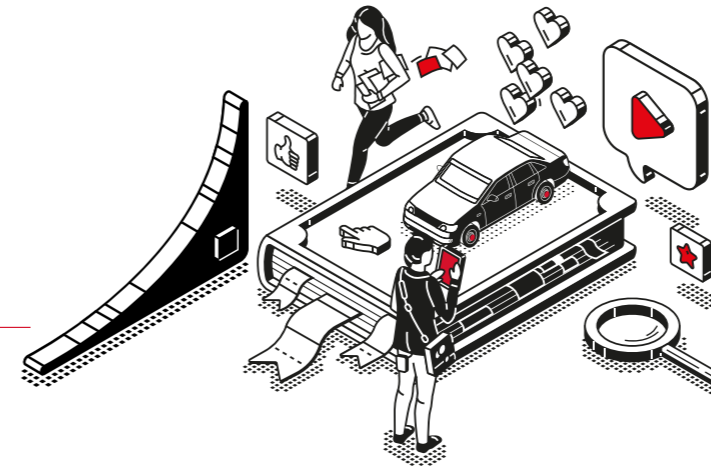


14 582 garages



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About the Report

This is the fourth non-financial Report of the Inter Cars Group. It presents our approach and practices in the ESG (environment, social and governance) areas. Published annually, the report covers the data for the period from 1 January to 31 December 2020 relating to Inter Cars S.A., the holding entity, and 32 subsidiaries comprising the Inter Cars Capital Group.

The report was prepared in conformity with the non-financial reporting requirements laid out in the Accounting Act (AA) of 29 September 1994 and based on the Global Reporting Initiative reporting standard (GRI Standards), the CORE option. The report was also prepared in conformity with the financial reporting requirements for 2020 laid out by the European Securities and Markets Authority (ESMA).

During the reporting period there occurred no material changes regarding the size, structure or value chain. However, the shareholding structure of the Company changed when on 31 December 2020, Maciej Oleksowicz, President of the Management Board of Inter Cars, directly purchased 26.30% of the Company's stocks. The stocks were purchased through the donation of all stocks a family-owned investment company, OK Automotive Investment B.V. made by Krzysztof Oleksowicz. The transaction marked the end of the several years' intergenerational succession in the Company.

No adjustments were made to the information contained in the previous report published in April 2020. However, changes were made regarding reporting; this year, we decided to report more GRI indicators than in the previous years.

To ensure that all data presented herein, both descriptive and numerical, is reliable and up-to-date, it has been consulted with and verified by our employees responsible for individual areas of our activity. However, the report has not been verified externally.

According to the requirements of GRI Standards, the thematic scope of the Report results from the content defining process that has been carried out. The content of the report was prepared based on the Inter Cars Group Sustainability Strategy, a survey conducted among the employees of the Group and a review of trends and issues important to the automotive industry in Poland and worldwide. The survey was completed by 40% of employees, i.e., 6% more than the previous year. Some of the significant themes of the Report were chosen based, among other things, on the opinions and suggestions expressed in the survey.

- [GRI 102-45]
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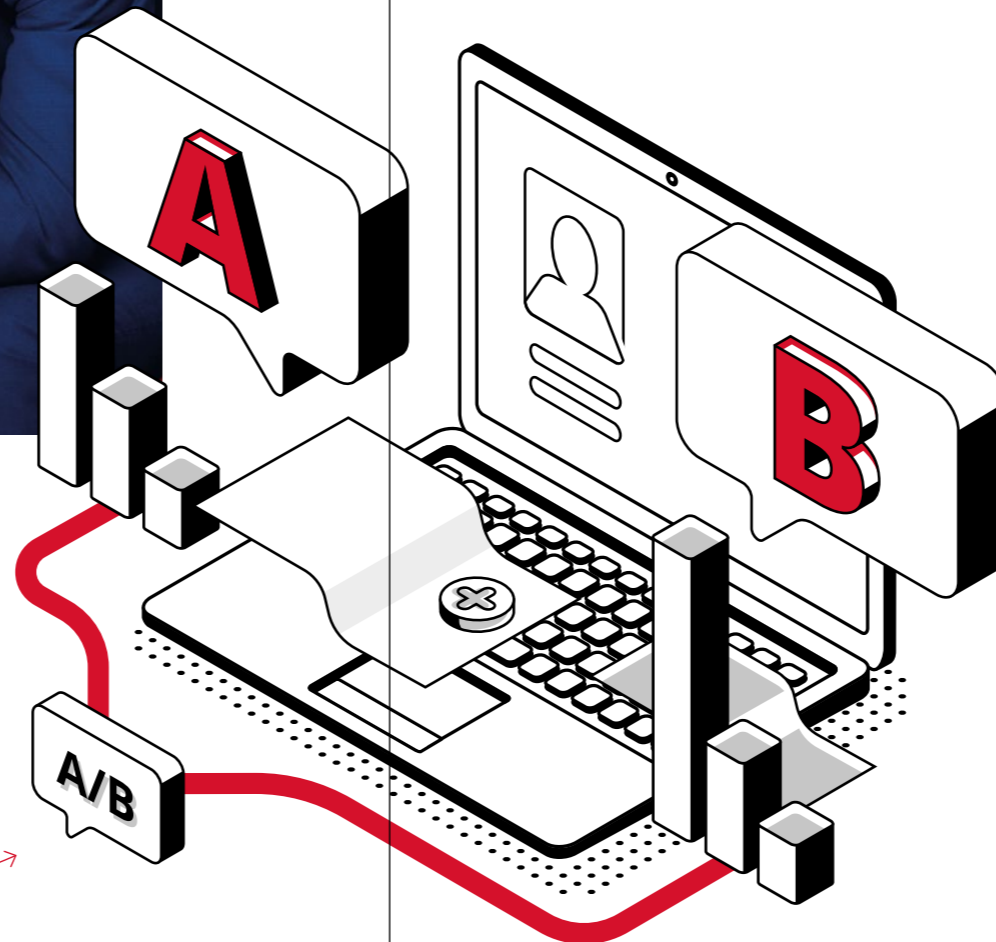


01/



[GRI 102-14]

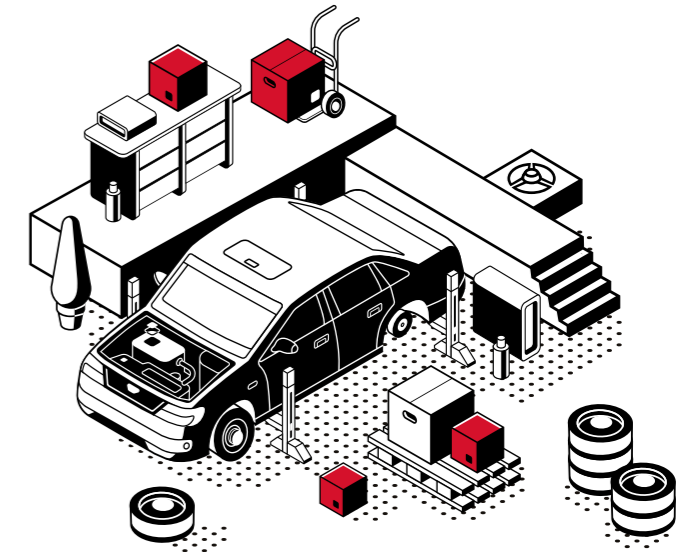
Duet: Krzysztof and Maciej Oleksowicz



Proud of the past, hopeful for the future

/ " /

Duet - an interview with Inter Cars' co-founder, Krzysztof Oleksowicz and his son, Maciej Oleksowicz, the present CEO of the Company.



Krzysztof, how did your adventure in business start?

Krzysztof Oleksowicz: Everything started when I was just about to graduate from my studies in philosophy. At the time, I frequently travelled abroad to earn some money, working in farming or as a bar tender. On the way back to Poland, always thought about what to do to be able to work in my country, not just for the sake of work but in order to make money. I went into the automotive business, although initially I wasn't focused on selling car parts.

Why the automotive industry?

KO: I was interested in motor vehicles already as a child, and this is why I decided to develop in that direction. Initially, I didn't think about selling car parts. I went to Germany and worked there as a car mechanic, additionally selling cars. Most of them were pretty old and were damaged, so they needed repairs and spare parts. We're talking about 1984-1986, when car spare parts were difficult to get hold of, so some of my friends, who were also car mechanics frequently asked me to bring the parts they need from Germany. I soon realised that it was spare parts rather than cars that could be a great business. My business idea gradually evolved from selling cars to selling spare parts for cars, which seemed like a more profitable enterprise.



What was the business strategy of Inter Cars during its first years on the market and what were its values?

KO: I entered the automotive business in 1984, six years before forming Inter Cars. At the beginning it was a small-scale business, based mainly on spare parts imported from Germany. The company was established in 1990, and during the first years of its existence the strategy was very simple, and boiled down to buying and selling. Back then, imports of used cars to Poland sky-rocketed like never before. The market was growing incredibly fast and during the first 5-6 years of the company's activity the demand was much higher than the supply. Therefore, the start was relatively easy. From the very start of IC's existence, the most important values I followed were trust, innovation and creativity of employees, both in sales and in logistics. But the scale of the business was small and the market empty, so the values and the strategy evolved over time.

How has the aftermarket industry and the way of doing business in it changed during the three decades of ICs existence?

Maciej Oleksowicz: As Krzysztof said, the beginning of the aftermarket business in Poland saw unprecedented demand by far exceeding the supply. Currently, we have a totally opposite situation, that is, the supply exceeds the demand, as the competition grows increasingly fierce and everyone struggles to get their share of the market. This situation forces us to change our approach to our pricing policy. Back in the day, you sold everything you brought to Poland in an instant. Today, you need to optimally plan your stocks to make sure that they are neither too high nor too low.

How has the company changed as a result of going public, expanding overseas and as a result of its market success?

KO: Going public changed practically nothing in terms of how we operate. Actually, the only noticeable change has been the fact that we now need to do more reporting on a monthly, quarterly and annual basis. We also have a large number of additional obligations relative to our shareholders. But the business model has changed very little. We remained a family business, rejecting external solution, forcing us to act against our policies.

MO: Speaking about our international companies, their appearance did not change much in our company at the beginning. However, currently they generate half of Inter Cars' turnover. By opening to other countries, we have also been able to turn our company into an international organisation, especially culturally, as we now need to frequently communicate in English



and hire employees of other cultures and nationalities, including top managers. This is why we plan our strategy and consult many important issues related to the company in an international environment.

Where is Inter Cars currently in the life cycle of an organisation?

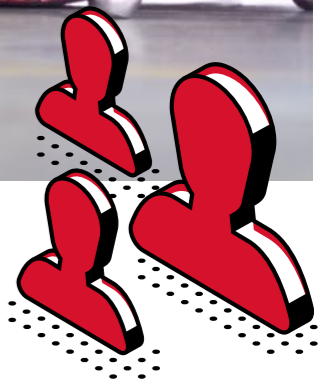
MO: It's a very difficult question, because until now we haven't had any experience related to the functioning of an organisation of this size. All we're doing at all levels; we're doing it for the first time. You could say that we are currently somewhere between a local and a global company, at a point where many things are being formalised, as a result of which we are departing from the working culture of a small group of people who know each other very well to a slightly more procedure-driven enterprise.

What are Inter Cars' most important values, economy- and society-wise?

KO: Society-wise, the most important value is building the company based on a partnership with our employees, clients and suppliers. In many cases this partnership required much trust, which translated into faster market expansion.

Was it difficult to build a company which, despite a dynamic development and international expansion, is still considered a family company? What is the key to your success? What is it that the model you devised many years ago still works?

KO: The reason behind the success of our model is that it is branch-based, which has been conducive to our fast growth not only in Poland, but also on other markets, where it has been similarly successful. Another reason has been our exceptionally



good handling of start-ups, the proof of which has been our expansion into new markets, where we have been able to build a very strong position, frequently becoming the sector leader. Naturally, a great advantage of Inter Cars over other companies in Central Europe is our accessibility, the broad product range and logistics. However, our franchise-based system is the foundation we have been building and improving for the past 20 years.

MO: Also, the franchise system very well reflects the idea of partnership, which is a very important part of our corporate culture. This partnership is not limited only to garages or customers but includes franchise partners and suppliers, thanks to whom we have been able to build our strong position on the market.

Is it easy for a father and a son to work together in the same company, holding the key positions? How has relationship worked on the professional and personal level?

MO: From the very start, we made a clear division of duties and, therefore, we have been able to avoid major arguments. Rather than argue, we have focused on discussions, which have frequently been very inspiring. This has been key to the successful cooperation between us.



KO: We try to operate in completely different areas, which makes it easier for us not to get into conflict. I stay out of human resources, payroll and administrative issues, but I'm still fascinated by new projects with the potential to change reality. They are, of course, frequently based on intuition, so my son frequently asks me if it is not too early to implement them. I think that the processes that we are to implement today are worthwhile; however, if a project is to be carried out, say, in a year, in my opinion, we should not waste our time and energy on discussing it now. Although I admit I sometimes put ideas into actions a bit too fast.

MO: I wouldn't say too fast - after all that's what visions are about, but the important thing is to confront them with reality. However, sometimes those visions might be a little bit too bold. At times, my bringing them down to earth is too rational, but overall, in my opinion, at the end of the day we manage to find optimal solutions. Of course, like everyone else, we learn all the time. Last year was very difficult in terms of planning any projects as we were focused on making sure that the company's business stays at the same level.

Maciej, for a long time you were responsible for the IT structures in the company. What did your cooperation in this area look like?

MO: There is no bone of contention between us regarding technical issues. This is my area of activity, and the IT projects I have implemented have never encountered any resistance. Looking back leave the comma, I can say that some of them were a bit of a failure.

Now that the succession is complete and the company has been handed over to the next generation for management, can you describe the whole process?

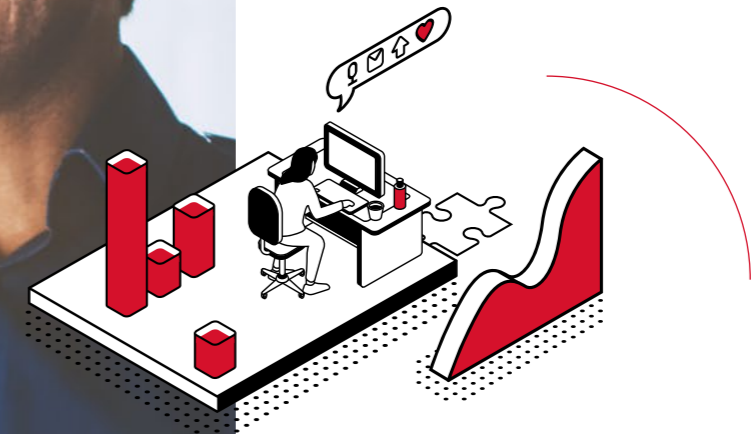
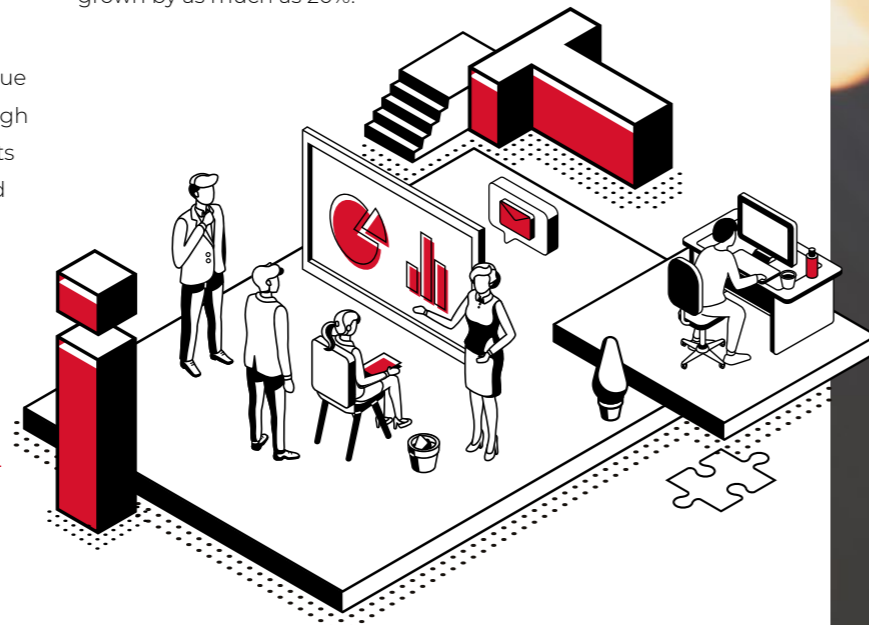
KO: The succession went very smoothly. There was only one issue which required a decision and legal advice on how to go through the procedure as smoothly as possible. Once the formal aspects were clear, the decision was made and the succession followed through.

Maciej, over the coming years, Inter Cars will continue as a market leader with you as its CEO. How do you see its future?

MO: Undoubtedly, a big challenge will be the increasingly stronger and more active competition. I believe that we will manage to maintain our long-cultivated partnership culture, talk to our partners and make decisions together. I believe that each employee will have a say in how the company is run and their questions or doubts will be addressed. As regards the financial results, it's hard to talk about specific assumptions, given the fact that in 2020 we learnt that they very much depend on what's happening around us. We're trying not to make any forecasts for 2021, as we don't know what the pandemic situation will look like, or how the global economy will react to it. We certainly want to grow faster than the market and would like to become the leader in each segment in every country in which we operate - this is our main goal for the years to come.

What has been the biggest challenge for Inter Cars over the last year and how has the company tackled it?

KO: The coronavirus pandemic, of course. Especially its beginning, when trying to determine by how much the company's revenues would decrease was pure guesswork. I think our forecasts hit the bull's eye, as a result of which we had to make only a small cost reduction in April and May. This allowed us to go through the first lockdown without major problems, despite a partial fall in our revenues. After a few weeks, the revenues were back on track, and the year-end proved very good in this respect. Particularly good results were recorded by our subsidiaries, some of which have grown by as much as 20%.



MO: Apart from operation-related issues, the biggest challenge has been to make important decisions with hardly any data to refer to. Especially during the first phase of the pandemic, the situation was so chaotic that we were forced to make decisions based on our intuition and snippets of information. We're glad about this, as it turned out that we were able to do a very good job in such unfavourable circumstances, and showed that we can make quick decisions, which proved essential during the pandemic. The situation changed very dynamically, the market reacted instantly and governments changed their regulations on a daily basis, which meant that we had to make decisions practically overnight.

What was IC's greatest success in 2020?

MO: In 2020, the company has had many small successes resulting from our knowledge of the market in which we operate. Not all industries went through the crisis as smoothly as ours. Think about malls, hotels and restaurants.

Were there any areas in 2020 in which you were not able to make the planned changes? How many of them were put on hold or given up?

MO: I think we can talk about as many as 50% of them, but in my opinion, the crisis situation turned out for the best for us. We should always work in an environment where the resources are limited and each project should be carefully examined. The pandemic has only reminded us about this.



Will Inter Cars be ready to face another wave of the pandemic, if it comes? Does the company have a clear strategy for such extreme crisis situations as this one?

KO: We may be prepared to face different scenarios, but what we can't possibly predict are government decisions to introduce new restrictions or taxes. The foundation of every business is the ability to operate in a stable environment. If we are deprived of it, it will be difficult to prepare strategies and make plans if another pandemic comes. With the law changing overnight, you easily become discouraged from investing.

What scenarios does Inter Cars have for 2021, especially with regard to jobs and the delivery chain?

MO: Our situation is stable as regards jobs. We continue to hire new employees and we are not planning major changes in this area. As regards investments, there is a little bit of reluctance on our part. We have hired new staff for the IT department, which we believe to be the company's driving force, proving its innovativeness and competitive advantage. We've been bringing more and more IT competences into the company.

What market trends for the aftermarket industry do you forecast for the years to come?

MO: I'd rather talk about what I don't think will happen in the industry - electrification. I don't think it will have a significant impact on the aftermarket over the next five years. And as far as other things go, all forecasts depend mainly on the pandemic and people's mobility. I believe that people will be hungry for freedom, and that's exactly what cars give them. If the mobility grows, the market will follow suit.

KO: On the other hand, we must not forget that the passenger car market is saturated and this situation is unlikely to change in a significant way. The 30 years of continuous market growth are long gone. However, it looks like the truck and commercial cars market is likely to grow. Speaking of the latter, especially in the context of the so-called "last mile" in transportation, it is already evident that we will see an increase in consumption, which is linked to an increase in the demand for spare parts.

MO: This increase might not necessarily result from a growth in the number of cars but rather from their increased mileage. The demand for cars will also grow, but not necessarily in Poland. In other countries where we operate and which are a little bit ahead of us in terms of economic development, the demand for cars will certainly continue to grow.

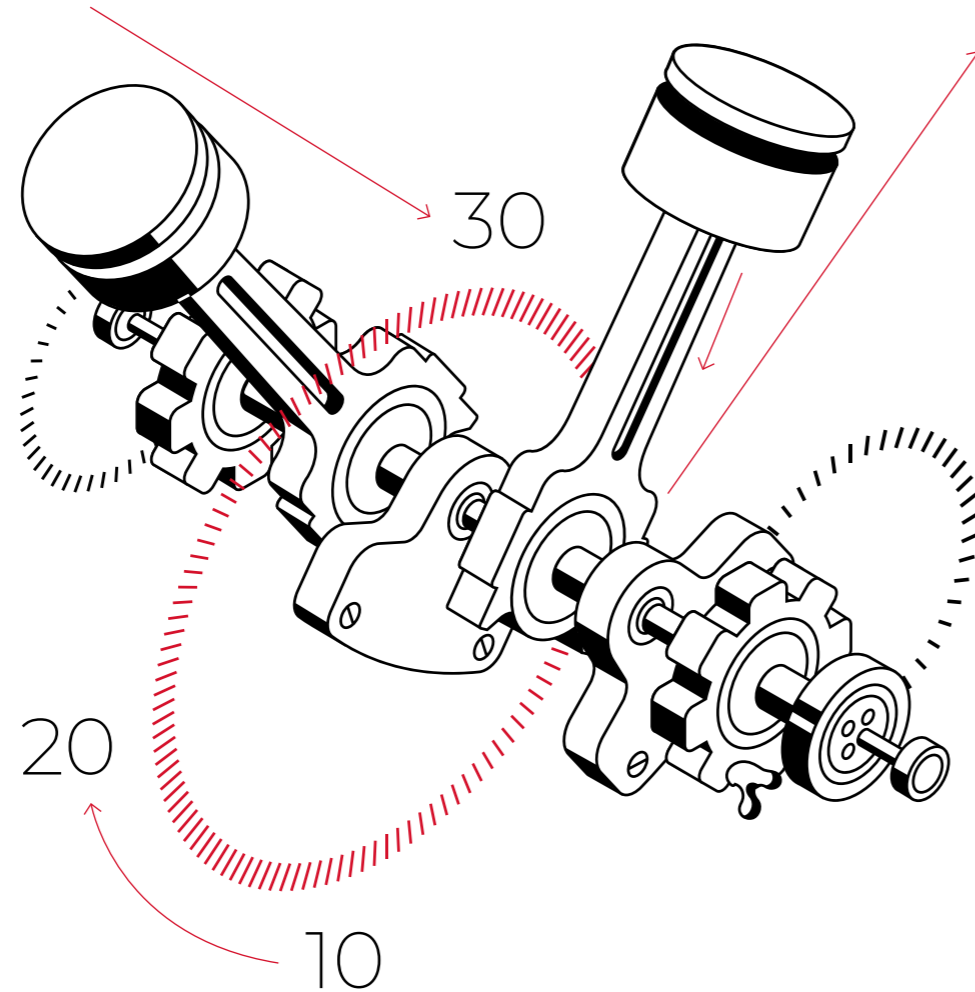


02/

Inter Cars Group - 30 years of responsible and sustainable growth

Inter Cars was established in 1990. Its founders - Krzysztof Oleksowicz, Piotr Oleksowicz and Andrzej Oliszewski - have set ambitious goals from the very beginning. They didn't expect that their company would grow to be a key player on the European market. Initially, their vision was for the company to become a leader on the domestic spare parts distribution market.

Their success was founded on what has become the original Inter Cars values. Their passion, commitment and entrepreneurship have served as a roadmap for all employees of the company.



Our path

<p>1990</p> <p>Establishment of Inter Cars civil partnership</p>	<p>1996</p> <p>First central warehouse in Poland (Warsaw, ul. Heroldów)</p>	<p>2000</p> <p>beginning of overseas expansion - first branch in Ukraine</p>	<p>2004</p> <p>the company goes public on Warsaw Stock Exchange</p>	<p>2006</p> <p>the company crosses the PLN one billion revenue threshold</p>
<p>2008</p> <p>Merger with JC Auto</p>	<p>2013</p> <p>Joint Stock Company of the Year title 2013</p>	<p>2013</p> <p>Business Worthiness Certificate and a Special Award from the Minister of State Treasury</p>	<p>2017</p> <p>Opening of the European Logistics and Development Centre in Zakroczym</p>	
<p>2017</p> <p>Inter Cars S.A. makes the Warsaw Stock Exchange Respect Index</p>	<p>2017</p> <p>Generational succession - Maciej Oleksowicz becomes the CEO of Inter Cars</p>	<p>2018</p> <p>Inter Cars S.A. makes the Warsaw Stock Exchange Respect Index for the second time</p>	<p>2019</p> <p>EUR 2 b in revenue</p>	<p>2020</p> <p>the company remains the market leader despite the COVID-19 lockdown</p>

The Warsaw Stock Exchange Respect Index was the first index of public, socially responsible companies in Central and Eastern Europe. The investment attractiveness of the Respect Index companies results from their reporting standards, investor relations level, corporate governance, information governance as well as their environmental, social and economic impact. Currently, Inter Cars is listed on the WIG-ESG index.

[GRI 102-12]

to be continued

Key financial and non-financial indicators related to the Group's activity in 2020 ¹

[GRI 102-7]
[GRI 201-1]

Financial capital ²

Capitalization:
2019 - PLN 2,904,461 K
2020 - 3,343,672 K PLN

Income ³

Net sales:
2019 - PLN 8,764,261 K
2020 - PLN 9,159,166 K

Other operating income:
2019 - PLN 53,566 K
2020 - PLN 46,727 K

Financial income:
2019 - PLN 12,916 K
2020 - PLN 13,890 K

Costs ⁴

Operating costs:
2019 - PLN 8,405,325 K
2020 - PLN 8,628,418 K

Other operating costs:
2019 - PLN 80,559 K
2020 - PLN 70,399 K

Financial costs:
2019 - PLN 66,595 K
2020 - PLN 66,729 K

Other ⁵

Salaries and benefits:
2019 - PLN 330,980 K
2020 - PLN 309,868 K

Liabilities to investors:
2019 - PLN 10,059 K
2020 - PLN 0 K

Liabilities to state treasury:
2019 - PLN 949,995 K
2020 - PLN 970,245 K

Community investments:
2019 - PLN 850 K
2020 - PLN 733 K

Human capital ⁶

Headcount:
2019 - 3,412
2020 - 3,378

Corporate governance

Corruption cases:
2019 - 0
2020 - 1⁷

Infringement of employee and human rights cases:
2019 - 0
2020 - 0

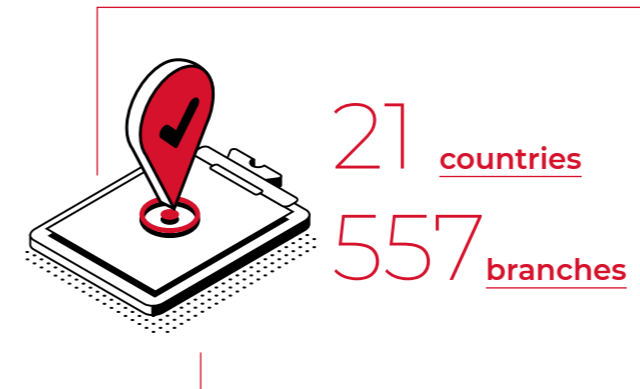
Infringement environment protection regulations cases:
2019 - 0
2020 - 0

Infringement of environmental protection regulations cases:
2019 - 0
2020 - 0

Discrimination cases:
2019 - 0
2020 - 0

Infringement of free competition principles or monopolistic practices cases:
2019 - 0
2020 - 0

(1) Detailed financial information is included in the Group's Annual Report
(2) For 2019: as at 31.12.2019, For 2020: as at 31.12.2020
(3) For 2019: from 01.01.2019 to 31.12.2019, For 2020: from 01.01.2020 to 31.12.2020
(4) For 2019: from 01.01.2019 to 31.12.2019, For 2020: from 01.01.2020 to 31.12.2020
(5) D For 2019: from 01.01.2019 to 31.12.2019, For 2020: from 01.01.2020 to 31.12.2020
(6) For 2019: as at 31.12.2019, For 2020: as at 31.12.2020
(7) Detailed information on this can be found on p.32 of this Report



Product range - nearly
500 million

In 2020, Inter Cars received awards from many prestigious institutions and business magazines. Selected awards the Company has won in Poland.

Awards and distinctions



wprost

Wprost 100 companies promoting Poland abroad

A list of 100 Polish companies - ambassadors successfully following their business vision abroad and thus benefiting the image of the entire Polish economy. The Inter Cars SA Capital Group ranked 40th on the list.

Wprost a list of the 200 hundred biggest companies in Poland

A list of the biggest Polish companies. The list was created based on income, profits, assets and capital in 2019. It presents both companies listed on the Warsaw Stock Exchange and other entities. Inter Cars has moved up the list since last year and now ranks 24th.

Rzeczpospolita The 500 Rzeczpospolita List

Prepared by the Rzeczpospolita daily for 22nd time in a row. It lists the 500 biggest companies in Poland. Inter Cars came in 40th, one point up compared with 2019, and 21st among WSE-listed companies.



GAZETA FINANSOWA

Gazeta Finansowa The 100 biggest companies in Poland

A ranking prepared annually by Gazeta Finansowa. The ranking lists the biggest companies operating in Poland in terms of revenues. The Inter Cars Group ranked 41st, two points up compared with 2019.

Forbes The 100 biggest private Polish companies

The list was prepared by Forbes in cooperation with Haiton Bank. It is based on the market value of companies, both listed and unlisted. Inter Cars came in high at number 14. It was the second year in a row when an automotive company scored such a good result.

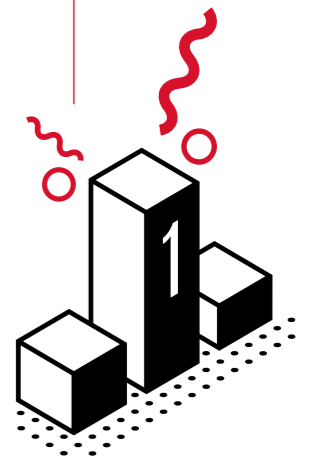


Parkiet The biggest exporters listed on WSE

A list of the 60 biggest companies listed on the Warsaw Stock Exchange with the highest percentage of export revenues. Their total export revenues amount to PLN 135 b, 12% of the total Polish exports in 2019. Inter Cars came in at number 9.

Parkiet The most dynamic exporters on the Warsaw Stock Exchange

The ranking lists companies which, in the years 2017-2019, not only increased their exports, but also improved their financial results. The ranking lists 50 companies whose export revenues in 2019 exceeded PLN 50 m and accounted for at least 20% of their total sales. Inters Cars ranked 23rd on the list.



Rzeczpospolita The Biggest Companies in Central and Eastern Europe

The ranking lists 500 companies and capital groups from the region which recorded the highest total revenue in 2019. As regards capital groups, the ranking showed consolidated figures of the group companies. The ranking was prepared by Rzeczpospolita and Coface. Inter cars came in at number 84, three points up compared with the previous year.

Rzeczpospolita The 2000 List

The ranking lists the biggest companies in Poland in terms of revenues. The Inter Cars Capital Group was listed 38th, moving up two points compared with 2019.

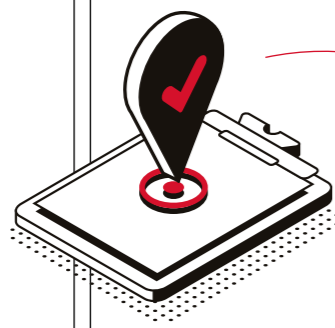


The Inter Cars Group Today – where we stand

Inter Cars was established in 1990. It became the leader on the Polish market within just 6 years of its formation. It overtook the biggest companies on the Polish market and owed its success to continuously increasing its offer and good relations with its stakeholders.

The company has been successful both at home and abroad. Its values evolve as it develops. We are proud to contribute to the company's new goal - becoming a leader on the car spare parts distribution market in Europe.

- Poland, BiH,
- Bulgaria, Croatia,
- Czechia, Estonia,
- Greece, Lithuania,
- Latvia, Moldova,
- Romania, Serbia,
- Slovakia, Slovenia,
- Ukraine, Hungary,
- Italy, Belgium,
- Malta, Germany,
- Great Britain.

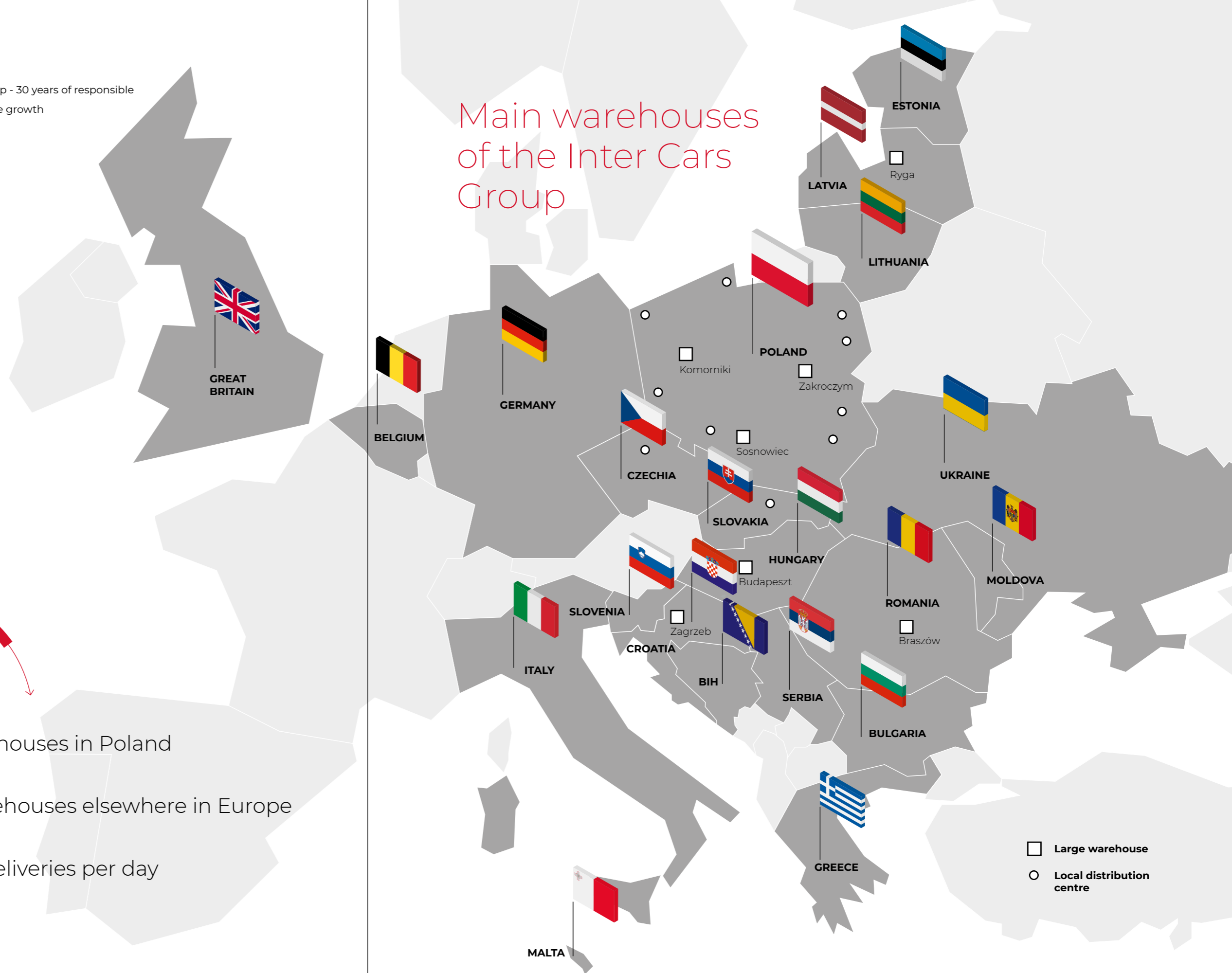


11 warehouses in Poland

10 warehouses elsewhere in Europe

535 deliveries per day

Main warehouses of the Inter Cars Group



□ Large warehouse
○ Local distribution centre

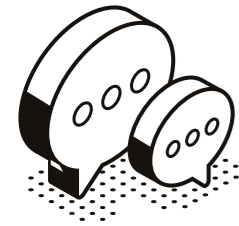
Leadership through partnership

The Inter Cars Capital Group is one of the market leaders in Europe and the biggest spare parts distributor in Central and Eastern Europe. A leader in its business sector, operating on a highly fragmented market with high service quality requirements, it is responsible for the products it delivers daily to thousands of garages across the continent. Every part we sell must guarantee safety after it is mounted on a car.

As the market leader we must develop and upgrade our competences. We treat every group of our stakeholders as partners and ensure that it benefits from cooperating with Inter Cars. We respect and appreciate the values of our clients, respect the opinions of our partners and

employees, react to market changes and keep up with the latest trends while caring for the environment.

The COVID 19 pandemic has proven that we are able to quickly and efficiently react to changes around us. The company has successfully tackled the new challenges facing the global economy for the first time on such a large scale. We haven't recorded a sales decrease, have not had to reduce employment or the delivery chain.



We build our corporate culture based on values and an ethical approach to business. From the very beginning of its existence, the company has stood on one of the strongest foundations - human capital. We believe that building an organisation based on values allows us to build a competitive advantage, as well as earn and keep the trust of employees and customers.

Inter Cars' relations with all of its stakeholders are based on nine fundamental values:



leadership through example



fairness



modesty



courage



sincerity



respect



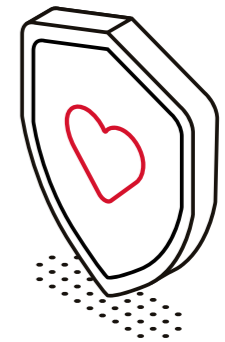
credibility



loyalty



support



These values are more than just a bunch of random words. These are carefully thought-through assumptions, meant to be guidelines for the employees of the Inter Cars Capital Group - especially managers and team leaders. These values were established during workshops attended by the members of the Management Board. It was a process during which they debated over the management styles that in their opinion best suits the vision of Inter Cars S.A. Each of them has had an opportunity to speak openly about how they think the organisation should function and how it should be perceived.

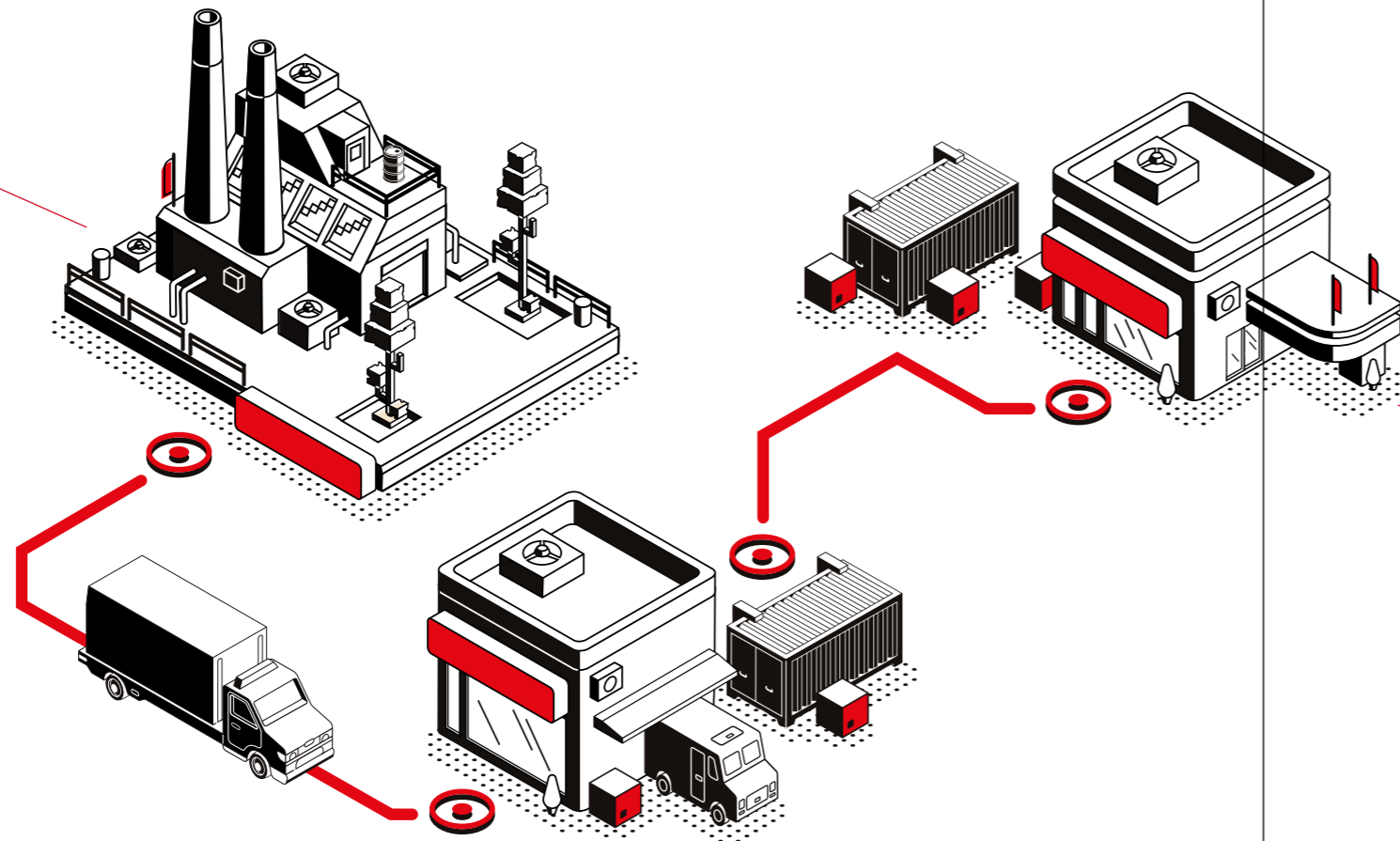


Areas of our activity

The value chain

In the distribution sector the supply chain is undoubtedly the most critical part of a company's operations. At Inter Cars we believe that our competitive advantage results from our special system of receipt, storage and distribution of car parts. We continue to improve, accelerate and simplify all procedures to make sure that our clients, both manufacturers and garages, know that they can always rely on our services.

Inter Cars' value chain covers all links, from the manufacturer's facility to garages to business clients (fleets) to individual customers directed to garages by the Motointegrator platform.



Inter Cars is an international group of 37 capital companies, 25 of which are distribution entities



Apart from Inter Cars S.A. and the foreign distribution companies, the Capital Group is comprised, among other things, of:

ILS

A company providing comprehensive logistic services related to warehousing and handling of goods for the Inter Cars group companies and external businesses.

Feber

Vehicle Manufacturing Company established in 2004. It sells dumper semitrailers of a capacity ranging from 24 to 76 m³, semitrailers for transporting scrap, equipped with a Heitling blower and a mobile floor, as well as low-chassis and container semitrailers. Feber is the sole Polish representative of Legras - a reputed manufacturer of specialised semitrailers. The company's products come with e9 type approval and a 24-month warranty. In addition, Feber runs a car rental and specialises in post-collision repairs.

Lauber

The company specialised in spare parts remanufacturing, which allows customers to avoid purchasing costly spare parts and scrapping broken ones. The quality of remanufactured parts is equal to that of brand-new ones.

Q-Service Truck

The company runs a specialized garage offering mainly maintenance checks and repairs of commercial vehicles: trucks, trailers, semitrailers and buses. The company is an authorized dealer of Isuzu, running its own showroom and garage; it is also authorised to repair ZF gearboxes. Since 2019, Q-Service Truck has also been responsible for the distribution and extension of the Ford Trucks dealership chain in Poland.

Inter Cars Marketing Services

An entity formed to integrate and most effectively use all communication and image-related activities of the Inter Cars Capital Group.

[GRI 102-9]



Acquiring

- ⊕ spare parts distributors – external manufacturers
- ⊕ suppliers of services and garage equipment

Our group cooperates with nearly 1600 suppliers from Europe (France, Spain, Germany, Poland, Italy), the United States and Far East. They supply mainly car spare parts and garage equipment.

All products are certified and meet the required European standards. The basic requirement that our suppliers must meet is the provision of full technical documentation of products upon their delivery.

Manufacture

- ⊕ manufacture of semitrailers and trailers

Feber sp. z o.o. is a part of the Inter Cars S.A Group. It manufactures semitrailers and trailers. Two-thirds of the vehicles leaving the company's plant in Sieradz are sold in Poland, while a third are exported, mainly to: Belgium, France, Finland, Germany, Norway and Sweden

Warehousing and logistics

- ⊕ collecting goods from the supplier's plant or warehouse
- ⊕ transporting them to the central warehouse of the Inter Cars Group
- ⊕ transferring goods to the branch warehouses
- ⊕ processing orders, including delivery

The key tasks in the supply chain are carried out by ILS, our specialised logistics operator. It manages the European Logistics and Development Centre in Zakroczym, opened in 2017. With a total land area of 15 ha, a total warehousing area of 60,000 m² and an 11-kilometre-long conveyor system, it is the only automotive industry warehouse of this type in Europe.

In 2018, the second largest (in terms of volume of operations) regional warehouse in Sosnowiec, handling the Inter Cars Group companies south of Poland, was extended by 12 000 m² to a total area of 55 000 m²

Other important warehouses are located in Komorniki and Czosnów.

The total combined area of the logistics centres in Poland is over 160 K m², compared with 60 k. m² in other European countries.

Distribution and sales

- ⊕ sales (garages, stores, other business clients)
- ⊕ franchise-based branches
- ⊕ garage chains

We know exactly how important it is in the automotive parts distribution market to be able to offer a wide range of instantly available products at varied prices. We owe our leading position also to our diverse distribution channels.

We understand how important independent garages are to Polish drivers - they account for over 90% of all garages and are chosen due to their relatively lower repair costs. We are developing a chain of independent garages (Q Service Castrol and Q-Service Truck). Being a part of a chain gives garage owners easier access, among other things, to specialist technical knowledge and a sense of belonging to a selected group of garages.

Usage – our client groups

- ⊕ drivers
- ⊕ fleet managing companies

As a unique website, Motointegrator, connects drivers and garages. It allows drivers to check the opinions of other clients about the services offered by individual garages.

Addressed fleet clients, the offer covers everything related to company cars: a full scope of repairs, services, document handling or even purchasing and selling fleet cars as well as a novel tool for the fleet manager - an insight into each car's records, a broad range of reports, and the easy and quick approval of repair costs.

Remanufacturing a product for a new life cycle

- ⊕ individual customers
- ⊕ garages
- ⊕ automotive stores

Lauber plays one of the most important and environmentally responsible roles in our value chain. Remanufacturing spare parts allows customers to avoid purchasing new and expensive parts and scrapping the broken ones - thanks to advanced engineering and technology, a remanufactured part is functionally equivalent to a new one.

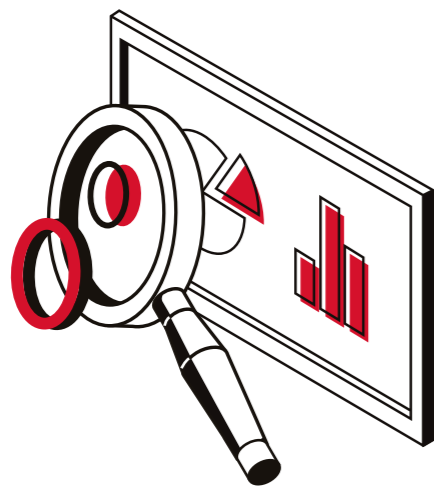
Remanufacturing brings environmental benefits and saves consumers money when purchasing parts or repairing cars.



Business model and value creation

We cooperate closely with independent parts manufacturers who design and supply their products for production and repair of vehicles to offer a wide range of goods. We do not and will not sell products which raise our doubts as to their suitability for this purpose. We realise the differences in the amount of money individual people can afford to spend on the repair of their vehicles. Therefore, we offer products from renowned suppliers, used for the first assembly, as well as aftermarket parts from less known producers.

The products we offer are verified in terms of quality by our independent laboratory Intermeko Europe Sp. z o.o.



Care for the environment is a very important part of our strategy. Being aware of the tremendous impact of greenhouse gas emissions and energy consumption on the environment, we try to minimise it by taking different actions. This is why we also offer remanufactured parts, delivered one of our companies - Lauber.

Cooperation with reliable and transparent partners is of key importance for our business model. In 2020, the company refused to extend a contract with a supplier due to their breach of the anti-corruption regulations. An internal investigation revealed that one of our partner's representatives had attempted to offer an undue benefit, following which we terminated our cooperation with that partner.

Being a socially responsible company, we cooperate solely with companies which respect human rights and employee rights. In 2020, no human rights-related issues were reported within our Capital Group.



Values for Investors:

Leader

We are the biggest listed automotive parts distributor in Europe in terms of sales volume and an undisputed leader in Poland with an over 20% share in the independent market.

Unique business model

We follow a unique business model and a distribution model that works a system of interconnected vessels and offer deliveries in the so-called "last mile" mode.

Growing industry

We operate in a dynamic and steadily growing industry subject to positive, long-term trends.

Financial stability

We have a significant financial stability and positive prospects for the future with a stable sales growth resulting from increasing our market share.

Employees

Our employees are committed to the company and have a lot of experience in the industry.

Values for Clients:

Innovativeness

Building competitive advantages on innovativeness.

"One Stop Shop" model

An all-under-one-roof model. It relates to continuous extension of the product base on the one hand, and to the development of partnership programmes, constituting a significant added value for the key customer, on the other. In addition to selling parts and car accessories, we provide garages with the necessary tools and equipment. As part of our post-sale activities, we offer training and comprehensive services, aiding garages in their proper functioning. Inter Cars S.A. also helps its clients finance their investments and provides garages with customers as part of fleet programmes and via the Motointegrator platform.

Motointegrator

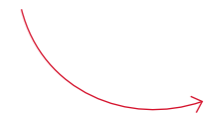
A unique platform connecting drivers and garages. This platform makes it easier for garages to get their offer through to customers and is also an ecosystem for drivers.

Q Service Castrol and Q-Service Truck garage chains

The Q Service Castrol and Q-Service Truck garage chains – the former handles passenger cars, the latter commercial vehicles. Both brands, as leaders of their business segments, significantly benefiting the garages operating within their respective structures.



Apart from the above-mentioned garage chains, the company has been developing concept projects such as Q-Service and Motointegrator Partner.



Business model immunity

[ESMA]

The automotive industry, especially the so-called aftermarket, is rarely affected by economic downturns, even in countries with the most advanced free-market system. This is largely due to the fact that the car has become a first-need product and we use it on a daily basis to get to work, school or to travel over longer distances. During the pandemic the car has become the safest means of transportation and has been increasingly chosen over public transport.

During the first wave of COVID-19 and the resulting lockdown, there was a noticeable fall in the demand for services and spare parts as people were forced to stay at home, travelled to work less frequently and their travel options were generally limited. These limitations resulted in delaying maintenance checks from the first quarter of 2020 to May and June or the second half of the year. In addition, customers also decided to have their cars repaired only after total breakdown. Therefore, there was a noticeable decrease in the demand for garage services over the year.

A crisis always results in a decrease in the demand for new cars but stimulates the sales of used cars. Societies used to mobility don't give up their own means of transportation. What happens is that their cars age, which results in an increased demand for spare parts.

Digitization

The COVID-19 pandemic has boosted the development of digital technologies and increased their importance. At Inter Cars, many departments have had to switch to the home office mode using the modern communication tools. We have adjusted our processes accordingly to have our employees come to the office as rarely as possible. We have also increased our IT spending, hired new IT staff and moved a large part of competences in this area to the company. Apart from that, we have also continued to develop e-tools for ordering spare parts - new functionalities have been added to the Online Catalogue application. In addition, over the last few years we have been developing its smartphone equivalent - e-Cat, in the other countries where we operate. e-Cat is a leading tool for cooperating with garages in 11 out of our 17 markets.

Implementation of e-Cat mobile application has been planned on Polish market to be realised in 2021, though part of IT projects will finally be realised in smaller number than initially planned.

E-CATALOG INTER CARS TO ZNACZNIE WIĘCEJ NIŻ
NAJWYGODNIEJSZA WYSZUKIWARKA CZĘŚCI NA RYNKU

[GRI 102-40]
 [GRI 102-42]
 [GRI 102-43]
 [GRI 102-44]
 [GRI 102-47]

Stakeholders and communication channels

Building relations with stakeholders is one of the pillars of responsible business. Respect, trust and understanding are the foundations on which our company was built and which help our stakeholders to develop. We believe that dialogue is the key to solving problems. Therefore, we are not afraid to talk to our partners and meet with them regularly to hear their opinions and present ours. We believe that this way we can build long-term relations based on mutual trust and understanding. We identify our key stakeholders by taking into account our mutual interests.

Map of Inter Cars stakeholders

	Stakeholder	Communication channels
Key stakeholders	Employees	/ Intranet / Mailing / Webinars / Employees' surveys / Internal meetings / / Individual talks / Publications "What's new?" / Social media /
	Individual customers, Drivers, motorcyclists, marine	/ Continuous contact via purchasing interactions / Hotline / Motointegrator / / Industry events / Website / / Social media /
	Business customers, Garages	/ Custom publishing / / Organized by IC free training / / Hotline / Motointegrator / Website / / Social media /
	Fleet customers	/ Continuous contact via purchasing interactions / Hotline / Website / / Social media /
	Parts suppliers	/ Purchasing department / Audits / Industry events / Social media / Website / Direct contact /
	Shareholders	/ Current and interim reports / / General Shareholders' Meeting / Individual meetings /
Other stakeholders	Financing organisations	/ Current and interim reports / / Individual meetings /
	Capital market participants	/ Current and interim reports / / Individual meetings /
	Public administration	/ Public consultation / Communication during inspection and issuing permissions /
	State treasury and public administration bodies	/ Public consultation / Communication during inspection and issuing permissions /
	Service providers and equipment suppliers	/ Purchase department / Audits / / Direct contact /
	Beneficiaries of CSR activities	/ Social campaigns / Educational campaigns /
	Vocational schools	/ Young HR programme / Website /
	Media	/ Press Office /
	Competition	/ Industry events / Membership in industry associations and organisations /
Trade associations and industry organisations	/ Statutory meetings and other joint activities /	

Non-financial risks (including climate risks) and our approach to risk management

[GRI 102-15] [ESMA]

Management fundamentals:

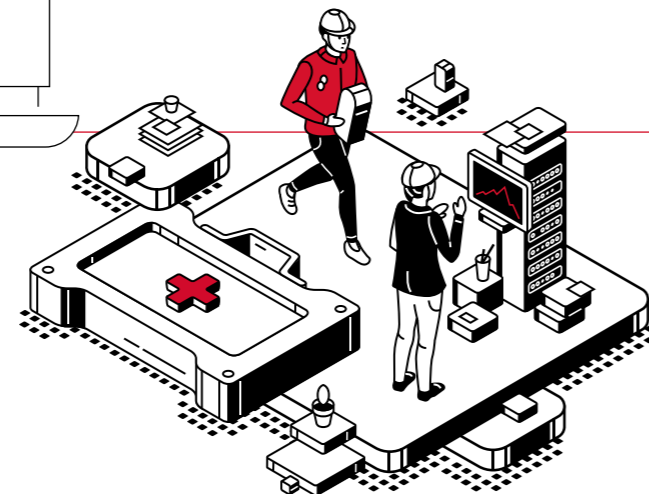
- ⊕ **The Code of Conduct and Good Market Practice of Inter Cars S.A. Capital Group**
- ⊕ **Anti-abuse Policy of the Inter Cars Capital Group**
- ⊕ **Conflict of Interest Policy in Inter Cars Capital Group**
- ⊕ **Information Confidentiality Policy in Inter Cars Capital Group**
- ⊕ **Internal Audit Rules**
- ⊕ **Risk Map**

Application of the prudence principle from the point of view of ESG.

The stable growth of our organisation results from a number of external and internal factors. In every segment of our activity, we try to continuously identify both opportunities and threats, which, if materialised, may significantly affect the continuity of operation of the Inter Cars Group and its ability to follow its strategic goals.

Why we also take the ESG risks into account in managing risks, and which of them are important to us.

The non-financial aspect of risk management is of great importance to us as it relates to economic, social and environmental factors as approached from the point of view of the entire value chain.



Below we present selected ESG risks of key importance to the Inter Cars Group and the respective mitigating measures:

Area: **Workplace and employees**

Observing the labour market and taking into account our business objectives, a material risk which may affect the Inter Cars Group is availability of competent human resources and, consequently, recruitment opportunities. Additional risks in the employment area are linked to the effects of the pandemic. This issue relates also to our business partners and clients. Our priority is to establish foundations for promoting entrepreneurship and for supporting education and development of the professional qualifications of our staff by addressing the needs of the labour market in our industry, for example through the Young Staff initiative or by creating attractive working conditions and supporting our staff while they work from home.

Area: **Products and customer relations**

The changing customer preferences and regulations materially affect the underlying activity of the Inter Cars Group, namely the sales of car parts. By responding to changing needs, through a diversified product portfolio (e.g., quality, price, remanufactured products), their availability (e.g., in the context of supply chain disruptions during the pandemic), and by testing their quality parameters (for own label products), we have an indirect impact on increasing traffic safety by minimising the risks associated with the effects of using vehicles of limited efficiency.

Area: **Corporate governance and business ethics**

Transparency and maintaining the highest standards in the conduct of our business is an important element of our corporate governance. Through intensive work on maintaining a system for supervising legal compliance (the compliance programme), including the Inter Cars Group Code of Conduct and Good Market Practice, as well as development in the area of IT security, we counteract, among other things, risks related to fraud, including corruption and bribery, occurrence of conflicts of interest or hacker attacks.

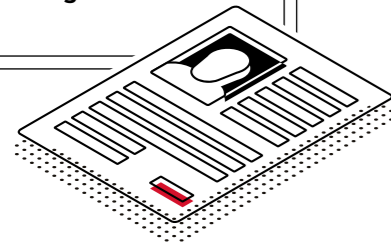
Area: **Environment and climate change**

We understand that all business activities have an impact on the environment, including a potential to affect climate change. Therefore, one of our areas of focus is to reduce potentially negative environmental impacts in every part of the value chain, while endeavouring to raise environmental awareness among our customers and business partners. Through the implementation of programmes such as Bio Service, monitoring the changing regulatory requirements in this area, or improving, say the energy efficiency of the facilities in which we operate, we try to minimise the occurrence of risks in this area.



Compliance with the Warsaw Stock Exchange Regulations and Good Practices of Companies Listed on the Warsaw Stock Exchange

Each year Inter Cars S.A. publishes the statements of the Management Board concerning the Company's application of the principles of corporate governance as part of the appendix to the Report on the Activities of the Management Board.



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

- ⊕ "direction indicator", i.e., it indicates what values we are guided by within the organisation and in our relations with suppliers. It shows what is important to us - the people who make up the Inter Cars Group - in our business relations with both contractors and colleagues within the organisation.

Anti-abuse Policy of the Inter Cars Capital Group

- ⊕ contains rules on offering and accepting gifts and other benefits (e.g., trips, participation in events),
- ⊕ defines and lists examples of malpractice,
- ⊕ regulates the reporting of suspected malpractice and the conduct of internal investigations,
- ⊕ regulates issues related to the giving of gifts and the verification of contractors.

The Policy also contains a sample list of malpractices and so-called red flags, i.e., situations that may lead to the occurrence of malpractice. Such situations should be reported to the Company's Legal Advisor.

Information Confidentiality Policy in Inter Cars Capital Group

- ⊕ indicates which information is to be regarded as Confidential Information,
- ⊕ regulates the most important principles of dealing with such information

Conflict of Interest Policy in Inter Cars Capital Group

- ⊕ indicates which situations constitute conflicts of interest,
- ⊕ regulates the obligations concerning notification and management of such conflicts.

Workplace Mobbing Prevention Policy in Inter Cars Capital Group

- ⊕ indicates what mobbing is,
- ⊕ regulates the rules concerning reporting suspected mobbing and conducting an internal investigation in the case of receiving a report.

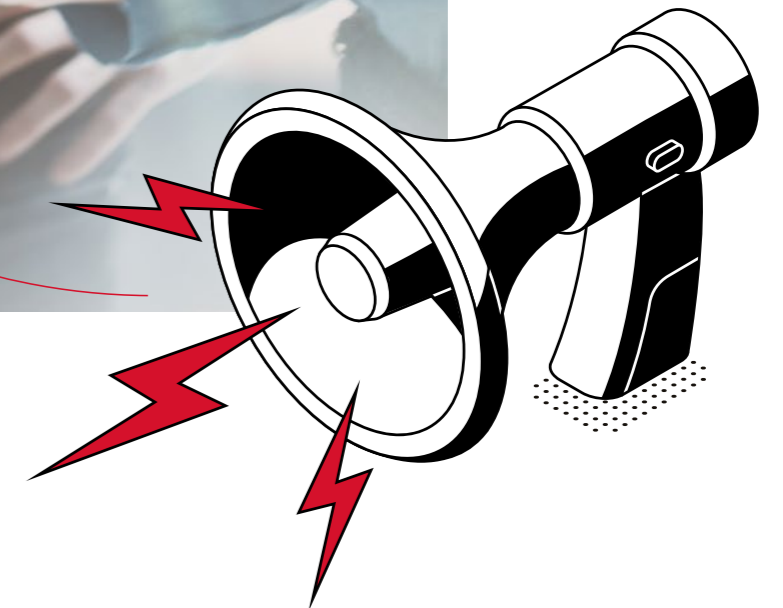
Occupational Health and Safety and Environmental Protection Policy in Inter Cars Capital Group

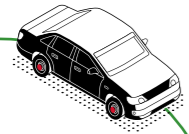
lays out the rules of occupational health and safety and environmental protection applied by the organisation.



What can an employee do in case of suspected abuse?

- ⊕ In the event of suspected abuse, an employee can submit a notice (in writing, by letter, orally or by e-mail to the e-mail address indicated)
- ⊕ It can be anonymous (unsigned), for example, by sending it from an email address you have set up for this purpose or by a third party.
- ⊕ Suspected abuse can also be reported to the immediate supervisor, the Management Board of the Company or a Subsidiary, the Company's Legal Advisor or the Human Capital Management Director.





Sustainable automotive for people and climate

- 2020+ Sustainability strategy

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2020+ Sustainability Strategy

In 2017, we approved the Inter Cars S.A. Group Responsible Business Strategy, our first sustainability strategy, also known as the CR (corporate responsibility) strategy. We presented it in a report on non-financial information, the first study of this kind prepared by the Company.

In 2020, among other things, connection with our 30th anniversary, we looked again at our responsible business agenda. The new strategy has remained relevant, but we are convinced of the need to continue to communicate it effectively to our employees, business partners and all other stakeholders.

The 2020+ Sustainability Strategy includes the following objectives:



1. We are building a leadership position, setting the direction of change in the industry and demonstrating an active stance as a responsible automotive business.



5. We strive to reduce the negative impact on the environment in every element of the value chain, raising the environmental awareness of our customers and business partners.



2. Our customers have access to products and services of the highest quality, while businesses cooperating with us can take advantage of comprehensive support in developing their entrepreneurs.



6. Our pro-social activities are focused on providing opportunities for young people, people with disabilities and providing support related to motorised mobility issues.



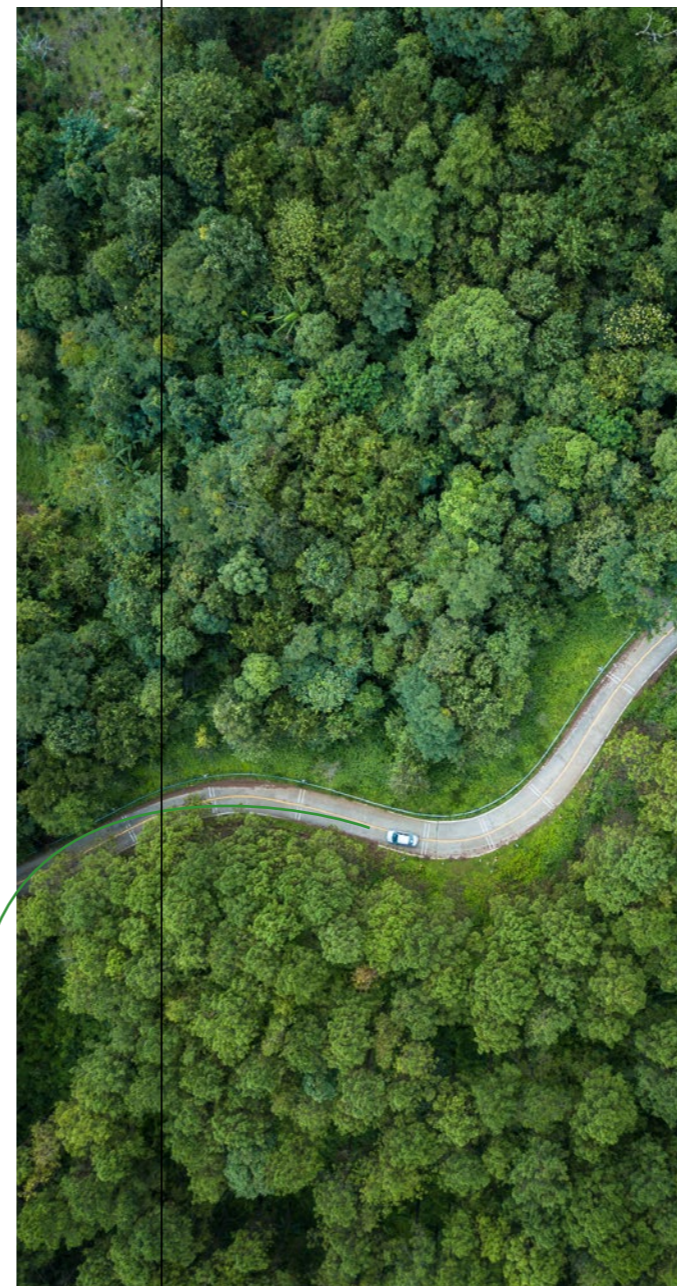
3. We create a friendly environment for sharing knowledge and implementing innovative business solutions with the participation of employees and external stakeholders.



7. Within our value chain we engage in constant dialogue and cooperation in order to formulate common rules of conduct in our most important areas based on the internal diversity of the Inter Cars Capital Group.

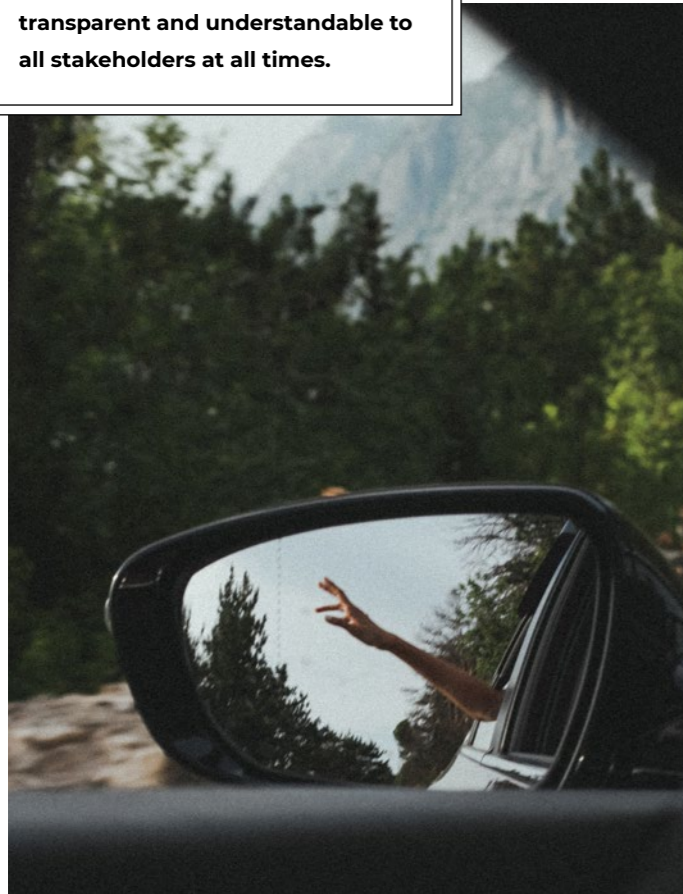


4. We create foundations for promoting entrepreneurship and supporting education and development of professional qualifications of staff, responding to the needs of the labour market in the sector.



In recent years, we have implemented actions in each of our strategic sustainable growth objectives. Many of our activities are so close to our core operations that sometimes you may not even notice that they are also an expression of our responsible approach to business. Other activities, on the other hand, are less visible to our customers, business partners or employees on a day-to-day basis, but contribute to the healthy functioning of our industry or are an expression of our social responsibility.

We want both our objectives and the actions that express them to be transparent and understandable to all stakeholders at all times.



Sustainable automotive for people and climate

2020+ Sustainability strategy



From 2020 onwards, we want to show our responsible business strategy through the lens of people and the environment in which we live. We want to communicate the seven specific strategic objectives of Inter Cars in the field of sustainable growth by means of the keynote of our strategy, which is expressed by the slogan: **Sustainable automotive for people and climate.** We believe that it will be well received both within our organisation and by external stakeholders.

Why people?

Inter Cars was born out of passion for cars: the passion of our founders, affiliates, employees and suppliers. It was also a response to the passions of our customers, mainly garage owners and drivers.

We planned for 2020 to be a time of jubilee and celebration. The COVID-19 pandemic meant that this time was largely spent fighting to maintain the company's operational capacity and adapting to the changing working and business environment.

The enforced change of plans due to the pandemic showed us very well that even in business, what really matters is people, their health, happiness, fulfilment of professional aspirations or sense of personal security. Companies are in fact the people who create them: employees, customers, business partners, investors, and finally communities, including local communities.

Employees



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

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

Garage employees



[4.] We create the basis for promoting entrepreneurship and supporting the education and development of professional qualifications of staff by responding to the needs of the labour market in the industry.

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

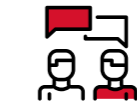
Customers



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

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

Business partners



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

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

Communities



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

As a leader in our industry, we take responsibility for shaping trends, also in terms of sustainability. We are convinced that the automotive industry can only be a sustainable industry only with a strong and independent aftermarket. Our presence enables growth and competitiveness in the aftermarket and vehicle repair market.

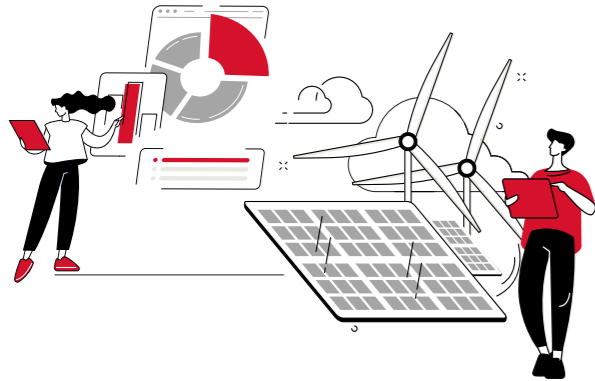
The independent aftermarket is a guarantee of access to good quality, yet competitively priced vehicle service and repair. Therefore, education and awareness in this area are very important, also for consumers.

Local communities



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

We are focused on business. However, we are aware that we live in smaller or larger communities where there are also individuals and groups that need our support. We believe that such actions are the responsibility of every responsible company.



Why Climate?

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

For 30 years, the building of our company has been accompanied by the dynamic development of Poland and other countries in Central, Eastern and South-Eastern Europe. We operate in countries where motorisation and increased mobility are strongly linked with a sense of freedom and the right to decide one's own destiny, regained after years of communist rule. The societies in which we live and work have achieved much in the past years in terms of civilisation and economy. We feel part of this success.

Today, however, we face new challenges. The progressive impact of man on the environment, including climate change, requires a responsible approach from both public authorities and the private sector. As an entrepreneur and employer, we feel responsible for the development of our company and the well-being

of our customers and employees. However, we are also convinced that our business success will increasingly depend on our concrete actions and decisions in the field of environmental protection and combating climate change.

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

We observe and participate in changes in the automotive industry related to limiting negative emissions and the impact of the automotive industry on the environment. We actively seek to ensure that these changes are implemented in a sustainable manner, taking into account their socio-economic impact.

By making the right choices, we can contribute to improving the quality of our environment and reducing climate change. We believe that together with our customers, employees and business partners, we can help ensure that the next 30 years will bring a new green deal for us and future generations.



“Sustainable automotive for people and climate” is a slogan that stems from our concern for the wide range of stakeholders who work with us. One of its objectives is to protect the environment, but also to ensure that weaker, including poorer, social groups are not excluded from access to mobility in the future. An important supplement to electric vehicles (EV) and hybrid vehicles (PHEV) must be the search for innovative solutions for lower emission combustion engines, as well as paying attention to more efficient modernisation of cars and significant extension of a fleet's life cycle. Therefore, we advocate the principle of "technology neutrality" in the fight for lower global carbon emissions.

This balanced approach should, in the long term, translate more into lower global vehicle emissions than the intensive production and rapid market introduction of large numbers of new electric cars, the production of which requires the manufacture of carbon-intensive components, in particular car batteries.

It should also be stressed that hybrid or electric cars are low-emission vehicles, but only on condition that the electricity used both for their components and to power their batteries is produced within an appropriate energy mix, i.e., using clean energy sources.



03/

Inter Cars' response to the COVID-19 pandemic



From the very beginning of the COVID-19 pandemic, we ensured that the Group's management structure was in line with the challenges facing the organisation. Emphasis was placed on ensuring the safety of Inter Cars' employees and customers, as well as the proper flow of information on the risks. The company structures responsible for human resources and administration in particular played a special role here.

The Supervisory Board and the Audit Committee monitored the situation relating to the effects of the spread of the coronavirus pandemic on the Group's operational activities on an ongoing basis. In particular, these bodies regularly asked the Management Board for information on Inter Cars' preparation for the pandemic and on counteracting its impact on the business, and furthermore provided comments in this respect.



The first wave of the pandemic, as in many other industries, also caused great uncertainty and anxiety in the automotive sector.

The spring lockdown caused a sharp drop in demand in the parts market, which was largely related to trade restrictions and a drop-in consumer activity.

In a lockdown situation, it was possible to observe a tendency among vehicle users to postpone less urgent repairs or maintenance for later periods, which caused some fluctuations in demand in individual months.

As the restrictions were lifted, the Inter Cars Capital Group gradually made up for the losses caused by the SARS-CoV-2 virus pandemic.

Depending on the restrictions in individual countries, temporary changes could still be observed, which disturbed the dynamics of sales in some markets. Towards the end of the year, such problems were recorded to a much lesser extent, perhaps because during the second wave of COVID-19 the scale of the restrictions was much smaller.

With the arrival of the first wave of the pandemic, the Management Board of Inter Cars S.A. decided to appoint a crisis staff. Apart from the aforementioned members of the Management Board, it included representatives of a number of departments in the company's headquarters. The task of this group was to react on an on-going basis to the dynamically changing situation and respond to the decisions of administrative authorities.

At the end of 2020 Inter Cars in terms of operation of the distribution network was functioning normally in each country, without any threats.

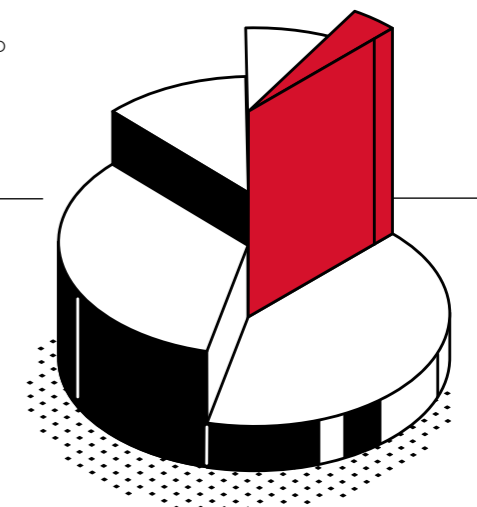
Despite initial concerns, the demand for automotive parts proved to be relatively resistant to negative impulses. This is due to the countercyclical nature of the industry, which is why the effects of the global crisis have not affected it as dramatically as other areas of the economy.

One of the reasons for this situation is that the parts distribution industry acts as a support to maintain the mobility of other industries. The spare parts aftermarket, where Inter Cars operates, adapted to the new conditions quite quickly. The long-term business prospects were not threatened, taking into account the size of the car fleet and the average age of vehicles.

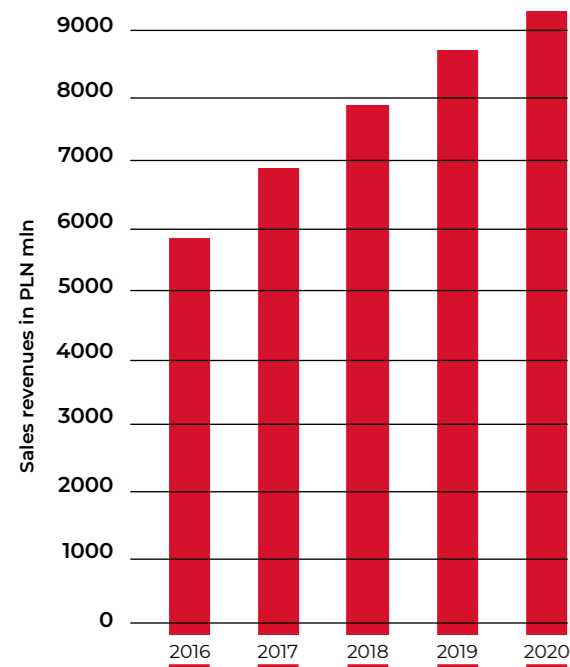
A favourable factor was the import of used cars, which grew rapidly in recent months. In addition, the average age of imported vehicles continued to rise. Also of significance was the concern about travelling by public transport, which translated into

an increased number of kilometres driven in private cars and had a direct positive impact on the number of repairs and maintenance. All this had its impact on the demand for spare parts and the growth of the repair market.

The financial results provided clearly show that the Inter Cars Capital Group has successfully neutralised the impact of the pandemic on the results achieved. The experience of managers functionally responsible for the company allowed to accurately assess the situation, thanks to which in the first phase of the pandemic it was decided to reorganise investment expenditures and reduce operating costs by, among others, suspending projects, limiting marketing activities or reducing posts and working time, which, together with a quick rebound of revenues, resulted in improved profitability.



Sales revenues of the Inter Cars Group



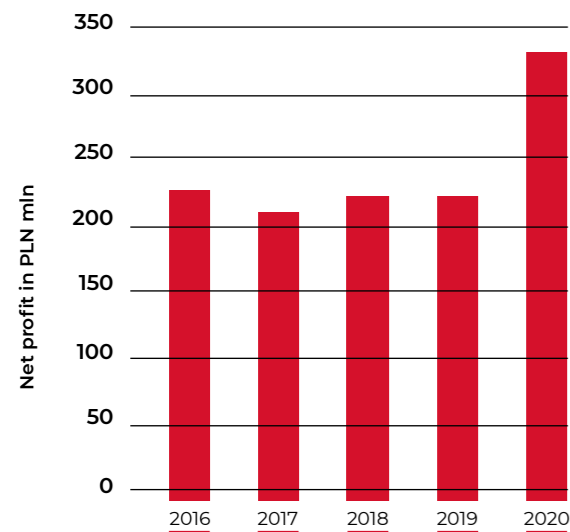
Importantly, the company's priority of action was to ensure the safety of its employees and business partners and customers, which particularly helped with the rebound in sales after the declines.

The impact of the pandemic negatively affected plans related to network growth and overseas expansion. In 2020, the company limited the number of new branch openings both at home and abroad, focusing on organic growth. This trend is expected to continue in the following year.

557 branches in Europe



Net profit of the Inter Cars Group

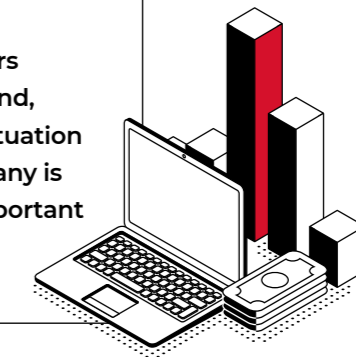


The Inter Cars Capital Group does not exclude further expansion of the distribution network, but due to the still uncertain situation related to the epidemiological situation in the world, decisions related to this will be taken much less in advance depending on the market situation.

In foreign expansion, we see an opportunity to maintain significant positive sales growth for the entire group in the coming years, which will lead to further growth in the importance of these entities. This is because in many foreign markets where the company is present, its market share is not dominant and they are characterised by weaker competition.

Inter Cars still intends to focus on the development of foreign sales, mainly using existing subsidiaries and regional warehouses located in Poland and other countries. We are also looking at potential new business models and do not exclude starting cooperation with partners or companies in order to develop such ventures together.

One of the first decisions of the crisis staff was to create a series of newsletters aimed at employees in the headquarters, as well as managers responsible for the development of foreign companies. The newsletters were distributed daily in the first weeks of lockdown and, depending on the target group, informed about the situation in the country and in other countries where the company is present. A good flow of information was extremely important at a time of great uncertainty, which particularly characterised the beginning of the pandemic.



#wehelptohelp

– the automotive industry's response to the coronavirus

The #wehelptohelp is primarily emergency aid for garage owners who had to grapple with a new reality with the onset of the pandemic. On the one hand, it is an innovative approach to running a business and responding to changes, on the other, it is a problem resulting from the decreasing number of customers in garages during the first weeks of the coronavirus pandemic.

Inter Cars, together with its business partners, offered garages support and willingness to help solve problems for which no one was prepared. It is important to note that part of the funds that were reserved for the Inter Cars Jubilee Celebration were donated to support this initiative.





The #wehelptohelp programme was based on three pillars, which included:

A protection package



containing 5 litres of antibacterial fluid, 5 protective masks, 100 protective gloves, which allowed garages to apply safety rules to protect themselves from infection and to meet the requirements that the Polish government recommended to stay safe when dealing with customers,

Free webinars



the first training took place on 31.03.2020, and its topic was **"Garage management during crisis"** This was free knowledge for garage owners and mechanics, much needed and difficult to obtain in times of general quarantine. A total of six virtual meetings were organised,

Ready-to-use marketing content

i.e., social media posts (text and graphics), which helped to get the message across to drivers, using modern ONLINE TOOLS. These are currently the best form of contact with customers, who are looking for information on available services.

The protection packages were delivered via Inter Cars branches first to 10,000 garages in the first wave of the programme. With the onset of the second wave of the coronavirus, Inter Cars together with its partners provided protection to nearly **8500 garages**.

The remaining materials were distributed free of charge via e-mail.

The **#wehelptohelp** campaign was initiated by manufacturers of car parts together with Inter Cars and aimed at encouraging drivers to use the services of garages.

Help for hospitals



Apart from helping customers, the Management Board of Inter Cars S.A. also declared support for two medical facilities. Both hospitals could count on financial help, as well as readiness for further cooperation in case of emergency situations.

The Nowy Dwór Mazowiecki Hospital and the Bielański Hospital received financial aid from the Inter Cars Group. In addition, representatives of the hospital in the capital city received from the distributor a package of surgical masks which the company had set aside from its own supplies.

- In recent weeks all of us have become victims of an unprecedented situation related to the spreading of the coronavirus epidemic. To keep our businesses running, we need to face difficulties that no-one had expected. In these difficult days, we must also rely on the help of medical professionals. They are the ones who save hundreds or even thousands of lives every day, regardless of the threat to their own health. We want to be in solidarity with them, so we will continue to offer them our help. We remain in touch with them

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

The representatives of Inter Cars S.A. remain in touch with the employees of both facilities and declare further help in case of further emergencies.

#wehelptohelp - The Inter Cars Łódź Group also organises help for hospitals

Managers and sales forces representing the Inter Cars Łódź Group decided to support life-saving hospitals and together with customers - their business partners organized a campaign, in which they managed **to collect help for over PLN 100,000!**

The mechanism behind the initiative was simple, and as it turned out, very effective. People representing the Inter Cars Łódź Group, together with Inter Cars Garage Equipment department prepared an initiative, in which you could buy packages supporting medical services. The package consisted of: protective masks, hand disinfectant, surface disinfectant and protective overalls.

Over a relatively short period of time, the partners donated over 300 packages, which were purchased by over 200 customers, managers and employees of the Łódź Group. In total, over PLN 100,000 worth of aid was collected and donated to 4 medical facilities: The Marcel Nencki County Hospital in Krotoszyn, Provincial Hospital in Kalisz, Central Clinical Hospital of the Medical University of Łódź and the University Paediatrics Centre in Łódź.

Each customer who decided to take part in the initiative, in addition to the previously mentioned packages, also received a special certificate, attesting to their help, as well as a free promotion package and assistance within the communication channels of the Inter Cars Łódź Group.



Inter Cars Dolny Śląsk supported the initiative entitled "Masks for medics"

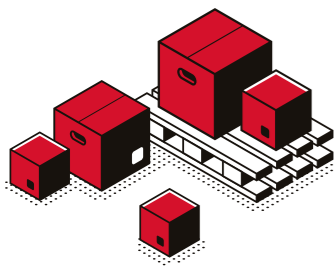


Inter Cars, including the Wrocław Group, is a company that considers itself a socially responsible business. The organisation actively participated in helping, not only together with the whole industry, as on the occasion of the #wehelptohelp initiative, but also in a broader context.

It is for this reason, among other things, that the representatives of the company from Wrocław decided to join the noble initiative #masksformedics, which aimed at collecting masks for health care workers to help them carry out their duties in a safe way in this difficult and uncertain period.

Inter Cars, as a company with great logistical efficiency and a network of contacts, was responsible for coordinating the collection, in which both our employees, suppliers, garages and their individual customers were involved. The masks collected this way were handed over directly to the organisers of the event.

A considerable number of full-face masks were collected and supplemented with the necessary adapters and filters. The masks went, among others, to two hospitals in Wrocław, to the emergency service in Wałbrzych and to dentists in Warsaw.



Support for schools

With the beginning of a new school year, Inter Cars, together with two partners - the companies WAŚ and FEBI, took action to ensure the safety of students in the new school year.



– The school year began with a lot of doubts in the air. The COVID-19 pandemic paralysed in the last few months numerous sectors of public life, including education. Although the situation seemed far from ideal, we had to learn to live and function in new realities. In this difficult period, we would like to remind you that schools in the "Young Staff" programme can count on our support. Parcels prepared together with our business partners, the companies WAŚ and FEBI, were a small but necessary gesture

– says Grażyna Różanek, coordinator of the Young Staff project at Inter Cars S.A.



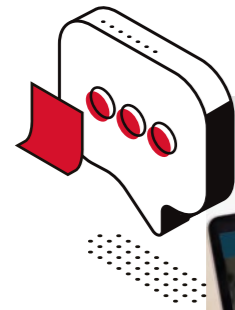
– We are extremely grateful for the initiative and help. The "Young Staff" programme supports our youth in realising their life passions and gives the possibility of continuous development. We are all even more glad that in this difficult time for all of us Inter Cars together with their partners decided to take care of the safety of all of us. We do appreciate that and are grateful! I will certainly put the received funds at the disposal of the teaching staff, first of all to the teachers of vocational subjects

– says Anna Grabska, deputy director of ZSSiM in Łódź, a school associated in the "Young Staff" programme.

As part of the #wehelptohelp campaign, schools associated in the "Young staff" programme were equipped with packages including protective visors and disinfectants to protect students and teachers.

The packages have been sent to all 26 schools.





How did we support our staff - what did we do in relation to the Covid threat?



1. **Organising remote working, providing tools and technical capacity**

Project #hrhelpinghand

Due to the state of the pandemic, we found ourselves in a completely new reality and faced a huge challenge as an organisation. Every day we face new tasks and look for solutions to support our employees and the whole company. Sometimes we need extra help to perform our tasks more efficiently. Some of our employees perform their tasks on the front line - bravely working in branches, warehouses and offices; for others, their homes have become their office.

Regardless of what tasks we do and where we work, we stand together in these difficult times to work for the common good, which is the livelihood of our company. We do everything in our power to ensure the safest and best possible working conditions. Both in offices and at home.

Also, as part of this effort, we created **#hrhelpinghand**, where we answered employees' questions about the new situation, to make remote working as productive and enjoyable as ever.

In communication, we encouraged bosses to meet regularly on Teams with their employees.

Despite the inconvenience of COVID-19, we ensured that employees had access to training. This included not only training in psychological support and core stress management, but also soft and tool training.

- ✔ We made sure to meet the employees at the pre-Christmas Management Board meeting as well;
- ✔ We reviewed how employees are doing when working remotely;
- ✔ We are prepared to change bylaws and adapt them to pandemic regulations.

Despite difficulties in accessing disinfectants and masks, we equipped employees with both masks and disinfectants from the beginning. In the interests of employee safety, we implemented new rules of behaviour in company facilities.

We have also introduced a different organisation of work.

Remote working applies where possible. We have also divided teams into shifts, to limit the scope of potential risks. We have prepared a special procedure on the use of security measures. We developed a procedure on what to do if someone has symptoms or is infected. We implemented these procedures on an ongoing basis throughout the year.

2.

Psychological support and encouragement of a healthy lifestyle

CEO's vlog

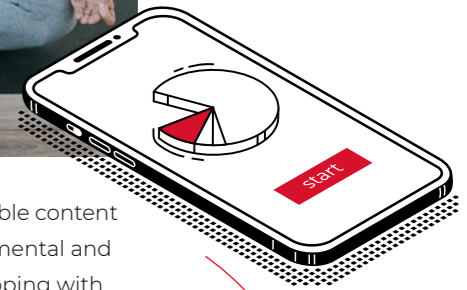
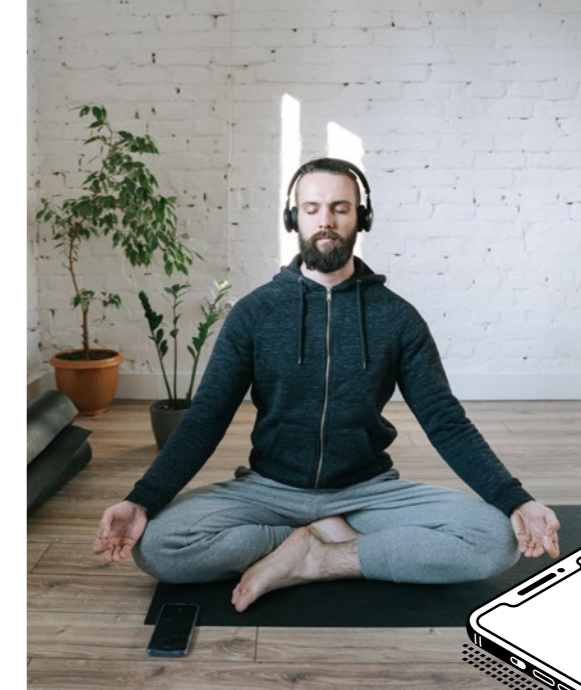
The CEO of Inter Cars was also involved in keeping the employees' spirits up, thanking them for a job well done despite the difficult situation. Maciej Oleksowicz was also involved in promoting responsible behaviour in the offices: he encouraged the employees, among other things, to wear masks in the corridors, take care of their own safety and kept the employees informed about the company's situation.

Worksmile platform

The situation with the outbreak of the coronavirus pandemic and the need to reorganise daily life for many of our employees could be overwhelming. Regardless of their roles in the organisation, and whether or not they had the option to work remotely, we decided that we needed to look after their wellbeing, their psychological comfort, to show that even at a distance we could keep in touch, maintain and deepen good relationships with each other and motivate each other.

To this end, we promoted our well-being platform Worksmile (previously Fitqbe), which features dozens of activities in the following categories: exercise, diet or mindfulness, which anyone can do at home.

It is a place where challenges in specific categories are arranged for employees (and by themselves), thanks to which their passions develop and acquaintances turn into friendships. It is a space where together we build active and healthy competition, exchange information and cheer each other on



Each week, the platform provides valuable content for employees on methods to support mental and physical fitness, stress management, coping with the current situation and much more.

Worksmile gives you the opportunity not only to keep track of your sporting performance, share your achievements, track your progress, take part in competitions, participate in the company's sporting community, but also to integrate with colleagues at a time when we keep physical contact to a minimum.

We held themed challenges, encouraging people to move even despite their limitations

These included activities such as:

- **#stayathome - what is your plan B for healthy activity?**
- **Be active! / Be active!**

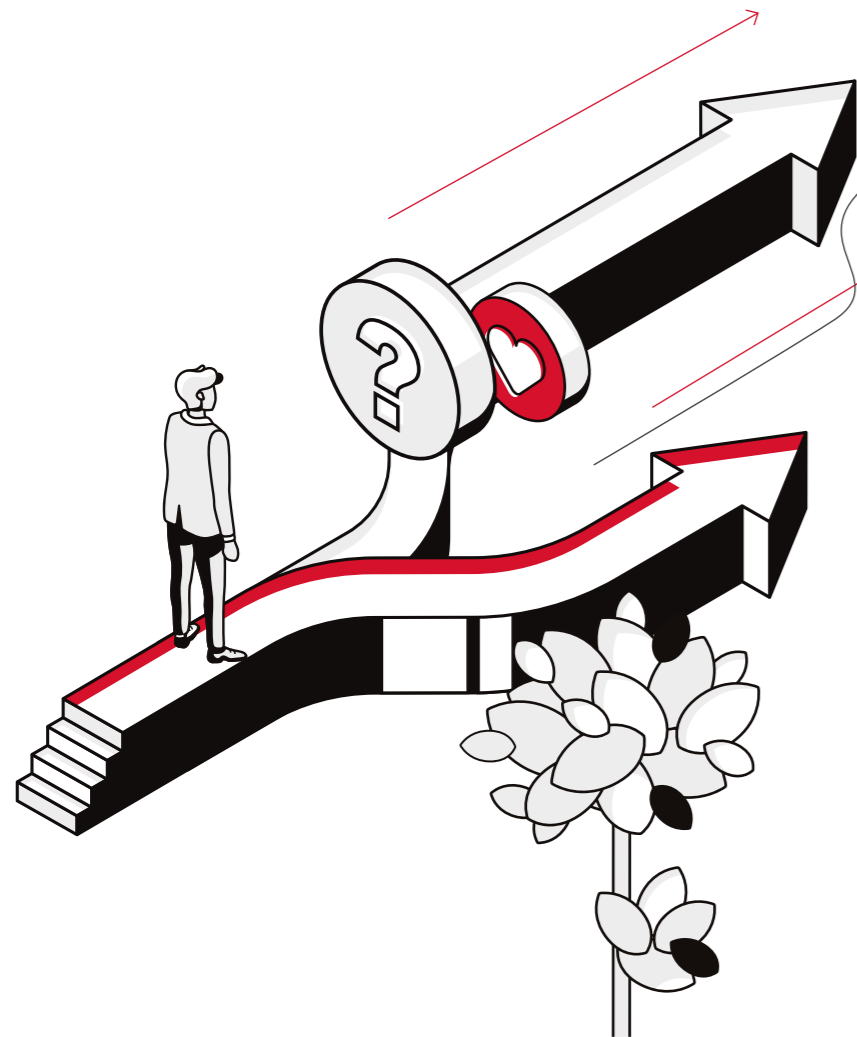
We also encouraged people to take part in online sports events! Such an example was the "#HomeRun", which aimed to support the Nowy Dwór Medical Centre

We published many useful articles via Worksmile, such as the one entitled. Through Worksmile, we published many useful articles, including "Edu-quarantine, or alone with your own child" and "Tame the stress".

We also posted videos of staff and advice from our colleagues on how to train during a pandemic.

04/

ESG factors (Environmental, Social, Governance) in the Sustainability Strategy of Inter Cars



How the organisation applies the prudence principle from the point of view of ESG

The stable growth of our organisation results from a number of external and internal factors. In every sector of our activity, we try to continuously identify both opportunities and threats, which, if materialised, may significantly affect the continuity of operation of the Inter Cars Group and its ability to follow its strategic goals.



Our financial results are determined by external factors, including:

Regulatory

- ⊕ Changes in the EU regulations concerning the automotive market pose an important challenge for us and open up opportunities to access a target group of customers of vehicle manufacturers in terms of spare parts supply, and also by making the technical information of vehicle manufacturers available to independent garages, on an equal basis with authorised garages.
- ⊕ Other regulatory issues - may have an impact on the activity of the Inter Cars Capital Group, e.g., concerning such issues as environmental protection and climate change, personal data, taxes, business ethics, competition protection or capital market regulations.

Macroeconomic

- ⊕ The macroeconomic situation determines the current and future purchasing power of prospective customers in terms of buying vehicles and incurring the costs of their operation and repairs, based on their business activity level and, consequently, the level of employment and people's income.
- ⊕ The macroeconomic situation in the countries in which the Inter Cars Capital Group operates, including factors related to the development of pandemics - will affect the value of the spare parts market and thus the Group's sales in these countries.

Market

- ⊕ Customer loyalty, which translates directly into the number and value of orders.
- ⊕ Development of independent garages - they constitute the basic group of our customers, who have to face big challenges related to the necessity to adapt to the growing market demands resulting from increasingly complicated repairs.
- ⊕ Changes in the spare parts demand structure resulting from changes to the car production technologies.
- ⊕ Sales volumes regarding cars and import of used cars.

Internal

- Apart from external factors, we have been observing the level of the risk resulting from internal factors, including:
- ⊕ strategic business risk,
 - ⊕ operational risk,
 - ⊕ financial risk,
 - ⊕ loss-of-business-continuity risk,
- risks related to social, employment, environmental protection, human rights and corruption issues (referred to as ESG).

In 2020, an attempt by a representative of a contractor to offer our employees an unlawful benefit was thwarted - following an internal investigation, cooperation with the contractor was discontinued.

Internal audit

Inter Cars S.A. positively evaluates the effectiveness of the implemented anti-corruption procedures. Their correct implementation is evidenced by, for example, the thwarting of an attempt at corruption and the absence of other identified cases of corruption in 2020. Inter Cars S.A. monitors the effectiveness of anti-corruption procedures, also using the support of internal audit.

The rules on corruption prevention are included in internal regulations, primarily in the Inter Cars S.A. Capital Group Malpractice Prevention Policy. The policies are made available to the employees and their knowledge is mandatory. Moreover, compulsory e-learning training is organised for all employees. Zero tolerance of corruption is also one of the principles included in the Inter Cars S.A. Capital Group Code of Conduct and Good Business Practice, which is made available to all employees and contractors.

Management fundamentals

The principles that have been binding in the company for decades have also been formalised - the Inter Cars S.A. Capital Group Code of Conduct and Good Business Practice has been created. The document, publicly available on our website at investor.intercars.com.pl is a set of principles and values we want to implement in our everyday work across the organisation. The code must be observed by all employees across the entire Capital Group. We also encourage our partners, associates - especially franchisees - to implement the principles of the Code in their companies.

Employees and affiliated personnel

The Inter Cars Group Code of Conduct and Good Market Practices guarantees our employees and affiliated personnel:

- Decent working conditions and a friendly work environment
- Job stability and security
- Attractive social benefits package
- Work-life balance
- Support in pursuing project and hobbies

- Work environment free from discrimination, harassment, bullying, interference in private lives and abuse of power
- Compliance with labour laws and international standards and good practices
- Safe workplace

In addition, the Code sets out the rules for cooperation with our customers, business partners, competitors, capital market companies, media and public administration.



Customers

With the Inter Cars Group Code of Conduct and Good Market Practices, customer is guaranteed:

- Products that meet quality and safety standards
- Timely delivery on our commitments
- Equal treatment - we do not apply discriminatory criteria or conditions for access to our goods and services
- Open and transparent information about our terms of business, respect for privacy and protection of personal data,
- Responsible marketing communication

Business partners

For our business partners, the Code of Conduct and Good Market Practices is a guarantee of:

- Fair and mutually beneficial terms of cooperation
- Assessment based on merit, business considerations and ethics
- Non-discriminatory criteria or conditions for cooperation

Competitors

Our Code of Conduct and Good Market Practices sets out the guidelines for the treatment of our competitors:

- We follow fair competition and business ethics principles,
- We fight any hint of unfair business practice and condemn unethical business conduct,
- We initiate and engage in legal cooperation aimed and seeking solutions to common issues,
- We do not engage in any practices that may be harmful for our competitors,
- We reject any anticompetitive agreements, collusions and arrangements.

We strictly adhere to the principles of equal opportunity and treatment across the entire Inter Cars Capital Group. We evaluate our applicants and employees fairly and based on their merits. We apply clear and fair criteria of evaluation and promotion We encourage tolerance and openness. We treat everyone equally irrespective of their sex, age, race, opinion, health, trade union membership, job tenure, position, appearance or sexual orientation. We object to extreme views inconsistent with the commonly accepted civilised norms, in particular those that undermine personal dignity, religion or belief.



Environmental impact

(E – environmental)



Development of the Bio Service programme



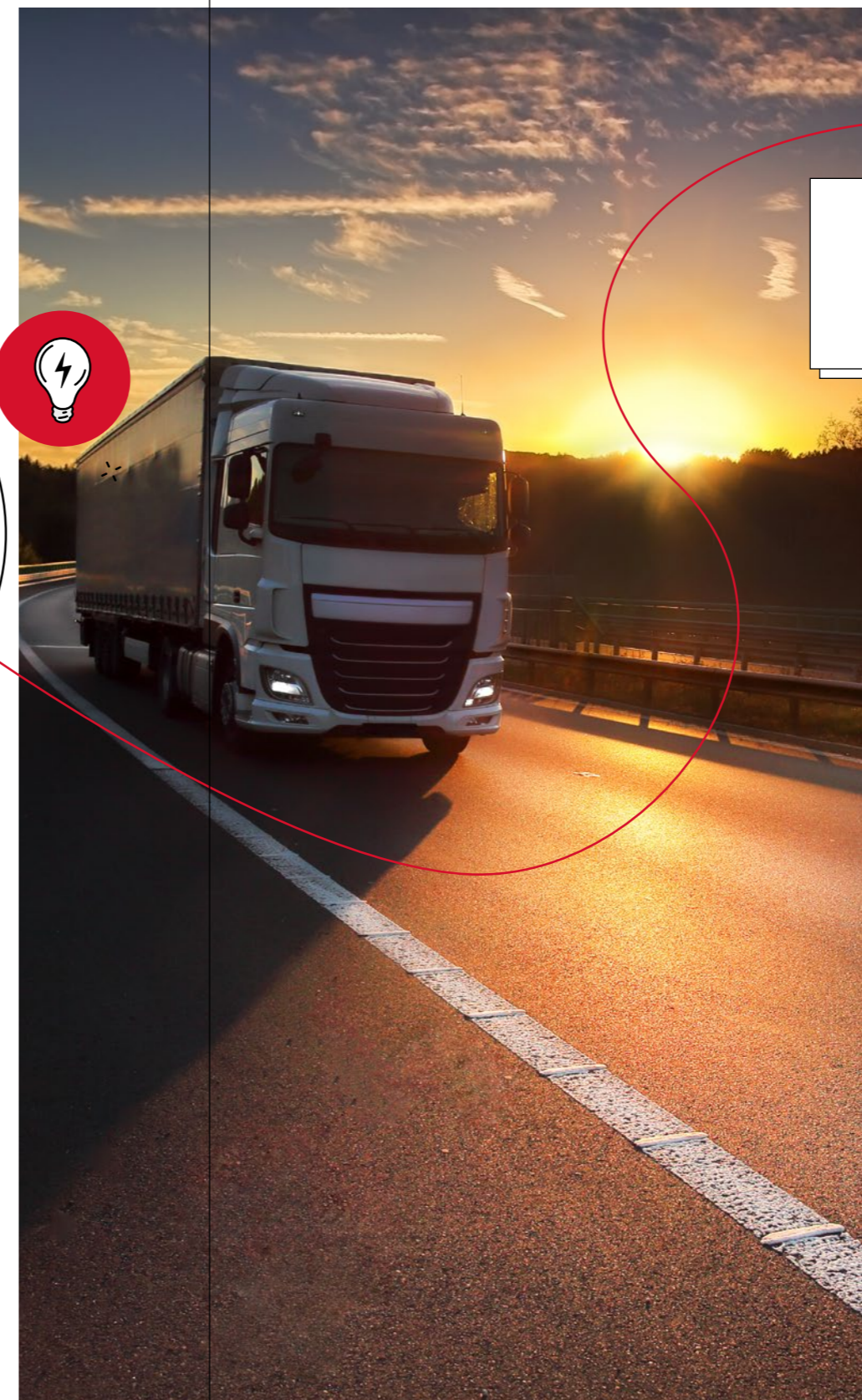
Bio Service and waste management

Filters, fluids, waste oil, batteries, tyres, car parts packages... Every day a typical garage has to manage a lot of waste, much of which is dangerous to the environment. At Inter Cars S.A. we understand how troublesome and time-consuming a responsible and lawful management of such waste can be. Therefore, we have created Bio Service - a unique service offered to the garages which cooperate with us.

Benefits of Bio Service

- access to environment protection experts,
- support in handling all formalities related to waste management,
- waste containers,
- collection of waste by specialised oil tank trucks and special vehicles for collecting other garage waste, equipped with a lift,
- assistance in preparing basic waste management documents,
- maintenance and cleaning of separators and oil-derivatives settler tanks,
- maintenance and lease of working clothing.

In addition, Bio Service offers an exceptional loyalty programme for garages. An example of such benefits is waste batteries - for donating them owners receive special Cash Bonus cards, on which funds are accumulated for the purchase of parts through Inter Cars S.A.



[GRI 103-1] Environmental management basics

[GRI 103-2]

[GRI 103-3]

Occupational Health and Safety and Environment Protection Policy of the Inter Cars Capital Group;

Energy Management Plan - "Energy Efficiency of the Inter Cars S.A. Capital Group";

Internal energy management policy;

Regular energy audits according to PL-EN 16247 standard;

Analysis of the company's influence on the natural environment in the context of direct and indirect aspects;

Reviews of compliance with legal requirements in terms of broadly understood environmental regulations;

Reviews of subcontractors' compliance with environmental requirements in terms of permits, approvals and administrative decisions.

Inclusion of circular economy principles in selected business areas



Lauber carries out one of the most important and environmentally responsible tasks in the value chain. Remanufacturing spare parts allows customers to avoid purchasing new and expensive parts and scrapping the broken ones - thanks to advanced engineering and technology, a remanufactured part is functionally equivalent to a new one.

Remanufacturing brings environmental benefits and saves consumers money when purchasing parts or repairing cars.



Scrap metal trailer with aluminium frame - a new eco-product

Feber supports the environment by producing trailers of a new type. Less weight, less fuel consumption, fewer tyres are the main advantages of these products.

For years, there was a belief that a semi-trailer for scrap metal transport must be "heavy duty" due to the specification of the transported loads.

The design department of the Feber vehicle plant in Sieradz decided to design a semi-trailer, the "scrap trailer", which would be both durable and lightweight.

The result of the work of our constructors is a tipper with a cubic capacity of 55 m³ and weighing only 7400 kg.

The above solution made it possible to reduce the weight in relation to a standard semi-trailer using a steel frame by over 500 kg.



In order to reduce costs and with a view to environmental sustainability, the ILS European Development and Logistic Centre, has focused on reducing the amount of cardboard packaging used.

To make this possible, we have decided to purchase and put into permanent use reusable metal baskets, both high and low, into which we can collect and dispatch goods.

Thanks to this, we have managed to reduce the use of cardboard packaging by around 30% in relation to the amount of packaging shipped from HUB Zakroczym.



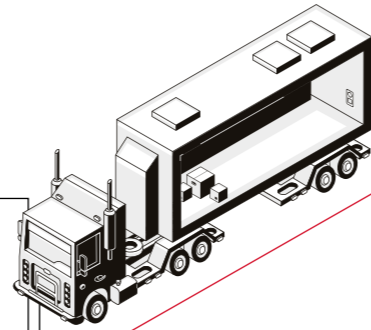
What are our plans for the future? Purchasing more reusable packaging and a stricter control process is one of our main goals in this regard.

[GRI 306-2] Total mass (in [Mg]) of waste generated by Inter Cars S.A. and the Inter Cars Group in 2018 by waste management method

	Inter Cars Group		Inter Cars S.A.	
	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste
Reuse	96,67	0,00	0,00	0,00
Recycling	7 847,52	51 081,38	151,60	0,00
Composting	86,96	67,83	0,00	0,00
Recovery (including energy recovery)	196,24	19,16	0,00	0,00
Incineration (or using as fuel)	14 719,77	0,70	0,00	0,00
Storing at waste landfills	48,43	30,95	0,00	0,00
Other	4,40	0,00	4,40	0,00
Total	23 000,00	51 200,02	156,00	0,00

Optimisations in transport

In 2020, we reduced the number of vehicles shipped by increasing the use of loading space. To make this possible, we decided to use specialist dopplestock and doubledeck trailers for transport and increased the number of vehicles used one way.



Doubledeck

a semi-trailer with a rigid doubledeck floor allowing increased load space utilisation.

Dopplestock

a semi-trailer with a folding floor, which allows us to increase the loading area.

We carried out meticulous tests of loading and unloading of specialised semi-trailers. The test results clearly demonstrated that we can use the above-mentioned semi-trailers on routes between the regional warehouses.

Modern technologies in the ILS European Development and Logistics Centre

In 2020 our ILS European Development and Logistics Centre in Zakroczyrn also focused on optimising the costs of real estate maintenance, increasing energy independence, reducing CO₂ emissions and decreasing the consumption of utilities: gas and electricity.



The effects of our actions include

1. Recuperation (heat recovery from ventilation) has helped us offset our gas costs. We protect the environment.
2. Application of the described systems made it possible to reduce electricity consumption by 70-80% for lighting purposes;
3. The UPS supported the technological equipment so that the logistics and purchasing systems were not thrown out during short power outages.
4. The facility has become energy independent. In addition, connections were made at the switching stations to supply the facility with external power - mobile generators.
5. The system supports the safety of processes, supports the efficient localisation of faults and reduces the reaction time of technical services in fault/ breakdown situations.
6. Minimised time for locating goods, damage or other product-related issues. Assists in clarifying non-conformities, deviations from procedures, etc.
7. Lower electricity consumption and therefore less burden on the environment
8. Reduced volume of waste, fewer containers needed to manage wood waste and economic gain from selling the compacted waste.



What next?

1. Successive replacement and, where possible, installation of basic lighting in office buildings with LED technology.
2. Implementing photovoltaic solutions.
3. Installing electric car charging stations.
4. Implementing environmentally friendly solutions related to the use of modern technologies in warehouse space, e.g., autonomous devices for washing floors in warehouse space.
5. Optimisation and automation of processes.
6. Work on the implementation of the ISO 14 001_2015 standard.

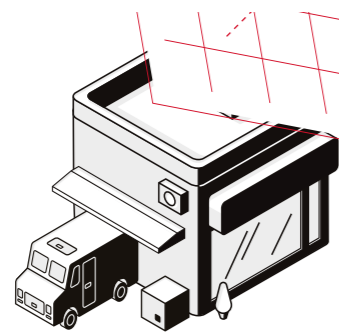
The solutions developed in Zakroczyrn will be applied in other facilities used by ILS Sp. z o.o.

Photovoltaics for garages

In 2020, Inter Cars continued its action from the previous year on promoting a renewable energy source among its employees and customers as a viable answer to outdated energy methods.

The demand for energy is constantly increasing due to the limitations posed by fossil fuels, coal-fired power plants are reaching critical production points, and building new ones is not financially viable as well as harmful to the environment

Renewable energy sources use the earth's natural resources, which are not harmful to the environment and man in the form of CO₂ emissions, are not exhausted and are able to regenerate quickly. The production of energy from renewable sources also contributes to the flourishing of innovative economic sectors, including engineering, IT, medical and consultancy services, and to the development of high-performance, low-carbon manufacturing industries, such as mechanical engineering, electrical and electronic engineering, chemicals and pharmaceuticals, and the automotive industry, resulting in a growing labour market.



Online information and training campaign for garages on renewable energy RES, in particular photovoltaic systems

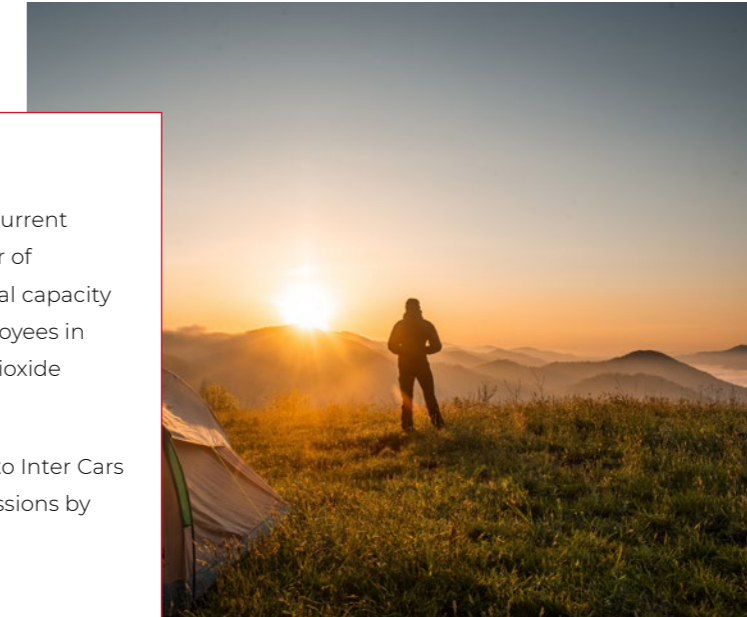
The aim of the campaign was to make employees aware of what energy independence means for them and their customers, and what are the additional advantages of having photovoltaic installations. The campaign also aimed to inform employees and customers about current legislation and subsidies. In addition, attractive financing and leasing offers were made to support the whole process.



What has been achieved?

Increased staff and customer awareness of RES and current legislation related to them (confirmed by the number of enquiries and conversations held). Systems with a total capacity of 144,235 kWp were installed at customers and employees in 2020, which contributed to the reduction of carbon dioxide production.

In total, all the photovoltaic systems installed thanks to Inter Cars in 2020 resulted in a reduction of carbon dioxide emissions by a further 196 Tonnes.



What goals have we set for ourselves in this regard?

Increasing customer and employee awareness through a new website, implementing an energy savings calculator as well as a carbon reduction calculator. This will enable us to reach customers faster and more efficiently, including those who do not associate us with this type of action.

[GRI 302-1] Energy consumption (in [GJ]) by Inter Cars S.A. and Inter Cars Group in 2020

	Inter Cars Group	Inter Cars S.A.
Total purchased energy consumption		
Electric power	39 856,93	3 778,43
Thermal power (including steam, cooling energy)	2 367,39	0,00
Total consumption	42 224,32	3 778,43

Construction and conversion of the network of regional warehouses in Poland

Midi hub
A medium-sized warehouse in the IC network, for one country/area only, serving a limited number of subsidiaries. Bulk products in stock come directly from suppliers.

Hub
Large warehouse in the IC network, can serve different countries and a larger number of subsidiaries. Most goods in stock come directly from suppliers.

Infrastructural and logistical activities are frequently processes that take years. However, if carried out wisely, they also help to optimise the operating costs and to have an actual impact on the environment protection. In 2016, Inter Cars S.A. began the launch of seven modern regional warehouses. It was completed in 2019, with seven warehouses located in Białystok, Lublin, Łódź, Pruszcz Gdański, Rzeszów, Szczecin and Wrocław. Each of these facilities is an "A" class warehouse ranging from 3,500 m² to 7,200 m².



- each of them is equipped with LED lighting and lighting motion detectors;

- each of them is equipped with a stock optimisation option;

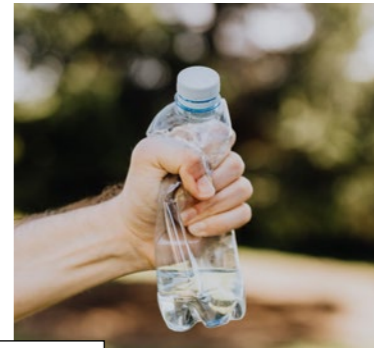
- all warehouses have flammable goods storage zones separated from the rest of the warehouse by walls of required fire resistance;

- due to direct deliveries from the factories, the number of transports from central warehouses has been reduced, which has an impact not only on handling costs but also on lower CO₂ emissions and handling costs, especially for bulk goods;

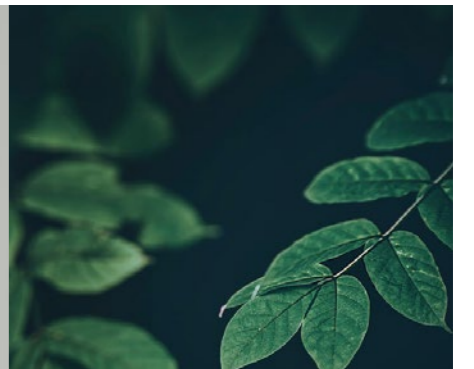
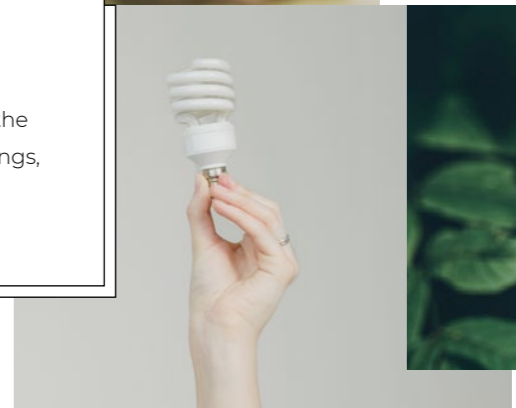
- the delivery times to the end-customer have been reduced, resulting in a decrease in environmentally hazardous emissions;

- the consumption of electrical power has decreased, e.g., by an average of 20% in the Łódź warehouse alone.

Simple actions - huge benefits



All facilities belonging to Inter Cars undergo energy audits every four years. Their purpose is to indicate the areas where there is a possibility of introducing savings, e.g., on energy and natural resources consumption.



Large investments, modernisation of warehouses and logistics halls as well as implementation of new projects are activities that improve the condition of the natural environment to a large extent. Each day, together with our employees, we try to do seemingly trivial things which, if implemented on a bigger scale, have measurable effects.

For example, we have replaced the entire lighting system in our offices in Warsaw, Czosnów and Zakroczym with a new, energy saving one. We have also installed green ventilation and air-conditioning systems and introduced waste segregation. In addition, we have replaced disposable paper towels with cotton ones.

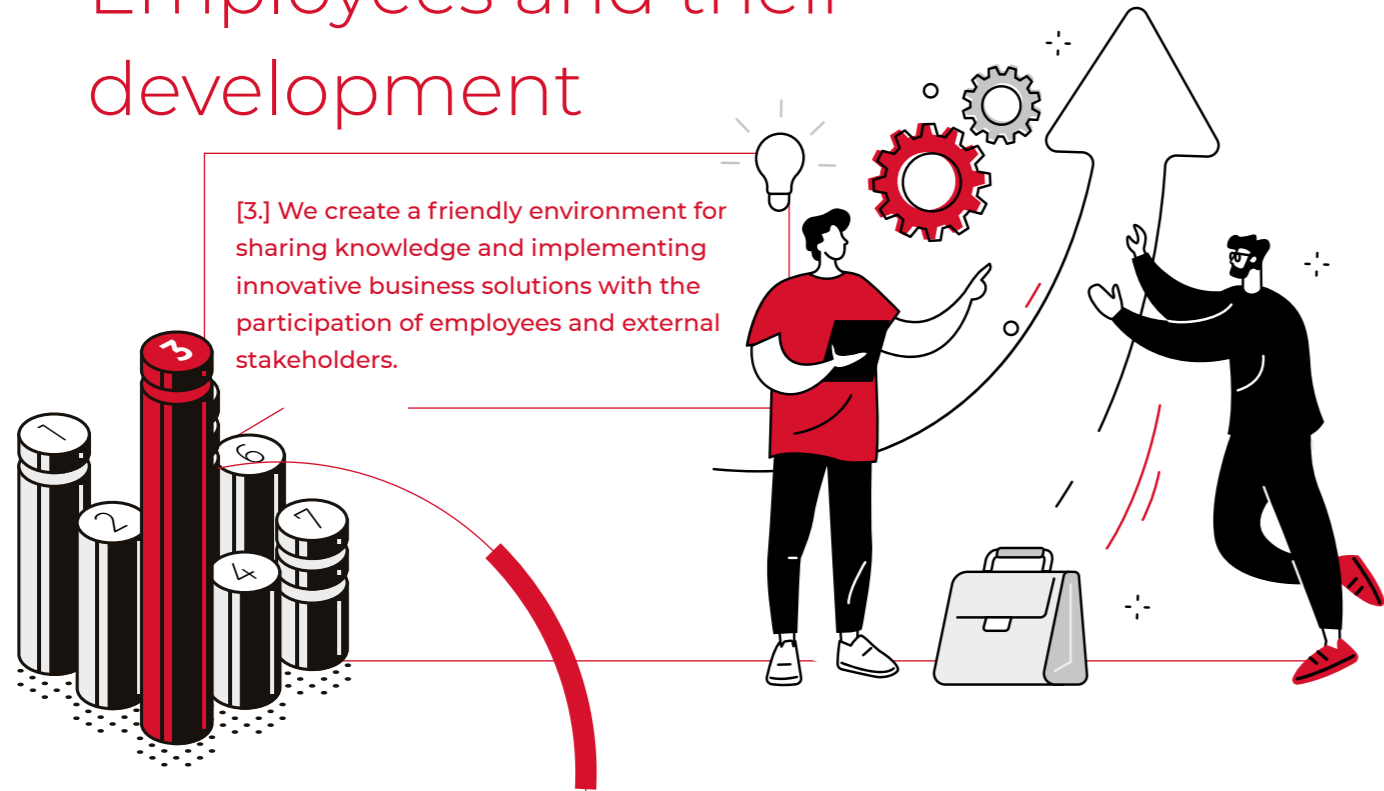
Each roll of such towels is washed at least 100 times throughout its life cycle, which is equal to 40,000 paper towels or 7,000 minutes of hand dryer operation. In each of the offices we have also reduced the number of printed documents and switched to the electronic form of archiving, and in Zakroczym, in the ILS European Distribution Centre, we have adapted to waste segregation by designating special places within the Distribution Centre whose preparation and marking complies with legal requirements. We have also implemented appropriate operational and health and safety procedures.

In 2020 we completed the process of moving to offices located in the "Młociny" mall in Warsaw. We also wanted the infrastructure of the new location to meet environmental regulations, which is why we are proud that one of our most important offices can bear the honourable title of a green building - a certificate awarded by BREEAM INTERNATIONAL (BREEAM-0079-5914). The Inter Cars offices in the Młociny mall are equipped with energy-efficient lighting divided into zones, as well as LED lighting in all shared areas of the building. The office has 40 parking spaces, locker rooms and showers for cyclists and features excellent sound insulation and energy-efficient elevators. The bathrooms have been designed to reduce water consumption by 40% and feature a leak monitoring system.

People: partners, customers, society and employees

(S – social)

Employees and their development



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

Management fundamentals

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

personnel policy, career map and salary policy, structured remuneration policy,

the issues concerning pay ranges for particular positions are available in the company's strategic documents and relevant policies.

Inter Cars guarantees stability and employment security, timely remuneration and an attractive offer of non-wage benefits. We care about maintaining the work-life balance. We can enjoy the leading position in Europe only thanks to our employees. Many of our employees have been with us since the very beginning, getting gradually promoted, getting to manage their own teams or pursuing their professional development.

[GRI 102-8] Total number of employees

Total number of employees by type of contract	Inter Cars Group			Inter Cars S.A.		
	Men	Women	Total	Men	Women	Total
employed for a specified period of time	1609	591	2200	50	47	97
employed for an unspecified period of time	774	404	1178	334	235	569
Total	2383	995	3378	384	282	666

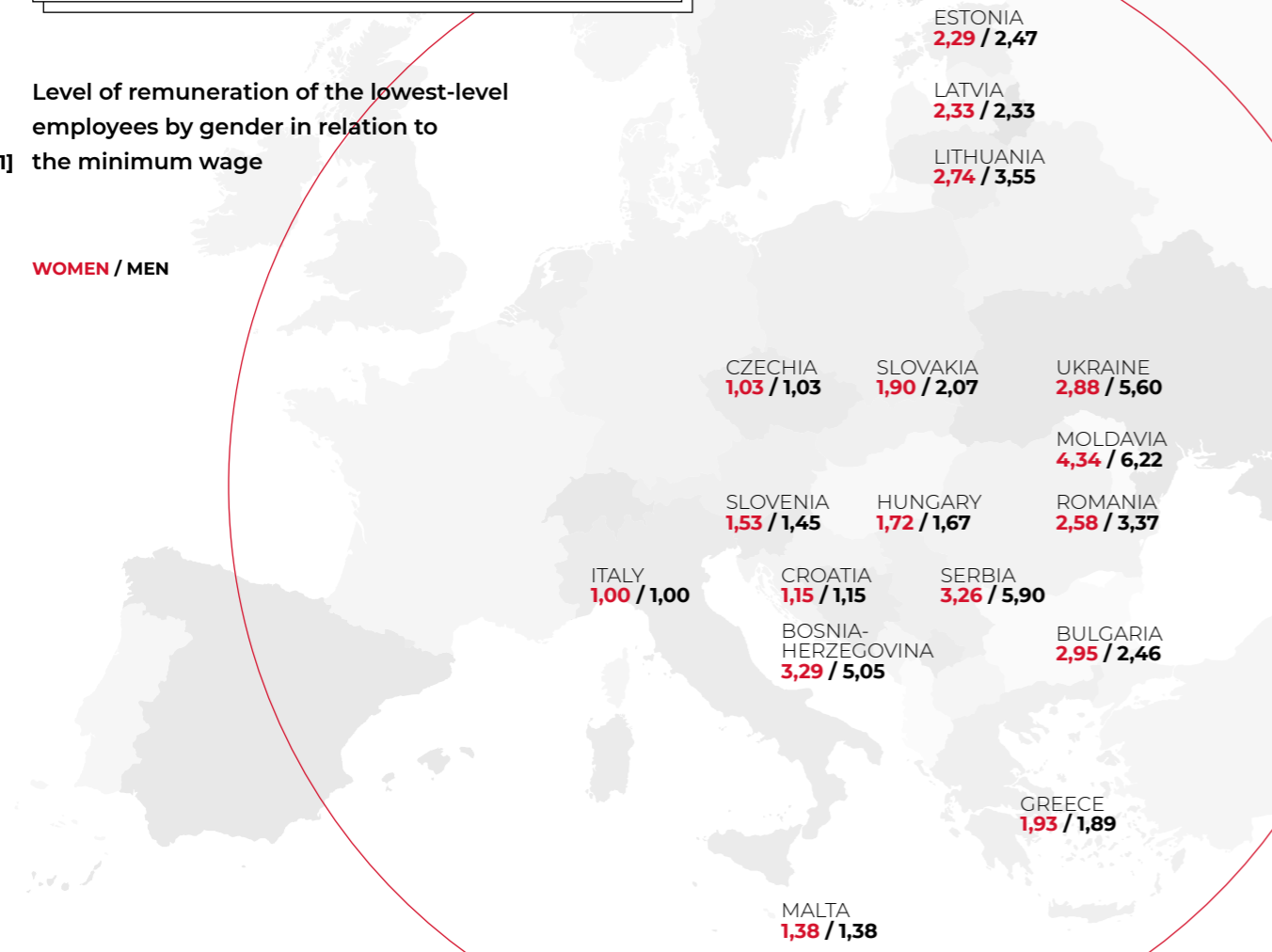
Total number of employees by employment type	Inter Cars Group			Inter Cars S.A.		
	Men	Women	Total	Men	Women	Total
full time	2320	952	3272	368	273	641
part time	63	43	106	16	9	25
Total	2383	995	3378	384	282	666

Total number of employees and associates by:	Inter Cars Group			Inter Cars S.A.		
	Men	Women	Total	Men	Women	Total
employed on contract of mandate	9	15	24	8	5	13
on a contract to perform a specific task	3	20	23	19	2	21
employed on an internship contract	0	1	1	0	0	0
supervised staff/or seasonal workers	0	0	0	0	0	0
staff employed on the basis of a management contract	0	0	0	0	0	0
Total	12	36	48	27	7	34

Both in the parent company and in the other Group companies, the level of remuneration of the lowest-level employees is in line with the applicable national requirements in this respect.

Level of remuneration of the lowest-level employees by gender in relation to the minimum wage
[GRI 202-1]

WOMEN / MEN



POLAND

ICSA	QST	ICMS	ILS	ICFS
1,26 / 1,55	1,19 / 1,98	1,29 / 1,73	1,16 / 1,09	1,43 / n/d
LAUBER	FEBER	QS	JAG	
1,19 / 1,23	n/d / 1,22	1,44 / n/d	1,55 / 1,70	

Wide range of non-wage benefits

Inter Cars is people, our employees, who have been building our market leading position for over 30 years. We appreciate their commitment and passion that they put into their work every day. We are lucky, because we work with passionate people, car lovers and enthusiasts of new technologies, that is why we do everything to ensure that their satisfaction with employment conditions and effectiveness are at the highest level.



Lots of benefits and opportunities:

- participation in numerous conferences and training
- market-based remuneration, matched to your skills
- flexible working hours
- support for foreign language learning
- multisports cards on favourable terms
- free medical consultations with with experienced doctors at the office in Czosnów
- private medical care on favourable conditions.

Rich social benefits package:

- Christmas vouchers
- family picnics
- co-financing of summer camps for children
- holiday benefits
- multisport card
- group life insurance
- discounts for products from the sales offer
- comprehensive private medical care
- loans on favourable terms
- benefits
- special events

[GRI 401-2]



The Inter Cars Group always treats all its employees as partners and with due respect, irrespective of whether they have been employed with the Company for a short time or for many years. **The Company offers non-wage benefits to all employees on equal terms.**

In the era of the COVID-19 pandemic and in connection with the lockdown, which involved, among other things, the closure of educational facilities, Inter Cars made such a possibility available to all employees who could perform their work remotely. This made it much easier for parents to take care of their children, especially those requiring support in the first months of online learning.

We also support employees returning to work after parental leave. There is always a job waiting for them in the same position, or if it had to be terminated for reasons beyond the company's control, in a position of exactly the same grade. Almost all women return to work after giving birth after maternity or parental leave, according to their choice of childcare option. The benefit card also includes the possibility to cover the child with private medical care on preferential terms.

In 2020, around 60% of vacancies were filled with employees already in the organisation.



[GRI 202-2]



At Inter Cars Group, we care about the development of the local community. We try to ensure that the majority of people employed in senior management positions come from the local community - the Group-wide average is 96%. In some countries as many as 100% of managers are local nationals. These include: Bosnia, Bulgaria, Croatia, Estonia, Lithuania, Moldova, Romania, Slovakia, Hungary, Ukraine, Greece, Latvia, Italy and Serbia.



Employee satisfaction survey

The opinion of our employees is extremely important in order to implement new and improve current processes. In December 2020, 6 more people took part in the employee survey than in the corresponding survey conducted in 2019. The increase in positive ratings over negative ones across the survey increased by 11 percentage points - from 39% to 50%.

The highest rated criteria by employees:

- My colleagues help me when I have a problem
- The Inter Cars Group coped during the pandemic (organisationally, level of information, tools, salaries and employment)
- My workplace in the company (workstation equipment, tools, premises conditions, company location and etc.) is appropriate

Lowest scoring criteria:

- Satisfaction with fringe benefits (training, subsidised language learning, opportunity to purchase medical and sports cards, discounts on company products, possibly social benefits, loans)
- I am rewarded fairly for the work I do.

Inspired by the survey results, the Company decided to take the following action:

- changes in the way benefits are communicated and the system of benefits themselves,
- changes to the way pay reviews are communicated and opportunities to develop them.

Throughout the survey, employees strongly confirmed that the changes taking place at Inter Cars Capital Group are going in the right direction. **Over 61% of respondents provided a positive feedback.**

In the Inter Cars Group, 100% of the employees are subject to regular appraisals based on the targets set.

[GRI 404-3]

Health and safety of employees

- [GRI 403-1]
- [GRI 403-2]
- [GRI 403-3]
- [GRI 403-4]

The issues related to health and safety of Inter Cars Group employees are regulated by a system implemented in accordance with the legal regulations in force in a given country, which differs from country to country. Irrespective of the location, the following elements can be distinguished in its structures:

occupational health and safety instructions; risk assessment	employee training and instruction in accordance with the guidelines.
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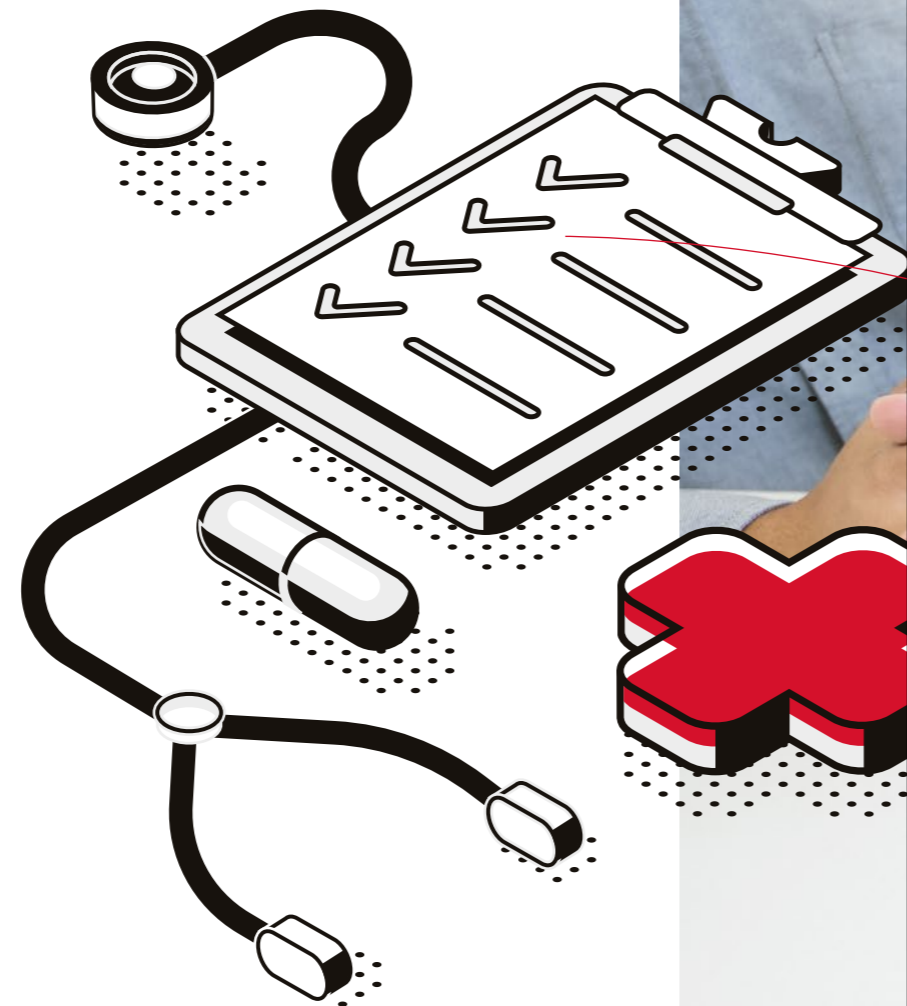
All employees in each country have the opportunity to report their risk observations to their supervisor. In addition, in some of the countries in which the group operates, special committees have been set up to oversee employee safety.

These committees operate in accordance with the legal provisions in force in each country.

To guarantee the high quality and effectiveness of these activities, measurements of the environment, safety data sheets and technological processes are organised. The whole process is monitored on an ongoing basis by the management and verified by OHS inspections.

Health and safety of employees is a very important issue for the Inter Cars Capital Group. The doctor is in constant contact with the employer and with the OHS unit. As a responsible employer, we regularly send our employees for medical check-ups by issuing a referral, in which the work conditions are specified in detail.

The medical doctor additionally refers the employees to detailed examinations, such as hearing test, contact with a neurologist, psycho tests and other detailed examinations, which help to control and take care of the employees' health.



It must be emphasised that data on the health of employees is confidential and available only to medical services. As an employer, we are only guided by the opinion of an occupational doctor who determines whether an employee can work in a given position.

The correct course of processes related to health and safety at work of our employees is supervised by an external company, which carries out the necessary health and safety training in accordance with legal

guidelines. They are experts who support the group in developing, implementing and evaluating the occupational health and safety system and providing employees with relevant information in this regard.

All employees employed by the company, as well as employees whose work or workplace was inspected by organisations, are covered by the Inter Cars Capital Group safety system.

[403-8]

Work safety trainings

[GRI 403-5] [GRI 403-7]

Each employee employed in the Inter Cars Capital Group must undergo comprehensive OHS training. The employees are obliged to perform preliminary, periodical and control training. These needs are taken into account in the risk assessment for each work position, as well as defined by legal standards. Each OHS training is held during the employee's working hours, and its cost is borne by the workplace.

Occupational health and safety training is matched to the individual nature of work at each workplace. They are conducted periodically in accordance with the labour law guidelines for each country. They take the form of both classroom training and e-learning. The quality of the training courses is the responsibility of an external provider with experienced staff for health and safety training. Training is always conducted in the employee's native language.

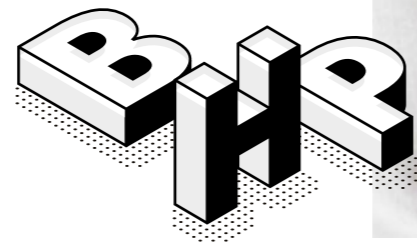
The main indicator for assessing the quality of training is the number of incidents at work and the number of health and safety violations reported by managers and directly by the employees themselves.

Health and safety instructions are displayed in each location where employees are employed. We also carry out regular risk assessments on individual workstations.



Employees working in high-risk conditions regularly undergo dedicated health and safety training. Such training is also provided for line managers, so that they can better monitor whether their subordinates observe health and safety rules, comply with them and avoid accidents in the workplace. As some employees come into contact with grease or oil, for example, we provide them with the necessary cleaning agents to enable them to work in the most comfortable conditions.

Due to the difficult epidemiological situation caused by the COVID-19 pandemic, we provided all employees with access to additional cleaning products. Each location has dispensers with a sanitizer, and common areas - including, among others, door handles - are additionally disinfected several times a day.



Additional health care

[GRI 403-6]

Some of the companies in the Inter Cars Capital Group make it possible for employees to benefit from additional health care - it takes various forms and may be completely paid for by the employer or paid for in a certain part. The Company also provides employees with access to additional insurance for employees and their families.

Voluntary services and health promotion programmes offered to employees include Lux Med and Multisport packages. These are packages paid for voluntarily by the employees, available in selected companies of the Inter Cars Capital Group.

By signing a contract for an additional medical package, the employee also signs a consent to have his/her personal data processed within a specific scope. Direct superiors have no access to information on the employee's health status and cannot use the data for unfair treatment. The superior is informed about the employee's state of health only if the employee is not fit to work. In other cases, the employer does not have access to the documents and therefore automatically keeps this information confidential.



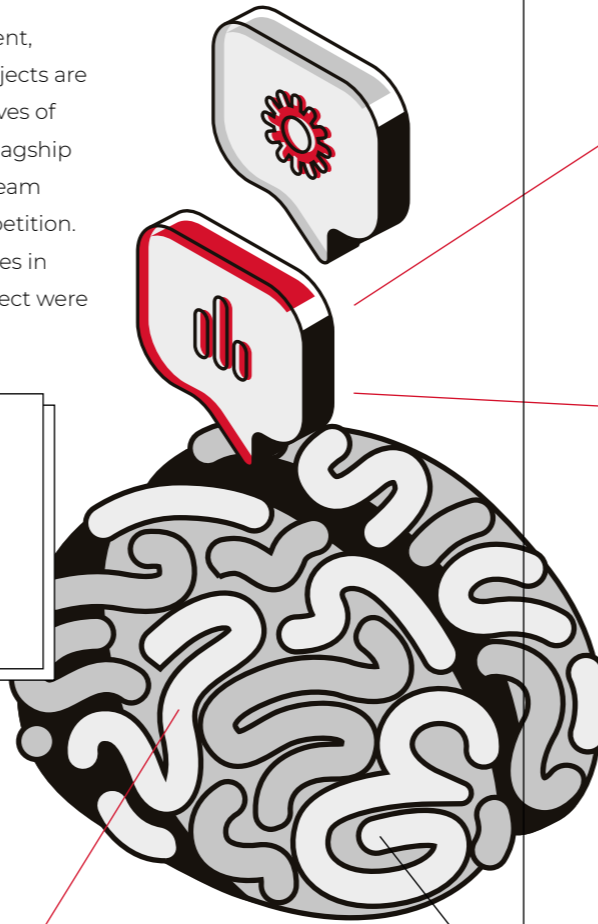
Innovations in the approach to work

Inter Cars operates in an international environment, which means that a significant proportion of projects are carried out with the participation of representatives of different cultures and nationalities. In 2020, the flagship example of such a model was the international team created as part of the Young Car Mechanic competition. After years of organisation in Poland, competences in the implementation of the next stage of the project were transferred to foreign companies, strengthening the international character of the undertaking.

Inter Cars has a Strategic Team - a team comprising the management board and key managers of the Group. Projects and products (IT) operate internationally. In many product teams we have members from outside Poland, as well as two managers representing other countries. Moreover, every employee can submit a new idea in the organisation via New Idea in JIRA - an application that facilitates IT process management.

In turn, within Inter Cars itself, we often build cross-departmental teams that look at a given issue from a broader perspective and try to find the most optimal solution for both the company and its customers. In 2020, one of such groups was the optimisation team, which proposed and

implemented a number of improvements both at the branches and in our warehouses. One of the implemented solutions made it possible to shorten the customer service time at the branch, which brought measurable benefits in terms of time and, consequently, also in financial terms.



In 2020, Inter Cars once again received the Highest Quality HR Certificate awarded by the Polish Association of Human Resource Management (PSZK). This document is a confirmation for employees and candidates that the company is a good, credible and reliable employer, applying the latest solutions in the field of human capital management. The awarded employers are organisations which set trends in human resources management and promote high standards.

Effects after project implementation

Average reduction in time to create an order header	0.08 min
Average time reduction for searching order at the cash desk	0.09 min
Average reduction of time to find a delivery note to issue	0.08 min
Salary savings	PLN 77,069.01
Monthly saving per branch	PLN 308.28
Annual savings per branch	PLN 3,699
Annual saving for the entire organisation	PLN 924 828.08

Inclusive innovation process

Following the spirit of time, Inter Cars entered a new area related to robotisation of business processes (RPA - Robotic Process Automation). To date, our company has developed

many software robots that have been implemented in very different areas: from finance, logistics, sales to product management. With the start of 2020, we introduced a new operating model,

whereby any willing employee could create their own robot. Currently, these robots help in many departments.

Inter Cars Ninja Robot

Inter Cars, as an innovative organisation, uses the emerging technological opportunities to automate work, especially in the execution of monotonous and error-prone tasks, giving employees the opportunity for professional development by giving them challenging and creative tasks. Monotonous and error-prone tasks are taken over by automatons, carrying them out regardless of the availability of the employee performing them so far. A particular test for the Company was the year 2020, when the pandemic took over every aspect of our lives. Despite staff attrition, the organisation was able to adapt flexibly to the challenges of COVID-19.

The Automation team had already initiated activities under the IC Ninja Robot programme in early

2020, launching a fast-track transfer of knowledge in technological innovation to business areas. This approach allowed a very effective response to the lockdown introduced in March. Automated processes were not affected in areas where human attrition had a significant impact on the handling of processes, and business areas, with the support of the Automation Team, were able to adapt their work at a very fast pace, creating automation tools for this purpose.

In 2020, over a dozen new software robots were launched, carrying out work that, in the absence of their implementation, would have had to be carried out permanently by several dozen additional people. The approach used allowed the organisation to react very quickly in such unstable times and flexibly adapt to changing business conditions.

Seeing the effects that work automation brings, the company is exploring the possibility of using intelligent automation solutions such as OCR or chat bots. Thanks to the developed fast path of knowledge transfer from the Automation Team to business areas using IC Ninja Robot, the potential of implementing and scaling innovative solutions has reached a level that allows us to effectively achieve the strategic objectives of the organisation, despite the presence of such uncertain external conditions.

What's new?

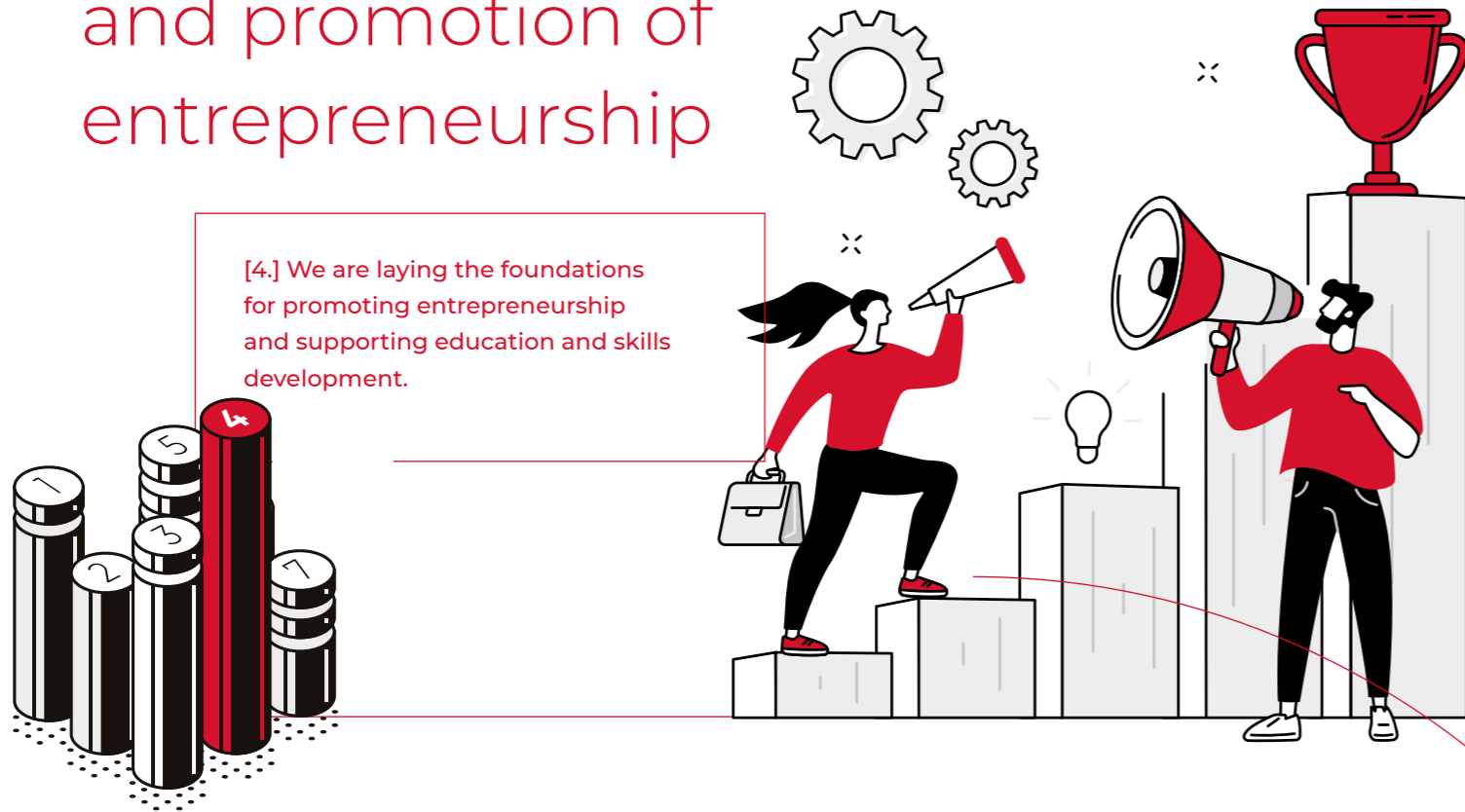
We would like each of our employees to be well informed about the current activities of our organisation, which is why everyone receives the "What's new?" newsletter every month. This year we not only informed about the

passions and hobbies of our employees. Thanks to the newsletter, our colleagues from different countries were able to share their experiences about remote working and coping with the new covid reality. In the magazine we periodically

presented their creative ideas, in which, for example, they organized help for business partners, designed their own parcel machine or organized an online reality-show.

Garage staff and promotion of entrepreneurship

[4.] We are laying the foundations for promoting entrepreneurship and supporting education and skills development.



Employee development

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

Management approach

Regular appraisals - at Inter Cars satisfaction survey - a satisfaction Group, 100% of employees are subject survey was held among all employees to regular appraisals based on the targets set. in 2020.

We try to create opportunities for our employees, for example by taking up new tasks, challenges, as well as by supporting their development in the form of financing, subsidising language and tool competences, building knowledge of specific solutions and financing participation in industry events.

[GRI 404-3]

We offer all employees a full range of free internal training, as well as funding for external training and webinars to develop subject matter and technical knowledge.

Examples of training held in 2020:

- Wellbeing
- Team collaboration including remote working
- Work organisation and time management in the home office mode
- Assertiveness
- Online manager
- Effective online business meetings
- SQL
- Self-motivation and motivation
- SQL w Oracle
- Effective communication
- DAX

	Training hours [GRI 404-1]		
	Women	Men	Total
Total number of training hours	4844,75	14510,25	19355
Total number of employees	995	2383	3378
Employee average	4,87	6,09	5,73

Young Staff

“Young Staff” is a programme created in 2012 and aimed at vocational schools and automotive technicians. It consists in equipping these schools with modern equipment for diagnosing and repairing defects in vehicles and providing teachers and students with the up-to-date knowledge and skills necessary for educating future personnel for the automotive industry.

With the support of the “Young Staff” programme, teachers and students can benefit from training on an e-learning platform, the same which supports the development of active mechanics. The number of users logging into the platform is gradually growing, as is the time needed to complete the tasks and exercises, which proves the usefulness of programmes like this one. This solution worked particularly well during the COVID-19 pandemic.

Due to the pandemic and the limitations of social contacts, the existing on-site training for teachers and students in schools (5 training sessions were held), necessarily moved to the Internet and were broadcast via MS Teams and Facebook from a studio organised by the training department. In 2020, 8 training sessions were held for nearly 1,000 participants.

By the end of the 2019/20 school year, 26 establishments had participated in the programme, with more than 9,500 students gaining knowledge in vehicle mechanics. Currently, “Young Staff” covers together 27 schools, and at the end of 2020, it will be joined by the District School Complex No.1 in Pszczyna.

ERASMUS+ programme

Since 2019, Inter Cars, together with its partners, has been implementing an international project funded by the **ERASMUS+ Programme**, the aim of which is to promote high quality vocational education for the automotive industry through a multi-stage skills competition organised by employers for vocational and technical school students.

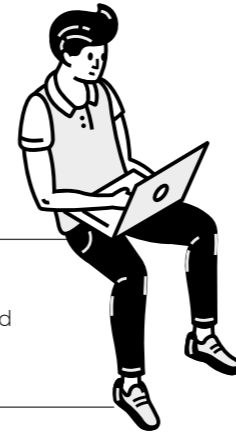
Sample offer for schools of the Young Personnel Programme:

Maintenance and repair of equipment donated by Inter Cars S.A.	Free and dedicated training for teachers and students due to COVID-19 pandemic moved to the Internet.
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The possibility of individual projects including organising apprenticeships, educational trips and ShowCar training due to government decisions restricting social contact were suspended.

Programme objectives:

to support trade schools, technicians and other establishments educating in automotive-related professions,	presenting the realities of the operation of the automotive industry,	Creating opportunities for pupils and students to practice their profession in network garages cooperating with Inter Cars S.A,	Presenting the image of Inter Cars S.A. as a leader in the automotive industry, focused on implementing new technologies and professional development of automotive employees.
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Young Car Mechanic



The flagship undertaking of the “Young Staff” programme is the international **Young Car Mechanic** competition, which has been organised for four years. Each time the competition identifies young talents, serves the exchange of experience and good practices between Polish and European schools and popularises the profession of car mechanic.

In the 2019/20 school year, 1,818 students took part in the Polish preliminaries of the competition, representing 26 schools cooperating under the “Young Staff” programme.

Due to the restrictions caused by the COVID-19 pandemic, the competition in Poland was held in emergency mode, only in the online formula.

The second stage knowledge test was completed by 323 participants from all 26 establishments of the “Young Staff” programme within the deadline. The national and international finals were cancelled.



Despite the pandemic, training is the key to development

As part of the #wehelptohelp campaign, in March and April we conducted a series of six online training sessions for car repair shops on service management in times of crisis and on e-tools used for proper business operation. More than a thousand garages followed us live in the most watched webinar. Together with foreign partners, we also provided mechanics with the opportunity to participate in respirator repair training, which was an innovative solution in times of a spreading pandemic.

Business training is a comprehensive offer facilitating easier and more efficient business management for every garage owner. We teach them what to do to increase the efficiency of their garages.

Business training is about:

- improving the work of the garage by learning the best practices in car service management,
- learning different methods of optimizing working time and motivating a team of mechanics,
- understanding the types of legal risks involved in running a car repair shop and limiting such risks,
- analysing how to manage the customer service process, presentations of various methods of promoting the garage and reaching out to new customers.

Training in the era of the pandemic was a real challenge for both trainers and participants. Until the introduction of the restrictions, we followed a prepared plan of stationary training, which immediately had to be changed to a webinar formula.

Together with suppliers, we responded flexibly to the changes and quickly introduced a comprehensive range of online training courses, both in garage management and in strictly technical webinars on specific topics related to car mechanics.

When the restrictions were eased, at the turn of September and October, we also conducted a series of stationary trainings at the Training Centre in Czosnów. Over four days, in cooperation with eight suppliers, we organised as many as 15 training courses, which were very popular with participants.

Product training is an opportunity to get to know the latest solutions by leading manufacturers.

Product training is about:

- meetings with high-class specialists,
- the opportunity to interact with top quality products,
- learning to make the most of your equipment's potential,
- a chance to learn about the latest news from the automotive industry,
- an opportunity to exchange experiences and opinions.

Product training is organised in cooperation with the leading suppliers, such as ATE, Hella or Texa. It is through this training that the customers of Inter Cars S.A. are among the first to become introduced to the latest products.

The last quarter of 2020 and the next wave of the COVID-19 pandemic meant that all training sessions moved to the virtual world again. Together with the suppliers, we organised several dozen free webinars, the transmissions of which could be followed on an ongoing basis on the Facebook profile of the Inter Cars Training Department.

Technical training is a chance to broaden mechanics' team competence with new skills and develop their specialist knowledge. The meetings we offer are the most complete training offer on the market with a very wide range of topics.

Technical training is about:

- the opportunity to learn about the construction of various mechanical systems and other car components and to understand exactly how they work,
- practical classes in disassembling, repairing and reassembling a given component - depending on the subject of the training, we conduct demonstrations on test cars, pre-mounted components or specially prepared cross-sections, e.g., of an engine,
- meeting with the best specialists with specialist knowledge,
- exchanging experience with other training participants.

Building customer relations



[2.] Our clients have access to products and services of the highest quality, and entrepreneurs cooperating with us.

We care about

Due to our skilfully implemented strategy, the high quality of our services and our partnership-based approach to clients, our brand recognition among garages is 100%. We reach our goals through cooperation, realising that we develop and grow only if our customers develop and grow with us.

Despite the problems that have affected the entire industry due to the COVID-19 pandemic, in order to provide customers with a valuable product, we continue to conduct business negotiations with our key partners, namely suppliers. Due to restrictions on face-to-face meetings in 2020, most meetings were held online. To make them as effective as possible, all the people involved in the implementation process participated. In this way, we sustained the supply chain without compromising the garages and ensured that our customers had access to the full range.



In 2020, a number of innovations were implemented or accelerated, which had a significant impact on the development and operation of individual areas of the Company:

- we experienced further growth in sales through e-commerce channels,
- long-term investments provided us with effective solutions for taking orders from our customers using digital technologies,
- in the area of B2B customers we continued to roll out the e-catalogue solution to virtually all countries outside of Poland (in Poland e-catalogue will be promoted in 2021)
- as regards of B2C customers, we continued the development of B2C shops by launching operations in more countries,
- all our e-commerce solutions were enhanced in terms of hardware so that they could handle increased traffic and an increased number of orders,
- customers in Poland were able to contact us via a chat,
- we maintained call centre efficiency despite the need for call centre employees to leave their offices (work remotely from home)
- we provided technical support for promotional actions aimed at our clients and partners e.g., #wehelptohelp.

**Intermeko Europe
- standards at
the highest level**



Intermeko Europe Sp. z o.o. examines potential future suppliers of Inter Cars, but also conducts random quality control of those entities that already sell at the distributor's. This is to ensure continuity in the supply of top-quality products and their verification in accordance with the guidelines and expectations of users. The laboratory also performs tests related to claims reported by individual customers.

We are one of the few automotive parts distributors in Europe who have their own quality control system based on QDA software. Implementation tests of parts, before we include them in our offer, are carried out in the laboratory of Intermeko Europe Sp. z o.o. All parts undergo multiple tests to ensure that the final product is safe for the user and meets very stringent technical standards. The laboratory has recently changed its location, and on the new site - due to the bigger usable area - it uses even more technologically advanced test stands.

Intermeko Europe Sp. z o.o. researches own brands to the greatest extent, because it is in this part of the market that there is the biggest scope for verifying the quality of parts. Every new product in this segment undergoes thorough checks and tests and must pass laboratory verification before it can be put on sale.

The laboratory of Intermeko Europe Sp. z o.o. works according to the implemented quality management system ISO9001. The certificate issued by DEKRA Certification confirms that the quality management system was implemented and is maintained by Intermeko Europe Sp. z o.o., according to the requirements of ISO 9001:2008.

Key tests performed in Intermeko Europe Sp. z o.o.:

- | | |
|------------------------------|---------------------|
| geometric measurements, | strength tests, |
| hardness tests of materials, | |
| microstructure tests, | functional testing. |

Health and safety impact assessment of relevant product and service categories

[GRI 416-1]

Concern for the health and safety of our employees, customers and business partners is always of key importance to us. We take care of them by performing a number of tests in the Intermeko Europe laboratory, by implementing strict safety requirements in all our warehouses and logistics centres, but also by manufacturing vehicles in our Feber factory.

Since 2011, all vehicles produced at this plant have European e9 type approval, and the entire production cycle is carried out in compliance with health and safety regulations, fire safety regulations and all applicable safety standards.

**Digitalisation
and digital safety**



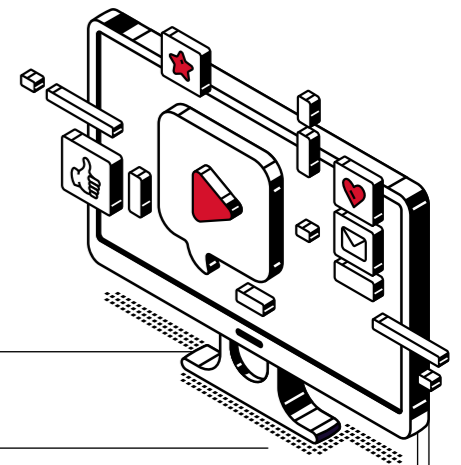
Measures taken in the area of digital development, development of secure and remote sales

Safety aspects support the organisation's objective of building the highest quality service in the supply of automotive, industrial and garage equipment products. In addition, all this is carried out on the basis of a partner relationship model. One part of this mission is also taking care of the safety of employees, customers and services.

Digital security, understood as accessibility, confidentiality and integrity in this respect is implemented for the needs of the Inter Cars SA Capital Group and all customers and business partners.

Since 2019, the Company has been consistently implementing the Information Security Policy, which contributes to increasing awareness of digital security and enhances process security. New, as well as ongoing projects in the area of information security and data protection, take into account the new conditions resulting from remote working.

Projects improving the reliability and availability of the infrastructure responsible for online cooperation with B2B customers are currently underway or will be launched; the projects involve building HA solutions also based on public cloud services.



Results of activities in the area of digital security:

- | | | | |
|---|--|--|--|
| · Information Security Principles for the Inter Cars Capital Group were created and published | · digital security principles, including personal data protection, were adjusted to remote working conditions. | · one common Security Operations Centre was established in Inter Cars Capital Group, which supports employees, co-workers and business partners every day in the area of digital security and incident management. | · a major stage of digital transformation was completed, involving the creation of dedicated teams working with managers responsible for business process development. |
| · 8 major security projects and several minor initiatives were carried out, which changed the approach to security in the Inter Cars Capital Group already in 2020, | · secure remote use of sales systems and customer service was made possible, | | |

Plans for next steps in the near future:

- active cooperation with business in the protection of assets, including Inter Cars Capital Group customer data,
- continuous improvement of security processes based on identified risks and detected incidents,
- introducing new technologies in the field of conducting development and integration of e-commerce applications, guaranteeing faster adjustment of business requirements to the competitive market,
- development of business continuity management for the Inter Cars Capital Group,
- raising users' awareness of the latest threats through information campaigns, announcements and direct contact,
- increasing the reliability and security of technological resources by introducing automatic testing and auditing procedures.

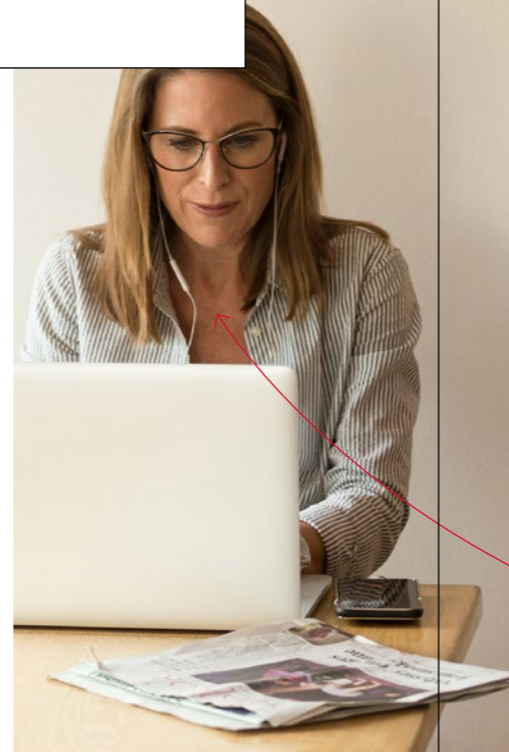
Claims process management

- in 2020, the Inter Cars Claims Department received and reviewed 101,000 claims,
- the ratio of justified to rejected claims is 65/35, of which 65% are accepted claims and 35% rejected claims,
- the level of justified claims relative to the value of Inter Cars sales in 2020 amounted to 0.31%,
- despite the pandemic and many adversities connected with lockdown, almost 90% of claims reported and forwarded to the Inter Cars head office in Zakroczym, were dealt with in less than 7 days,
- the claims are accepted and reviewed via the IC Claims application,
- thanks to the IC Claims application and Online Catalogue customers have the possibility of monitoring of their claims on an ongoing basis,
- thanks to IC Claims, customers are informed electronically (SMS and e-mail) about the current status of their claims
- currently more than 40% of Inter Cars customers file their claims only through the Online Catalogue, thanks to which they can control and monitor the claims revision process on their own,
- the IC Claims application continues to develop and adapt to the needs of our customers. Therefore, in 2020, a change was implemented which allows entering complaints via the Online Complaints Catalogue not only in Polish, but also in English and German.

Customer feedback

The opinion of our customers is crucial to our decision-making process and to the improvement of existing regulations. This is why we regularly ask our cooperating services to share their insights and comments by completing surveys and contacting sales representatives directly.

Customer satisfaction surveys are made available periodically in the Online Catalogue and the e-catalogue, the two largest e-tools offered to garages. Their task is to verify the areas and processes of customer service in Inter Cars branches. An additional component in collecting the feedback is telephone surveys made to customers who have verified a decrease in turnover or a deepening of the reasons for the problem reported earlier.



10 492

The satisfaction survey covered 10,492 unique customers who answered a series of questions about their cooperation with the Inter Cars Group via the Online Catalogue - a tool dedicated to customers for ordering parts.

The data collected in the 2020 customer feedback shows that the highest rated criteria for their cooperation with Inter Cars are:

- ✓ Sales Representative service,
- ✓ service of the salesperson at the branch,
- ✓ ease of use of the electronic parts catalogue,
- ✓ timeliness of current deliveries,
- ✓ speed of delivery and average lead time from order to delivery.

We're growing for our customers



MotoIntegrator
– a service connecting people

At Inter Cars S.A. we believe that every car owner deserves a good garage and every garage deserves loyal customers. This is why we have created and continue to develop MotoIntegrator, a unique website connecting drivers and garages. Year after year, the popularity of MotoIntegrator.com grows - since the launch of the site in 2017, it has already been visited by more than 15.6 million drivers, and the visit statistics increased in 2020 by 31% compared to 2019.

We enable drivers to quickly and efficiently find a garage and verify opinions on the level of service provided there, as well as provide expert automotive knowledge. We are a place where they can comprehensively solve their car servicing problems. Garages being clients of Inter Cars, we guarantee an attractive place to publish their offer and price list of garage services and an effective tool to promote their business on the Internet.



MotoIntegrator.com
in 2020:

more than
14,500
garages on all markets
(8 countries)

6.5
million
unique users
(an increase of 31% y/y)

10.8
million
page views (an increase of 6% y/y)

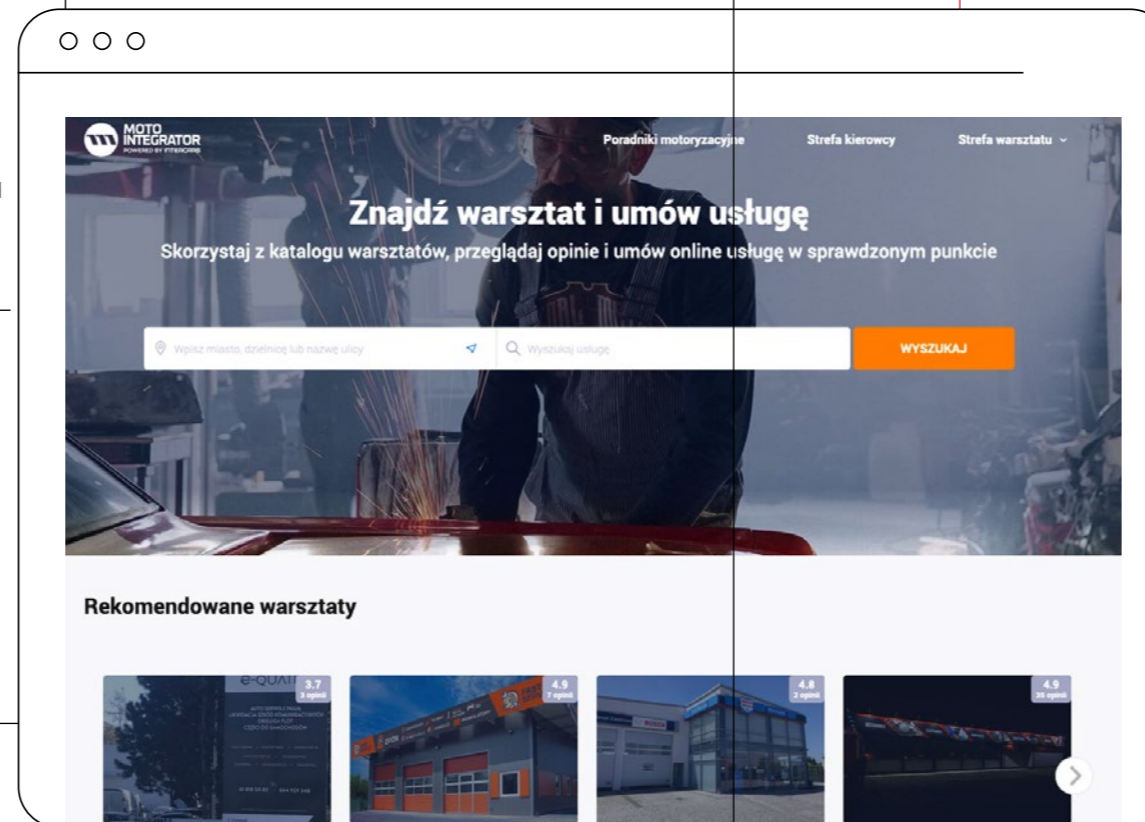
2020 was a time of special and dynamic changes for MotoIntegrator.com.

· we supported all garages cooperating with Inter Cars with marketing activities in the difficult time of the pandemic - we prepared packages of materials to help promote their business, we advised on how to effectively use MotoIntegrator.com in online communication with drivers,

· we have expanded into new markets in Europe - four new countries have joined us and we are now present not only in Poland, Croatia, Bulgaria and Lithuania, but also in Bosnia and Herzegovina, Romania, Slovenia and Hungary,

· we have become an attractive marketing partner for companies in the automotive industry. The popularity of the service, and the possibility of reaching out through it to a selected group of recipients, such as drivers looking for a specific service, gave MotoIntegrator.com marketing partners such as Aisin, ZF (TRW, Sachs, Lemforder), Total, Exide, Semperit or Q Service Castrol,

· we have focused heavily on improving MotoIntegrator at the level of technological solutions and visuals, which has resulted in a faster and more efficient functioning platform with a completely new graphic design.



The garage of the 21st century

Digitalisation of business processes is one of the solutions that can bring many benefits to garage owners, mechanics and their customers. Inter Cars has at its disposal a wide range of tools that may be a ticket to bringing business into the 21st century and creating an e-Garage.

Online Catalogue

The online catalogue is an innovative tool which facilitates everyday work of garages. It is the most frequently used parts ordering program by mechanics:

- ✔ enables searching and ordering parts for cars, trucks and motorbikes,
- ✔ allows you to search by VIN number, which makes it easier to find a part for any vehicle,
- ✔ allows you to quickly quote for repairs and determine repair costs.

New features in the Online Catalogue introduced in 2020:

Chat for faster customer contact with a sales representative, salesperson or specific Inter Cars department,

GTU codes, i.e., markings specifying the affiliation of the goods sold and services provided, introduced for selected goods and subject to reporting to JPK_V7. They are visible not only in the application itself, but also on printouts and in exported files.

eSOWA, i.e., Electronic Garage Management System

eSowa is a programme created for comprehensive service and management of a garage, a car shop or a tyre shop. It enables modern customer service as well as helps in the daily management of a garage.

The main advantages of eSOWA

Access to definitions of more than one million parts, their photos and replacements
Free subscription of repair times
Several million barcode database

Timetable

Retrieval of customer data from the CSO database
Support for JPK_MAG and JPK_FA files
Cooperation with fiscal printers (on-line)

Tyre storage service

Possibility to download FAs and purchase slips on-line
Module for sending SMS messages
Tyre storage

Support for split payment

VAT number on receipts
Support for BDO numbers

Online catalogue in figures (monthly)

48 000 customers 522 824 VIN numbers decoded

1 367 411 customer logins

31 064 753 indexes displayed

e-Catalog

A modern parts catalogue available everywhere and on every device, also on phones and tablets. e-Catalogue is a platform which, apart from basic functions like searching and ordering parts, also offers such services as pricing or using promotions and special actions. The application is the Company's main sales tool in several European markets. In 2020 it was made available to customers in Poland in a test version, and in the coming months it will be implemented in full both for mobile devices and in the desktop option.

- e-Catalogue is about:**
- ✔ the possibility to use it on any device,
 - ✔ searching vehicles by VIN number,
 - ✔ easy search for names and indexes,
 - ✔ convenient and fast way of finding and ordering of parts,
 - ✔ order history.



Technical expert hotline

Both the processes of globalisation of the economy and individual political or social incidents, such as COVID-19, determine the technical development of means of communication in the Polish and foreign aftermarket industry.

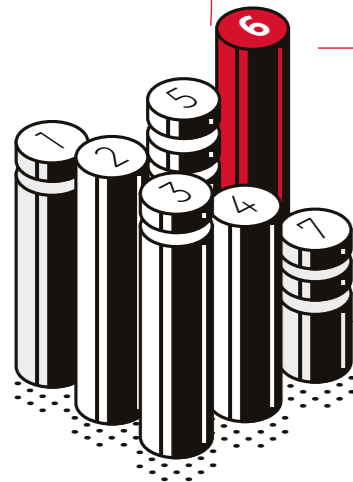
Looking for the best solutions for our customers, we constantly implement improvements aimed at improving the standard of work in all garages. Responsive actions such as training, mobile functions of the Online Catalogue, chat with customers or recently improved technical expert helpline are not only forms of contact, but above all means of assistance dedicated to customers.

The technical expert hotline is about:

- ✔ The possibility to quickly consult a problem with a qualified advisory team that will answer all questions regarding the diagnostic and repair process of the passenger car section,
- ✔ Easier repair of even the most complicated fault. Our advisors will direct the repair process by the phone and warn, where a possible problem may appear.

Local communities

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



In our social responsibility and charitable activities, we focus mainly on children and young people - their development - both physical and intellectual, and on saving their health and lives. We also support children and youths in difficult financial and living situations.

Our flagship programme, aimed at supporting young people, is the "Young Staff" programme, as part of which the Young Car Mechanic competition is organised. More information about the initiative is included on page 84 of the report.

At Inter Cars S.A. we spend a lot on charity: we support children, young people and the disabled - this is what we focus on as part of the responsible business policy of the Inter Cars Capital Group.

In 2020 we supported several additional initiatives, such as:

Run for Breath

A project created by the Polish Society for Fighting Cystic Fibrosis. The event is intended to draw attention to the problems of people suffering from this disease, and also to collect funds needed for their daily functioning. Inter Cars became one of the partners of the campaign.

HERO Truckers

Campaign organised by the Truckers Life foundation to help professional drivers during the COVID-19 pandemic, aimed to provide them with as many safety measures necessary on the road as possible. Inter Cars supported the project financially through Q-Service Truck and Ford Trucks Polska.

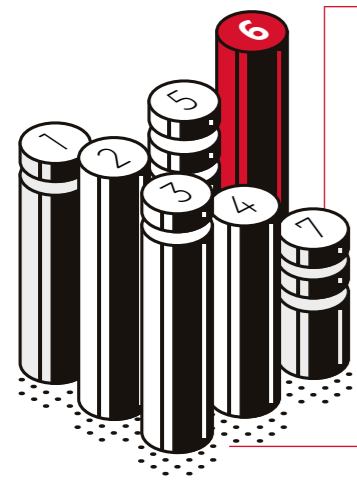


Bartosz Ostalowski Inter Cars Ambassador

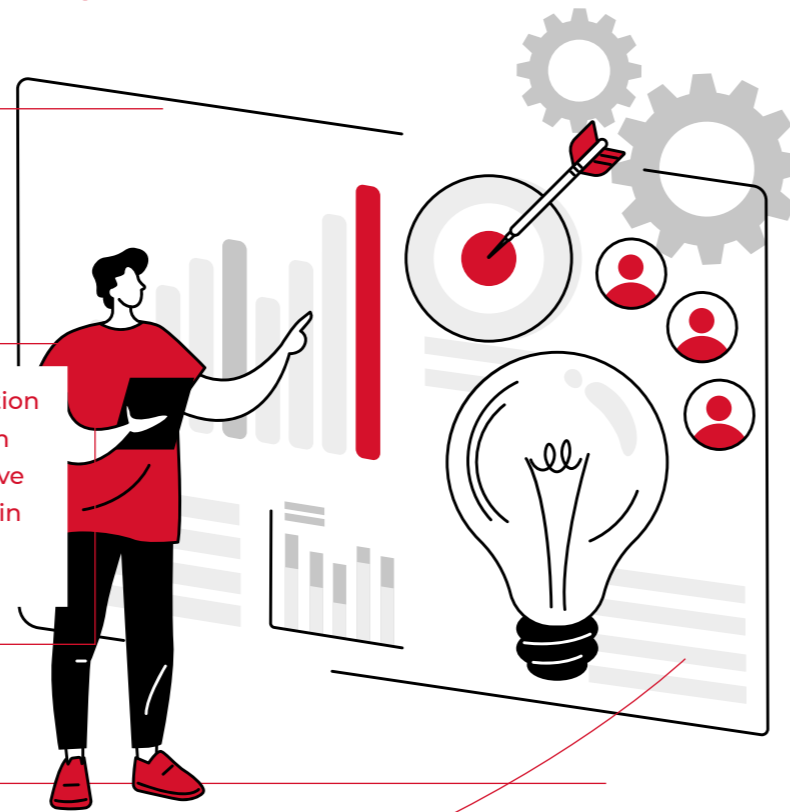
An exceptional company always identifies with exceptional people. Bartosz Ostalowski, the world's only driver with a FIA licence who drives a car with his foot, is undoubtedly one of them. Bartosz lost his hands in a car accident but he never lost his spirit and was stubborn enough to continue pursuing his dreams. Thanks to Inter Cars S.A.'s involvement, a special car was built for him, allowing him to compete against the best drifters on equal terms. In 2020, Bartosz won one of the rounds of the Drifting Championship of Poland for the first time, and also became the Automotive Influencer of the Year in The Best of Moto 2020 poll.

Management and strategy for the next year (G – governance)

Inter Cars as a leader in corporate responsibility in the industry



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



Building awareness of the market and its environment regarding the directions of the industry's development

The company remains committed to SDCM. Krzysztof Soszyński, Vice President of the Management Board of Inter Cars, is currently a member of the board of the association and is actively involved in the current activities of this organisation.

SDCM's information activities are primarily targeted at the so-called decision makers, i.e., representatives of public administration and other entities participating in the process of making laws and shaping public policies.

SDCM also analyses the possibility and legitimacy of undertaking educational and information campaigns addressed to a wide range of audiences.

SDCM - the Automotive Parts Distributors and Manufacturers Association - is the Polish voice of the automotive industry. It comprises 154 major players of the Automotive Components Industry and Market, SDCM Members, representing the interests of industry, trade and services with a value of more than PLN 140 billion annually, creating nearly 300,000 jobs. SDCM belongs to the largest European organisations such as: CLEPA (European Association of Automotive Suppliers) and FIGIEFA (European Federation of the Automotive Aftermarket Distributors).

The association associates and represents international companies operating in the automotive industry, investing hundreds of millions of zlotys in Poland, such as Bosch, Brembo, Delphi, Valeo, Federal Mogul, Mahle, ZF TRW, but also many domestic manufacturers such as: Wuzetem, Asmet or ISKRA.

Sharing knowledge and strengthening the voice of the automotive industry on the regulatory forum

These activities are realised through Inter Cars involvement in SDCM activity, which actively participates in legislative works and those connected with shaping public policies, which influence the activity of the automotive IAM sector, including the company. SDCM activity is supported by our managers and experts in the works on regulatory forum.

Periodical communication and reporting of financial and non-financial data for building the Inter Cars brand and reputation among key stakeholder groups

Inter Cars' Non-Financial Report is published periodically according to legal requirements and relevant standards.

We make every effort to involve the management board, employees and other stakeholders in the preparation of our reports.

Unification of responsible external communication messages and activities

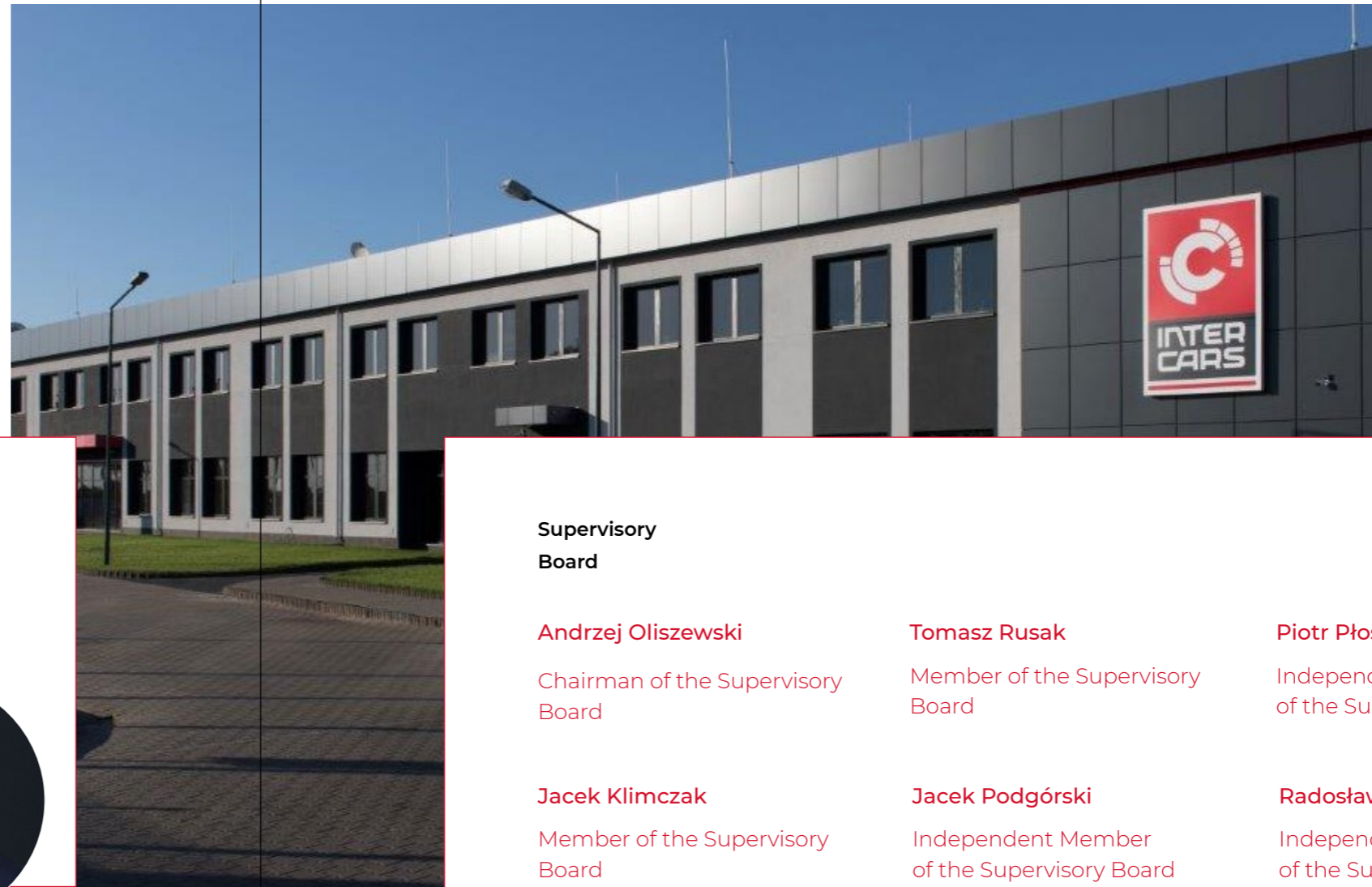
An important group of stakeholders for us is the automotive industry media, which we try to support through direct PR activities. Dedicated employees of the organisation are constantly at the disposal of journalists, helping them with issues related not only to the Inter Cars brand, but the entire automotive market. Responsible communication is based on the activities of our press office, which is always provided with top-quality information.

Taking care of its stakeholders, in this case business customers, Inter Cars publishes two custom publications. IC News - a two-monthly dedicated to the passenger cars market, and Inter Truck - a quarterly dedicated to the trucks market. Both magazines are delivered strictly to their target group of readers, i.e., to garages and branches of Inter Cars S.A.

Aware of the importance of modern communication channels, the Inter Cars Capital Group is also intensively developing its digital communication tools - websites, social media and e-mail marketing activities.

**Our
management
structure**

[GRI 102-18]



**Structure and Members
of the Management Board**



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



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



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



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



Krzysztof Oleksowicz
Co-founder of Inter Cars S.A.

As of 1 January 2020, the founder of Inter Cars, Krzysztof Oleksowicz,
has been appointed to the position of Strategic Advisor of the
Management Board of the Company.

As of September 1, 2020, Tomáš Kaštil resigned from his position as Member of the Management Board of the Inter Cars Capital Group. The resignation was dictated by personal reasons.

Tomáš Kaštil was associated with the Inter Cars Capital Group since 2004, co-creating the Inter Cars sales network on foreign markets, including the Czech Republic, Slovakia, Hungary, Romania, Bulgaria and Croatia. Between 2013 and 2016, he served as the company's proxy, while from 26 September 2016 he was a Member of the Company's Management Board.

**Supervisory
Board**

Andrzej Oliszewski

Chairman of the Supervisory
Board

Tomasz Rusak

Member of the Supervisory
Board

Piotr Płoszajski

Independent Member
of the Supervisory Board

Jacek Klimczak

Member of the Supervisory
Board

Jacek Podgórski

Independent Member
of the Supervisory Board

Radosław Kudła

Independent Member
of the Supervisory Board

**Audit
Committee**

Piotr Płoszajski

Chairman of
the Committee

Radosław Kudła

Member of
the Committee

Andrzej Oliszewski

Member of
the Committee

Jacek Podgórski

Member of
the Committee

As of September 10, 2020, Jacek Klimczak ceased to act as a member of the Audit Committee and as of the same date Radosław Kudła was elected to act as a member of the Audit Committee.

Corporate values

[GRI 102-16]



leadership through example



modesty



courage



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

"Leadership through example is a very good topic, especially for managers." It is about pointing in the direction which the company should follow. It is also about motivating people to reach higher and higher, i.e., to be ambitious. Teams should be built in such a way as to encourage people to support each other in getting to the top and in being able to celebrate their success together. It is the role of the leader to create the right atmosphere within an organisation, take responsibility and share their success with their colleagues"



Krzysztof Oleksowicz,
Co-founder of Inter Cars S.A.

"Modesty is about relations. Relations between employees and their superiors. At Inter Cars, modesty is visible at first glance - we are all on first name terms with each other. This facilitates cooperation. Modesty is also attention. Paying attention to everyone's opinion. Anyone can be right, irrespective of their position. Modesty is a desirable feature conducive to a dignified life based on trust, which ultimately leads to partnership. And trust is the foundation on which Inter Cars has been built"



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

"Courage is a term known to everyone, although it can be understood in different ways. Our value is to tell the truth. It takes the courage to admit to a mistake and to be able to take risky decisions and face the possible consequences"

Mutual respect and trust

The Inter Cars Capital Group Code of Conduct and Good Market Practices ("the Code"), indicates that one of the most important principles of the Inter Cars Capital Group's activity is the principle of equal opportunities and equal treatment.

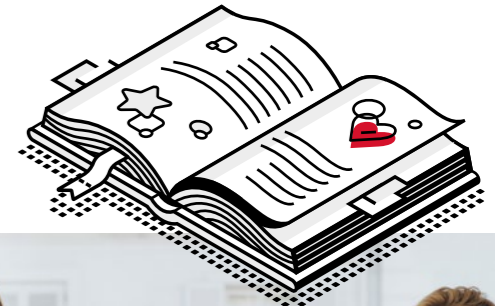
These principles refer both to recruitment processes, assessments and promotions as well as access to opportunities offered by Inter Cars. Moreover, the Inter Cars Capital Group promotes attitudes of tolerance and openness and fair treatment of all irrespective of gender, age, race, outlook, health status, union membership, seniority, job position, appearance or sexual orientation.

The Code also contains a declaration of opposition to the proclamation of extreme views and views incompatible with the generally accepted norms of civilisation, and in particular views that disturb personal dignity, religious feelings or world views. The Code is made available to employees, business partners and suppliers.

We expect suppliers and business partners to adhere to the principles contained in the Code by referring directly to the principles contained in the Code in their contracts with these entities. For employees, familiarity with the Code is mandatory, and mandatory e-learning courses are also provided in this regard.

The rules for reporting infringements of the aforementioned rules are defined in the Code and, in more detail, in the Inter Cars Capital Group Malpractice Prevention Policy. In any case, infringements can be reported directly at: compliance@intercars.eu

In 2020, no cases of discrimination were reported in the Inter Cars Group.



Inter Cars supports the "WomanUpdate" campaign

Woman Update is a campaign which is aimed to encourage women to change their industry – update their skills. Thanks to the campaign each and every woman, no matter her experience, age or place of living, has a chance to go beyond her current limits get outside the box and gather the competence of the future.

- the Technology is right here right now. EVERY woman has the chance to gain digital competence – no matter of her experience, age, and

even... her epoch. The campaign is to show that the key to safe future, stable employment and good remuneration is constant development and obtaining new skills - said the initiators of the campaign, Beata Jarosz and Joanna Pruszyńska-Witkowska.

As part of the campaign, a report entitled "Digital key to professional future" was published. Women on the labour market in the post-covid reality" prepared by DELab – an interdisciplinary research institute at Warsaw University and the Innovative Economy Institute INGOS. It featured analysis and data on the direction of the labour market changes triggered



by the pandemic-related economic crisis and accelerated digitalisation, with a particular focus on the situation of women.

Membership in organisations

[GRI 102-13]

Knowledge, innovative insights and years of experience are practices that we constantly improve, but which we are also happy to share by actively participating in industry associations.

We belong to the Automotive Distributors and Manufacturers Association (SDCM). The association is a member of the European Federation of the Automotive Aftermarket Distributors.

As a member of SDCM, since 2016, we have been actively participating in the works of CLEPA, Europe's only organisation representing the interests of automotive parts manufacturers. The opinion of our experts matters, and is frequently voiced, among other things, during debates devoted to technical regulations, all aspects of development, innovation and competitiveness of the automotive industry as well as gas emissions and all environment protection issues.

We are a member of the International Association of Automotive Spare Parts Distributors ATR, one of the world's biggest spare parts distribution organisation. Through this membership, together with our partners, we develop our activities on many markets and strengthen the international independent automotive aftermarket.

Certification

Quality management

The Organisation has implemented, maintains and continues to improve a quality management system compliant with the ISO 9001:2015 standard.

The primary objective of both the implementation, and now the maintenance and improvement of the system, is to increase the effectiveness and efficiency of the processes implemented and to ensure the highest satisfaction of our customers in relation to the services and products provided.

This objective, in the era of the pandemic both in 2020 and this year, acquires particular importance and poses a challenge for both the organisation and its business partners.

The Company, acting in accordance with the requirements of the aforementioned standard, particularly with regard to risk management, while complying with the orders and recommendations of the relevant departments and authorities, has significantly minimised the adverse effects of the 2020 pandemic, including with regard to the quality management system.



In June 2020, effectiveness and efficiency of the processes implemented by the organisation were confirmed by the certification body DEKRA Sp. z o.o., which conducted a surveillance audit of the quality management system at that time.

DEKRA's next renewal audit for the quality management system is planned for June 2021.

The ISO 9001:2015 certificate held by Inter Cars is confirmation that the requirements in relation to internationally accepted management standards have been met by the organisation and by the companies ILS and Intermeko, which are covered by this system.

Environmental management

At present, the widely understood environmental protection is an important factor in the economic development of many countries, especially European countries. An increasing number of companies are reducing their operating costs by introducing processes that use less energy, water and raw materials. Such actions have a significant impact on reducing waste, which is generated in the processes implemented.

The environmental management system according to ISO 14001:2015 is a "tool" that allows the organisation to effectively achieve increasingly higher standards and environmental objectives. ISO 14001:2015. This system began to be implemented in 2020. ILS Sp. z o.o., which is a subsidiary of Inter Cars S.A.



The implementation of the aforementioned system at ILS and the obtaining of the certificate are measurable benefits for the company, as well as for the entire Inter Cars Group, which will enable:

While implementing the environmental management system, ILS defined new processes in terms of meeting environmental requirements, identified significant environmental aspects for its activities, products and services that it can supervise and influence, and verified risks and requirements for these aspects.

The Company has also identified environmental objectives that have a significant impact on the environment. These targets in 2020 were met in accordance with the objectives set.

The final confirmation in terms of meeting international environmental management standards will be the certification of the environmental management system, which the company plans to carry out in the late first and early second half of 2021.

ILS Sp. z o.o. is a logistics operator specialising in comprehensive logistics services for the automotive segment as well as for other industries. The services provided by the company in the field of warehousing, packaging, picking and transport are not only a logistical challenge for this organisation, but also a challenge with regard to environmental requirements. Given that ILS's logistics activities have a significant impact on the environment, the company first implements and certifies its environmental management system.

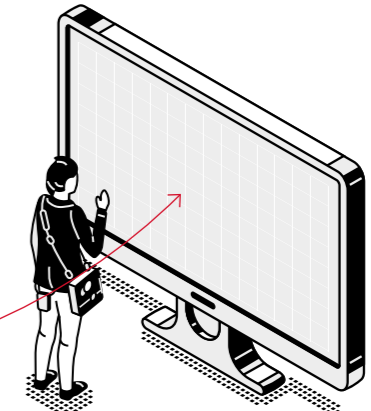


effective management in relation to the environment, in accordance with with current legal provisions;	improving the environmental performance of the business by preventing or mitigating adverse impacts on the environment;	more efficient operations, through the use of alternative and environmentally beneficial solutions;
increasing the organisation's business opportunities in relation to customers who place a high value on a friendly environment and require a certified environmental management system;		strengthening the organisation's image due to a comprehensive approach to environmental issues;
the organisation's structured approach to environmental management;	the reduction of generated waste and pollution, which allows for a significant reduction of costs related to their disposal;	increased environmental awareness among employees.

After completion of the ILS system certification process, it is also planned to complete implementation of the environmental management system at Inter Cars S.A. Other Inter Cars companies, e.g., Intermeko Europe Sp. z o.o. may also be covered by the said system.

In 2020, the epidemiological situation in the world, including Poland, had a huge impact on communities, processes and chains of cooperative relations. The effects of the pandemic have been felt to a greater or lesser extent by companies across most industries. The constraints imposed by pandemic-related regulations have also forced organisations to change their approach to risk and related activities.

Our organisation, having a quality management system in place and additionally implementing an environmental management system, has and continues to take a special approach to the risks associated with its business and its environmental aspects. This way of doing business has minimised the negative impacts that resulted from the pandemic and the associated restrictions in 2020.



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GRI table and consolidated non-financial data

[GRI 102-55]



Indicator	Indicator title	Page number
	2016 profile indicators	
	Organization's profile	
GRI 102-1	Name of organisation	1
AA ¹	Concise description of the organisation's business model	3
GRI 102-2	Description of the organisation's activities, main brands, products and/or services	
ESMA ²	Business Model and Value Creation	
GRI 102-3	Location of headquarters	24
GRI 102-4	Location of operations	24
GRI 102-5	Ownership and legal form	3
GRI 102-6	Markets served	24
GRI 102-7	Scale of organization	20
GRI 102-8	Information on employees and other workers	71
GRI 102-9	Supply chain	30-31
GRI 102-11	Explanations of weather and how the organization applies the precautionary principle or approach	36
GRI 102-12	A list of externally-developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it endorses	19
GRI 102-13	Membership of associations	104
GRI 102-14	Top management statement	10-17
AA	Description of the management of risks identified as material	36
GRI 102-15	Description of key impacts, opportunities and risks	
ESMA	Non-financial risks (including climate risks) and approach to risk management	
	Governance	
GRI 102-16	The organisation's values, code of ethics, principles and standards of behaviour	102-103
GRI 102-18	Governance structure of the organization, including committees of the highest supervisory body	100 - 101

¹ Requirements laid out in the Accounting Act (AA) of 29 September 1994

² European Securities and Markets Authority Guidelines

Indicator	Indicator title	Page number
	Stakeholders	
GRI 102-40	A list of stakeholders engaged by the reporting organization	35
GRI 102-41	Employees covered by collective agreement	Not applicable
GRI 102-42	The basis for identification and selection of the stakeholders engaged by the organization	35
GRI 102-43	Approach to engaging stakeholders, including the engagement frequency by the type and group of stakeholders	35
GRI 102-44	Key topics and issues raised by stakeholders and the response from the organisation, including by reporting on them	35
	Reporting practice	
GRI 102-45	Reporting the entities included in the organization's consolidated financial statements	9
GRI 102-46	An explanation of the process for defining the report content and the topic boundaries	9
GRI 102-47	Material topic identified	35
GRI 102-48	Restatements of information	9
GRI 102-49	Changes in reporting (material changes from previous reporting periods on significant topics and limits of aspects)	9
GRI 102-50	Reporting period	9
GRI 102-52	Reporting cycle	9
GRI 102-53	Contact details	Board Office biuro.zarzadu@intercars.eu
GRI 102-54	The 'in accordance' option the organisation has chosen (Core or Comprehensive)	9
GRI 102-55	GRI content index	108-112
GRI 102-56	Policy and current practice with regard to external assurance of the report	9
GRI 103-1	Explanation of the material topics and their boundaries	60, 70, 98-99





Indicator	Indicator title	Page number
	Management approach	
GRI 103-2	The management approach and its components	60, 70, 98-99
GRI 103-3	Evaluation of the management approach	60, 70, 98-99
AA	Description of policies, due diligence procedures and results related to the entity's operations with respect to social issues	70
	2016 profile indicators	
	ECONOMIC DISCLOSURES	
	Economic performance	
GRI 201-1	Direct economic value generated and distributed (including revenues, operating costs, employee remuneration, grants and other community investments, undistributed profits, payments to providers of capital, payments to government)	20
	Market presence	
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimal wage	72
GRI 202-2	Proportion of senior management hired from the local community	75
	Counteracting corruption	
AA	Description of policies, due diligence procedures and results related to the entity's operations with respect to counteracting corruption	37
GRI 205-3	Confirmed cases of corruption and actions taken	20
	Anticompetitive behaviour	
GRI 206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	20





Indicator	Indicator title	Page number
	ENVIRONMENTAL DISCLOSURES	
	Energy 2016	
AA	Description of policies, due diligence procedures and results related to the entity's operations with respect to the environment	60
GRI 302-1	Energy consumption within the organization, including information on the type of resources	67
	Sewage and waste	
GRI 306-2	Total weight of waste by type and disposal method	63
	Compatibility with the 2016 environmental regulations	
GRI 307-1	Monetary value of penalties and total number of non-financial sanctions for non-compliance with environmental laws and/or regulations	No penalties were imposed for non-compliance with environmental regulations.
	SOCIAL DISCLOSURES	
	Employment	
AA	Description of policies, due diligence procedures and results related to the entity's operations with respect to employment issues	70
ESMA	Description of social and employee issues	70 - 81
GRI 401-1	New hires and employee turnover	113
GRI 401-2	Fringe benefits provided to full-time employees not available to temporary or part-time employees	73

Indicator	Indicator title	Page number
	Health and safety of employees 2018	
GRI 403-1	Occupational health and safety management system	76-77
GRI 403-2	Hazard identification, risk assessment, incident investigation	76-77
GRI 403-3	Occupational health	76-77
GRI 403-4	Worker participation, consultation and communication on occupational health and safety	76-77
GRI 403-5	Occupational health and safety training	78
GRI 403-6	Employee health promotion	79
GRI 403-7	Preventing and mitigating negative impacts on health and safety at work through business relationships	78
GRI 403-8	Employees covered by a health and safety management system	77
	Training and education	
GRI 404-1	Average hours of training per year per employee	83
GRI 404-3	Percentage of employees receiving regular performance and career development reviews, by gender and employment category	100%
	Non-discrimination 2016	
AA	Description of policies, due diligence procedures and results related to the entity's operations with respect to human rights We define human rights as: the right to protect private life, freedom from degrading treatment, right to non-discrimination	27 – 39, 70-98
GRI 406-1	Incidents of discrimination and corrective actions taken	LACK
	Health and safety of customers	
GRI 416-1	Assessment of health and safety impacts of relevant product and service categories	88
	Other topics	
ESMA	Impact of COVID-19 pandemic on non-financial issues	46-55

Annex:

[GRI 401-1] New hires and leavers

	Total number of new employees recruited in 2020, by gender	Number of employees (per headcount)	Number of new hires	Percentage of new hires (per headcount)
Inter Cars Group	 Women	995	167	16.78%
	 Men	2383	453	19.01%
	Total	3378	620	18.35%
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Inter Cars SA	 Women	282	46	16.31%
	 Men	384	61	15.89%
	Total	666	107	16.07%
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	Total number of new employees recruited in 2020, by age	Number of employees (per headcount)	Number of new hires (per headcount) per group	Percentage of new hires
Inter Cars Group	<30	909	268	29.48%
	30-50	2164	321	14.83%
	/50	305	31	10.16%
	Total	3378	620	18.35%
	<hr style="border-top: 1px dashed #000;"/>			
Inter Cars SA	<30	161	41	25.47%
	30-50	457	59	12.91%
	/50	48	7	14.58%
	Total	666	107	16.07%

	Total number of leavers in 2020, by gender	Number of employees (per headcount)	Number of new hires	Percentage of new hires (per headcount)
Inter Cars Group	 Women	995	163	16.38%
	 Men	2383	488	20.48%
	Total	3378	651	19.27%
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Inter Cars SA	 Women	282	36	12.77%
	 Men	384	60	15.63%
	Total	666	96	14.41%
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	Total number of leavers in 2020, by age	Number of employees (per headcount)	Number of new hires (per headcount) per group	Percentage of new hires
Inter Cars Group	<30	909	204	22.44%
	30-50	2164	402	18.58%
	/50	305	45	14.75%
	Total	3378	651	19.27%
	<hr style="border-top: 1px dashed #000;"/>			
Inter Cars SA	<30	161	33	20.50%
	30-50	457	57	12.47%
	/50	48	6	12.50%
	Total	666	96	14.41%



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